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HAVA-Related Audit Issues and Follow Up



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AGENDA

- Welcome
- Purpose of Webinar
- Governmental Audits
- Office of Inspector General Audits
 - Role of OIG
 - Role of EAC and the Grants Office
 - Role of the Grantee
 - IG Risk Assessment
 - Audit and the Audit Resolution Process
 - Top Ten Audit Issues
 - Tips
- A-133 Audits
- Questions and Answers



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WHAT IS A GOVERNMENTAL AUDIT?



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- Role of the IG
 - Selects Program Grants to be audited and the timeframe
 - Conducts independent audits
 - In accordance with Government Accounting Standards
 - Usually by qualified CPA firms
 - Issues Drafts Audit reports for Comment (may see Notices of Findings and Recommendations or NFRs before he issues the draft audit report – these are often issued prior to the draft audit – this is communication between the auditor and the auditee (grantee) giving the auditee (grantee) an opportunity to respond and clarify information – these NFRs may or may not become actual findings in the draft audit)
 - Issues Final Audit Reports (includes findings and recommendations that contain questioned costs and internal control findings)



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- Role of EAC and the Grants Office

When appropriate respond to draft audit reports

Resolve audit findings and recommendations

Issue Management Decisions reflecting the agency decision on disallowed costs, systemic issues and internal controls

Assure corrective actions are completed in a timely manner by the grantee for any

Collection or offset of disallowed costs

Internal control issues

Changes in policies, processes or operations



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- Role of Grantee(auditee)
 - Provide access to all records, documentation and key staff
 - Provide adequate workspace and support for auditors
 - Coordinate site visits with other offices, subgrantees or contractors, counties, etc
 - Respond to reasonable requests
 - Comment on draft audit report as necessary
 - Work with EAC grants office on any audit resolution
 - Implement corrective actions after EAC Management Decision



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IG Risk Assessment

Amount of Money Awarded
Funding History of Grantee
Time Since the Last Audit
Previous Audit Findings
Available Funds for Audit



Audit and the Resolution Process

Engagement Letter

Identifies the CPA Audit Firm, dates, space needs

Establishes purpose of audit to determine:

HAVA funds expended in compliance with HAVA and administrative requirements (OMB Circulars and EAC guidance)

Five percent match, interest and HAVA fund

Etc...



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Audit

- Entrance Conference
- Review records, documentation, interview staff
- Site visits to a sample of subgrantees, counties, etc.
- Exit conference, debriefing on results



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Tips

- Best preparation in ongoing quality grants management long before audit selection
- Involve and get commitment of all appropriate agency personnel and management in planning and coordination before, during and after audit – include in entrance and exit conferences
- Do work on gathering missing financial or supporting documentation, internally and externally; taking required equipment inventories and other actions recognized as required and identified in NFRs or draft audit



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Tips

- Do not implement alternative strategies or resolutions to issues identified in NFRs – Remember EAC grants office is responsible for determining appropriate resolution
- Respond to the draft audit by identifying areas of agreement and disagreement with concise, cogent rationale – your response will be part of the record in the final audit report. Do not inundate with extensive arguments and irrelevant information clutter.
- Be timely and responsive to EAC Grants office to identify resolutions and gather data



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Questions