

Single Audit Rehab

What is Audit Resolution?

The action that will be taken to resolve Findings and Management Decisions

BACKGROUND

- The Single Audit Act of 1984 established requirements for audits of States, local governments, and Indian tribal governments that administer Federal financial assistance programs.
- Office of Management and Budget (OMB)

OMB A-133

- The 1996 Amendments extended the statutory audit requirement and substantially revised various provisions of the 1984 Act.
- On June 30, 1997, OMB issued revisions to Circular A-133 to implement the 1996 Amendments, extend OMB Circular A-133's coverage to States, local governments, and Indian tribal governments, and rescind OMB Circular A-128.
- On June 27, 2003, OMB amended Circular A-133 to increase the audit threshold to an aggregate expenditure of \$500,000 in Federal funds.
- OMB further amended Circular A-133 on June 26, 2007 to: (1) update internal control terminology and related definitions in Circular A-133 and (2) simplify the auditee reporting package submission requirement.

“365-Days Rule”

Number of days Indian Affairs has to render notice to bill or collect “disallowed costs”.

“**Time-barred**” from collection or further action by the Secretary unless the Secretary has given notice of any disallowance within the 365-day of receiving the annual agency single audit report. In the Office of Internal Evaluation and Assessment.

As provided in Section 106(f) of the ISDEAA

Audit Resolution

- Disagreements over resolution of audit findings or questioned costs shall be subject to Post-Award Contract Disputes, CFR 25, Subpart N.

Reviewed by the
Civilian Board of Contract Appeals.

Audit Resolution

- **Awarding Official Roll**
or **Education Line Officer**

Receives a Single Audit Report from IEA

- Immediately review for Findings and Corrective Action if applicable.
- Assess whether the Corrective Action is sufficient to resolve the issue, or additional information is needed.

Remember: the Corrective Action must meet the requirements of OMB Circular A-33.

Audit Resolution

AO/ELO Role continued:

- A reply to IEA will be required 90 days from the date of transmittal by IEA.
- In all cases where findings are assigned, the AO/ELO, will need to issue a Findings and Determination (F&D) to the Tribe/Tribal Organization.
 - If there are questioned costs identified, the F&D must include your disposition (*an arrangement or adjustment*) on the costs in question.

Audit Resolution

- If an Awarding Official or Education Line Officer receives a copy of the Single Audit in advance of receiving a report from IEA and not from the Auditor's Findings, they are to begin resolving noted issues immediately.
- Inquire whether the audit report has been submitted to IEA.
- AOs should thoroughly familiarize themselves with what constitute a "Finding".

Audit Resolution

- If the Audit is clean- no Findings, Determinations, Management Decisions, etc., no response will be necessary by the AO/ELO.
- However, the AO/ELO needs to inform the tribe in writing that the Report has been reviewed and because there are no Findings no further action will be taken by the Bureau.

Why are Costs Questioned i.e., What are Questioned Costs

- Costs occurring because of a (possible or real) violation of law, regulation, contract governing the use of Federal funds.
- Costs not supported by adequate documentation.
- Unreasonable costs – not reflecting the actions of prudent or reasonable persons or processes.

Audit Resolution

- **Corrective Action Plan**
 - Actions necessary to correct;
 - Identified deficiencies
 - Produces improvements
 - Demonstrates that audit findings are invalid or don't warrant further action by the auditee.

The Plan must:

- Name the responsible person
- Finding-specific corrective action
- Name a completion date.