

Northwest Workforce Council

POLICY AND PROCEDURES DIRECTIVE

DATE ISSUED: October 18, 2016

SUBJECT: Audit Requirements and Resolution Policy and Procedures

Reference: WIOA 01- 35

Background:

The Office of Management and Budget (OMB) published new requirements for federal award programs entitled Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the Super Circular) codified at 2 CFR Part 200. Audit requirements are provided at 2 CFR Part 200, Subpart F.

The new audit requirements are effective for fiscal years beginning on or after December 26, 2014. For awards issued before December 26, 2014, the requirements from OMB Circulars A-21, A-87, A-110, A-122, A-89, A-102, A-133, and A-50 apply.

Policy:

1. Audit Requirements

NWC will:

- a. Verify each subrecipient that expends \$750,000 or more of federal awards is audited as required by 2 CFR Part 200 Subpart F – Audit Requirements, and 20 CFR 683.210.
- b. Issue management decisions for audit findings on federal funds NWC has awarded.
- c. Follow-up and ensure subrecipients take timely and appropriate action to resolve all deficiencies identified through audits, reviews, and other means

2. Audit Resolution

In compliance with the requirement under 2 CFR Part 200, the NWC is responsible for follow-up and instituting corrective action on all audit findings. It is the intent of this Policy and Procedures directive to set up the procedures to be taken toward early resolution of any audit finding.

At the completion of an audit where an audit finding is reported by the auditor, the following procedures must be taken:

1. Within five (working days) of the receipt of the audit finding, the subrecipient will submit to the NWC Deputy Director a corrective action plan. The plan shall provide the name(s) of the contact person responsible for corrective action, the planned corrective action and the anticipated completion date. However, if the

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subrecipient or NWC Deputy Director does not agree with the audit finding and believes that no corrective action is required, the report to the Deputy Director shall so indicate and specify the reason(s) for the disagreement with the finding.

2. At or before the above stated completion date, the Deputy Director shall follow up on the status of the corrective action.
3. It is required under this policy that corrective action be completed within thirty (30) days after receipt by NWC of the audit finding.
4. Appeals and disputes regarding decisions by NWC are first addressed through NWC dispute resolution process. A subrecipient who disputes a decision by NWC shall be advised of the dispute resolution process. If the requirements of the local dispute resolution process have been met, and the parties cannot reach agreement, further appeal may be made to the State of Washington as specified in WIOA Title I Policy 5410-Dispute Resolution and Appeals.

3. Independent Audit of NWC

In the course of the audit of the books of NWC by an independent accountant to comply with the requirements of 2 CFR Part 200, the Financial Manager prepares a summary schedule of all audit findings from previous years with the date of the audit report and the corrective actions taken and/or status of the any action taken or not taken. This schedule is part of the "Data Collection" submission to the Federal Audit Clearing House.

All documentation pertaining to audit findings, corrective actions taken, reports and schedules are to be kept in the Fiscal Office.

NWC will send a copy of its annual audit to:

Workforce Monitoring
Finance and Administrative Services Division
Employment Security Department
P.O. Box 9046
Olympia WA 98507-9046
WorkforceMonitoring@esd.wa.gov

References:

Public Law 113-128. WIOA, Sections 184 and 185
20 CFR 683.210
2 CFR Part 200, Subpart F- Audit Requirements
Washington State Employment Security Department WIOA Policy # 5255, WIOA Audit Requirements, Reports and Resolutions