

AUDIT REQUIREMENTS

An Overview

by

Joan Conway

Financial Management Division
Review and Analysis Branch

Wednesday, April 14, 2010

AUDIT REQUIREMENTS

TYPES OF AUDITS and/or REVIEWS

- INTERNAL AUDITS and/or REVIEWS
- EXTERNAL AUDITS and/or REVIEWS
- OTHER

AUDIT REQUIREMENTS

INTERNAL AUDITS and/or REVIEWS

- Role of APHIS' Financial Management Division, Review and Analysis Branch (RAB)

AUDIT REQUIREMENTS

RAB provides financial oversight and management improvements through program, financial, and compliance review of cooperative agreements and grants, international trust funds, and the Horse Protection Act. RAB also serves as the agency liaison to the OIG, GAO, and A-133 audits, and to OCFO (for IP/A).

AUDIT REQUIREMENTS

EXTERNAL AUDITS and/or REVIEWS

- Role of the Government Accountability Office (formerly General Accounting Office) (GAO)
- Role of the USDA Office of Inspector General (OIG)
- Role of A-133 (Single Audit)
- Improper Payments Information Act (IPIA) of 2002

AUDIT REQUIREMENTS

The Government Accountability Office is the audit, evaluative, and investigative arm of the United States Congress. Commonly referred to as the “Congressional Watchdog,” its main function is to uncover waste and inefficiency in federal government programs and operations. The majority of its audits are requested by Congressional members or Committees. GAO’s self-initiated audits are often the results of current news events (i.e., mad-cow disease, or avian influenza, etc).

AUDIT REQUIREMENTS

The USDA Office of Inspector General (OIG) performs audits and investigations of the USDA agencies' programs and operations. OIG's activities also promote economy, efficiency, and effectiveness, and to prevent or to detect fraud and abuse in programs and operations

AUDIT REQUIREMENTS

- “Audits of States, Local Government, and Non-Profit Organizations,” commonly referred to as OMB Circular No. A-133.
- Single audits are required when any of the above entities receive \$500,000 or more in federal funds/awards.
- An contracted auditing firm shall perform a financial and performance audit.

AUDIT REQUIREMENTS

- Per OCCFO, the A-133 Single Audit Draft Guidance will require 1) expedited review with findings resolved in 6 months, 2) ensure corrective action plans are developed and implemented, and 3) more scrutiny for single audit extensions
- Increased Departmental oversight to ensure timely resolution of single audit findings

AUDIT REQUIREMENTS

- APHIS' RAB will be awaiting guidance from the OCCFO on single audits
- RAB will also be looking at its procedures related to single audits

AUDIT REQUIREMENTS

IMPROPER PAYMENTS INFORMATION ACT (IPIA) of 2002

Public Law to identify and reduce erroneous payments in the government's programs and activities, and to improve the integrity of the government's payments and efficiency of its programs and activities

IPIA efforts are managed by OCFO

Agency completes Risk Assessments, based on dollar amounts of select programs

Audit Requirements

MOST COMMON AUDIT FINDINGS

Lack of documentation (missing forms and/or other documents, etc)

Lack of data (missing signatures and/or no verifications, etc)

Missing files

Lack of program oversight (i.e., no internal control)

Actions, activities, or operations not allowed

Violations of federal laws and/or Agency current policies, procedures, Standard

Operating Procedures (SOPs), etc

Corrective actions from previous audits not yet implemented

AUDIT REQUIREMENTS

ACCESS TO AUDITS

Final copies of GAO audit reports are available at www.gao.gov (click on tab that says audit reports)

Final copies of OIG audit reports are available at www.oig.usda.gov (click on audit reports tab)

AUDIT REQUIREMENTS

ACCESS TO AUDIT REPORTS

For copies of A-133 audits,

- a) From the corresponding agency (i.e., APHIS' RAB)
- b) From the Federal Audit Clearinghouse (<http://harvester.census.gov/sac/>)
OMB designated the U.S. Census Bureau to serve as the Federal Audit Clearinghouse

AUDIT REQUIREMENTS

QUESTIONS

Audit Requirements

RAB AUDIT LIAISON CONTACTS

Joan Conway (301) 734-4343

Earnest Smith (301) 734-5361