

ENTITY _____ 2018 ICQs _____

June 30, 2018

SINGLE AUDIT
SUBRECIPIENT MONITORING

QUESTION	YES	NO	N/A	REMARKS
<p>CONTROL OBJECTIVES: To provide reasonable assurance federal award information and compliance requirements are identified to subrecipients, subrecipient activities are monitored, subrecipient audit findings are resolved and the impact of any subrecipient non-compliance on the pass-through entity is evaluated. Also, the pass-through entity should perform procedures to provide reasonable assurance the subrecipient obtained required audits and takes appropriate corrective action on audit findings.</p> <p><u>Control Environment</u></p> <ol style="list-style-type: none"> Has there been an establishment of management's commitment to monitoring subrecipients? Does management prohibit the overriding of established procedures to monitor subrecipients? Is the entity's organizational structure and its ability to provide the necessary information flow to monitor subrecipients adequate? Are there sufficient resources dedicated to subrecipient monitoring? Are the knowledge, skills and abilities needed to accomplish subrecipient monitoring tasks defined? Do the individuals performing subrecipient monitoring possess the knowledge, skills and abilities required? Have the subrecipients demonstrated: <ol style="list-style-type: none"> they are willing and able to comply with the requirements of the award? they have accounting systems, including the use of applicable cost principles, and internal control systems adequate to administer the award? Have the appropriate sanctions been taken for subrecipient non-compliance? <p><u>Risk Assessment</u></p> <ol style="list-style-type: none"> Do key managers understand the subrecipient's environment, systems and controls sufficient to identify the level and methods of monitoring required? Do procedures exist to identify risks arising from external sources affecting subrecipients, such as risks related to: <ol style="list-style-type: none"> economic conditions? political conditions? regulatory changes? unreliable information? 				

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<p>3. Do procedures exist to identify and react to changes in subrecipients, such as:</p> <ul style="list-style-type: none"> a. financial problems which could lead to diversion of grant funds? b. loss of essential personnel? c. loss of license or accreditation to operate program? d. rapid growth? e. new activities, products or services? f. organizational restructuring? <p><u>Control Activities</u></p> <ul style="list-style-type: none"> 1. Has the federal award information (e.g., CFDA title and number, award name, name of federal agency, amount of award) and applicable compliance requirements been identified to subrecipients? 2. Has the requirement to comply with the compliance requirements applicable to the federal program, including the audit requirements of the Uniform Guidance, been included in agreements with subrecipients? 3. Does the entity monitor subrecipients' compliance with audit requirements by: <ul style="list-style-type: none"> a. inquiring whether the subrecipient met the threshold requiring an audit under the Uniform Guidance? b. assuring the subrecipient submits the report, report package or the documentation required by the Uniform Guidance and/or recipient's requirements? c. following up with the subrecipient when required to have an audit until the audit is completed or taking appropriate action until the subrecipient meets the audit requirements? 4. Does the entity monitor compliance of the subrecipients by: <ul style="list-style-type: none"> a. issuing timely management decisions for audit and monitoring findings to inform the subrecipient whether the corrective action planned is acceptable? b. maintaining a system to track and follow up on reported deficiencies related to programs funded by the recipient and ensure that timely corrective action is taken? c. regularly contacting the subrecipients and making appropriate inquiries concerning the federal program? d. reviewing subrecipient reports and following-up on areas of concern? e. monitoring subrecipient budgets? 				

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f. performing site visits to subrecipient to review financial and programmatic records and observe operations? g. offering subrecipients technical assistance where needed? 5. Have official written policies and procedures been established: a. communicating federal award requirements to subrecipients? b. describing the responsibilities for monitoring subrecipients? c. defining the process and procedures for monitoring? d. describing the methodology for resolving findings of subrecipient non-compliance or weaknesses in internal control? e. listing the requirements for and processing of subrecipient audits, including appropriate adjustment of pass-through entity's accounts?				
<u>Information and Communication</u>				
1. Do standard award documents used by the non-federal entity contain: a. a listing of federal requirements the subrecipient must follow? (Items can be specifically listed in the award document, attached as an exhibit to the document or incorporated by reference to specific criteria.) b. the description and program number for each program as stated in the Catalog of Federal Domestic Assistance (CFDA)? (If the program funds include pass-through funds from another recipient, the pass-through program information should also be identified.) c. a statement signed by an official of the subrecipient stating the subrecipient was informed of, understands and agrees to comply with the applicable compliance requirements?				
2. Is a recordkeeping system in place to assure documentation is retained for the time period required by the recipient?				
3. Are procedures in place to provide channels for subrecipients to communicate concerns to the pass-through entity?				
<u>Monitoring</u>				
1. Has a tracking system been established to assure timely submission of required reporting, such as financial reports, performance reports, audit reports, on-site monitoring reviews of subrecipients and timely resolution of audit findings?				
2. Are supervisory reviews performed to determine the adequacy of subrecipient monitoring?				