

Audit Management Monitoring Checklist

In the Guide, pages 144-156

This document summarizes key questions for monitoring audit management. Grantees may wish to use this list as a guide, and add additional, more specific, questions to develop their monitoring tools. Each monitoring question references pages in the HOPWA Grantee Oversight Resource Guide that provide additional information.



Additional information & resources can be found here:
<https://www.hudexchange.info/resource/1920/hopwa-financial-management-training-manual>

HOPWA Grantee Oversight Resource Guide
<https://www.hudexchange.info/resource/1003/hopwa-grantee-oversight-resource-guide>

Audit Thresholds—In the Guide, page 146

Does the sponsor meet the audit threshold of \$750,000 in annual federal income or applicable state audit thresholds?

- Determine if the sponsor meets the audit threshold
 - » Review the sponsor organization’s annual budget, and if the total revenue from federal grants is \$750,000 or greater, confirm that the sponsor has conducted an audit using an auditor
 - » If the total is less than \$750,000, confirm if state requirements apply, and ask for and review copies of independent audits the sponsor has conducted

Audit Frequency and Timeliness—In the Guide, pages 148 and 153

Does the sponsor conduct an audit annually, unless it meets criteria for biennial audits?

- Verify sponsor frequency of audits and submission to the grantee within 30 days of receipt—no longer than 9 months after the end of the time period
 - » Confirm the sponsor’s fiscal year, date of sponsor’s last audit, and date of sponsor’s next planned audit
- Review for any evidence of audits submitted infrequently or late

Procurement and Qualifications of Auditor—In the Guide, pages 149-151

Did the sponsor follow prescribed procurement standards for hiring the auditor? Does the auditor meet auditor qualifications of Government Auditing Standards?

- Review the sponsor’s procurement policy for hiring the auditor and verify that:
 - » The auditor met Government Auditing Standards, and;
 - » The sponsor’s procedure for hiring the auditor was in compliance with federal regulations

Audit Costs—In the Guide, pages 153-154

Did the sponsor designate audit costs appropriately, either allowable as a direct cost, or as an allocated indirect cost?

- Review financial records that cover allocation of audit-related costs
- Verify that audit costs are distributed proportionately among the sponsor’s various revenue sources, and appropriately designated as direct or allocated indirect costs

Audit Contents—In the Guide, pages 151-152

Does the audit report include opinions on whether or not:

- **The sponsor’s financials are presented fairly in all material aspects in conformity with the Generally Accepted Accounting Principles?**
- **The sponsor’s schedule of expenditures is presented fairly in all material aspects?**

- **The sponsor has complied with laws, regulations, and provisions of contracts or grant agreements that may have a direct and material effect on each of its major programs?**
- **The sponsor’s records adequately reflect the sponsor’s financial position?**
- **The sponsor has adequate controls and systems in place?**
- Review the grantee/sponsor audit for any evidence of findings or corrective actions noted
- Use audit report notes to help guide monitoring plans for project sponsor oversight

Audit Results: Audit Findings and Corrective Actions—In the Guide, pages 154-156

Does the sponsor have any audit findings from prior audits? If so, has the sponsor tracked prior audit findings by preparing a summary schedule of prior audit findings?

- Audit Findings:
 - » Review current and previous audits for any findings, and follow up with the sponsor to understand how the findings have been addressed
- Corrective Actions:
 - » If findings do exist from a prior audit, review the sponsor’s summary schedule of prior audit findings and ensure that the sponsor has adequately addressed previously identified findings