

Top 10 Ways to be Ready for Your Audit

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- Identify all sub-recipients
- Develop monitoring file
 - Site visits
 - Contracts
 - Cross-agency info
 - A-133 reports
 - Correspondence on issue resolution

Top 10 Ways to be Ready for Your Audit (continued)

- Time and Effort Reports:
 - Get your employees into the habit of completing after-the-fact, timely, credible documentation that represents a reasonable estimate of the time worked on each grant project

Top 10 Ways to be Ready for Your Audit (continued)

- Timely Accurate Financial and Performance Reports:
 - Late reports often indicate weaknesses in grant management systems
 - Late reports are ‘red flags’ that may invite scrutiny

Top 10 Ways to be Ready for Your Audit (continued)

- Cost Transfers:
 - Shifts of costs between programs look suspicious
 - Those occurring close to the end of a project are particularly suspect

Top 10 Ways to be Ready for Your Audit (continued)

- Applicable Credits:
 - Don't forget to subtract credits from your grant charges before submitting to the awarding agencies
 - Purchase discounts
 - Rebates & refunds
 - Contract settlements

Top 10 Ways to be Ready for Your Audit (continued)

- Cash Management:
 - Minimize the time elapsing between drawing down federal cash under your letter of credit and disbursing it by check
 - Credit any interest earned back to the federal government

Top 10 Ways to be Ready for Your Audit (continued)

- Property Records:
 - Make sure your property records include all of the required data elements outlined in Circulars A-102 and A-110

Top 10 Ways to be Ready for Your Audit (continued)

- Equipment Inventory:
 - Take inventory of all equipment that has been acquired with Federal funds (at least once every two years)
 - Reconcile the inventory count to your property records

Top 10 Ways to be Ready for Your Audit (continued)

- Non-competitive Procurement:
 - If you award any contracts for goods or services on a sole source basis, prepare a written justification as to why you proceeded with the transaction
 - Ex: emergency, no responses to solicitation, etc.

Top 10 Ways to be Ready for Your Audit (continued)

- Over-valuation of Third Party In-kind Contributions:
 - Carefully and reasonably estimate the fair market value of services, supplies, equipment, and facilities that you receive from third parties and employ in a grant as part of your matching or cost sharing