



Federal Grants Streamlining Initiative

Audit Oversight Work Group

**Grants Policy Committee
Stakeholders' Meeting
October 25, 2006**

***Nancy McGinness
GPC Work Group Chair***



The Part of Grants Process We Address

- **Audits of Federal Assistance Programs**
- **Every entity that expends \$500,000 or more of Federal assistance funds annually must complete an audit under OMB Circular A-133.**
- **The Audit Oversight Workgroup has the responsibility for ensuring that information is available to the grantees and their auditors in order for quality audits to be performed and for determining the procedures for receiving and processing the completed audits are in place and are working at Federal departments and agencies.**



Our Objectives

- **Have single audits that meet Federal oversight needs**
- **Maintain a Single Audit Compliance Supplement with up-to-date information on Federal requirements**
- **Assure Federal audits are conducted as required and meet quality standards**



Our Objectives

- **Monitor services provided by the Federal Audit Clearinghouse (FAC), suggesting enhancements for more efficient use of the FAC by grantees and Federal agencies**
- **Provide the public and Federal agencies clear and easily understood information on the requirements of the Single Audit Act and OMB Circular A-133**



How We Operate

The Audit Oversight Work Group is comprised of four teams

- **Compliance Supplement Team** – prepares the annual compliance supplement for the A-133 audits
- **Audit Quality Team** – analyzes the quality of A-133 audits and the quality review process used by Federal agencies



How We Operate

- **Audit Policy Team – addresses any issues related to the conduct of audits by independent auditors and the use of audits by Federal agencies**
- **Federal Audit Clearinghouse Team – analyzes the operation of the FAC and recommends improvements**



Accomplishments to Date

- **Annually updated and published the single audit compliance supplement used by auditors in auditing Federal assistance programs under OMB Circular A-133 including enhancements to more clearly articulate the Federal requirements**
- **Worked with the FAC to update the SF-FAC for reporting audit information, enhancing the reporting capabilities of information to Federal agencies, and to providing electronic access to the reporting packages submitted to the FAC by grantees**



Accomplishments to Date

- **In conjunction with the President's Council on Integrity and Efficiency (PCIE), performed quality control reviews on over 200 single audit reports from a broad range of entities that cover the entire grantee community.**
- **Developed a plain-language pamphlet explaining the single audit process at <http://harvester.census.gov/sac/> under Single Audit Reference Information. Distributed about 40,000 printed copies to recipients, Federal program managers, and others.**



Work in Progress

- **Analysis of the quality control reviews of single audits to be completed by December 2006 with a report to be issued in March of 2007.**
- **Draft guidance was developed to assist non-Federal entities and their auditors as well as cognizant and oversight agencies on Hurricane Katrina/Rita issues related to the OMB Circular A-133 single audits.**



Work in Progress

- **Worked with the Research Business Model Subcommittee's Subrecipient Task Force and OMB to develop an addendum to the Research and Development Cluster in the A-133 Compliance Supplement to address subrecipient monitoring. This addendum will be included in the 2007 version of the Supplement.**



Future Efforts

- **Recommendations from the quality review of the single audits will be addressed by the Audit Policy Team.**
- **Work with the PCIE and the American Institute of CPAs on audit issues to clarify definitions and terms, audit procedures, and roles and responsibilities of Federal agencies in the audit process**



Future Efforts

- **Continue to produce and publish the Compliance Supplement under OMB Circular A-133**
- **Continue to work with the FAC to provide more efficient and timely processing of audit reports**