In March 2013, we initiated an audit of the Effectiveness of the State Small Business Credit Initiative (SSBCI). Our audit objectives were to assess the effectiveness of the SSBCI in increasing access to capital for small businesses and evaluate whether Treasury’s stewardship of the SSBCI was adequate to ensure program effectiveness. For the reasons discussed below, we are terminating this audit.

Fieldwork on this audit was completed and a discussion draft report was issued in July 2014; however, we did not issue a formal draft report as our resources were focused on other audit priorities. These priorities included audits of States’ compliance with SSBCI program requirements in New York, New Hampshire, Arkansas, Oregon, and Rhode Island.

Our fieldwork found that States reported to Treasury, on a quarterly and annual basis, the following information: (1) SSBCI funds obligated, expended and invested; (2) jobs created and retained; and (3) SSBCI funds used for administrative costs. Treasury used the States’ self-reported information to prepare and publish both quarterly and annual program reports. For example, in the State Small Business Credit Initiative: A Summary of States’ 2013 Annual Reports, Treasury reported that the program had leveraged over $4 billion of increased capital to local

businesses. Quarterly and annual program reports are available on Treasury’s website.

Regarding its stewardship of the SSBCI program, Treasury issued policy guidelines, national standards and frequently asked questions to participating States, including:


Additionally, Treasury monitored States’ compliance with SSBCI program requirements by periodically reviewing a sample of loans and investments enrolled in state programs that received SSBCI funds.

Finally, we note that the Government Accountability Office (GAO) is required by the *Small Business Jobs Act of 2010* to perform an annual audit of the SSBCI program and issue a report to Congress containing the results of such audits. In December 2014, GAO reported that Treasury had established targets for selected measures to monitor program performance and taken steps to enhance the design of its planned program evaluation.³

In consideration of the above actions, we believe that issuing a final report based on the fieldwork performed will not significantly enhance Treasury’s stewardship of the SSBCI program, nor will it provide new information regarding the effectiveness of the SSBCI program in increasing access to capital for small businesses. Accordingly, we are terminating this audit.

Should you have any questions, please contact me at (202) 927-6236 or Theresa Cameron, Director, Office of Small Business Lending Fund Oversight, at (202) 927-1011.

cc: Timothy Colon, SSBCI Senior Policy Advisor

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² Public Law 111-240 (Sep. 27, 2010).