



# NOAA FISHERIES

## Pacific Islands Regional Office (PIRO)

Federal Programs Office - Grants Management Helpful Hints

## Audits

Recipients are required to conduct an annual audit if they have expended more than \$750,000 in federal funds in a fiscal year. The audit can either be a single or program-specific audit. Final audits are uploaded to a federal clearing house and can be used by federal entities in reviewing applications and award recommendations in future years. Previously single audits for grantees were referred to as an "A-133" audit, due to the title of the old regulation, Aas of December 2014, the regulations governing federal audits is located in *2 CFR Part 200, Subpart F Audits*.

### Who should conduct the audit?

The audit should be conducted by a qualified independent party. There are many expert companies and accounting firms with expertise in conducting federal audits. *Subpart F Audits* within *2 CFR Part 200* outlines the steps and requirements for an auditor. The federal government does not conduct the annual audit for grantees, but will obtain a copy of the audit and any findings. Audit costs are an allowable cost as either an indirect or direct charge.

### What is the scope of the audit?

In summary, the audit will cover a variety of topics including:

- 1) Review of all financial statements and financial documents.
- 2) Review of all internal controls and procurement procedures.
- 3) Compliance with federal statutes, regulations, and terms of the federal award.
- 4) Follow up on prior audit findings.

The auditor must complete and sign the specific sections of the data collection form as required in *2 CFR Part 200.512*. More information on the scope of the audit can be found in *§200.514 Scope of audit*.

### What happens with the audit findings?

If an audit results in a negative audit finding, the recipient must develop a corrective action plan outlining the steps and timeline for resolving the issue. A corrective action plan could include modifying or improving internal controls, procurement procedures, or even paying back grant funds used on items that were unallowable. The corrective action plan shall be sent with the audit to the Federal Audit Clearing house. If there is an audit finding that the recipient does not agree with, that should also be documented and the recipient will need to provide a justification.

### Federal Audit Clearing House

Annual federal audits and accompanying materials need to be uploaded into the [Federal Audit Clearinghouse website](#), maintained by the US Census Bureau on behalf of the Office of Management and Budget (OMB).

### More Information on Audits

2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

[Subpart F- Audit Requirements](#)

Federal Audit Clearinghouse

[Online Resources](#)