

Appendix A: Financial and Fiscal Management Monitoring Plan

TRIBE/TDHE NAME:	Regulatory/ Statutory Citation	Other Tools	Reference Page	Remarks
I. Purpose				
<p>The purpose of this review is to determine compliance of all HUD-ONAP grants with program financial and fiscal requirements by testing the financial management systems to ensure they meet the standards for financial reporting, accounting records, internal control, allowable costs, source documentation, cash management, record retention, and budget control.</p> <p>Note: This is the basic financial review, and the reviewer should determine which appendices are most appropriate to conduct the review.</p>	<p>24 CFR 1000.26, 1000.544, and 1003.501 2 CFR Part 200</p>			
II. Pre-Review Preparation				
A. Obtain and review the following:				
<p>1. 2 CFR Part 200, Subpart F for the monitoring review period. Review the latest audit and identify any open findings or control weakness related to the accounting system. List any areas requiring review.</p>	<p>2 CFR Part 200, Subpart F</p>			

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<p>2. Auditor working papers. Request a copy of the audit program, if applicable, and working papers of the most recent 2 CFR Part 200, Subpart F audit from the auditor. Reduce the scope of the monitoring review based on the adequacy of the auditor’s work.</p>				
<p>3. Other review reports. Examine any other reviews that relate to the accounting system (e.g., prior ONAP monitoring reviews, self-monitoring reviews, internal audits, other external audits).</p>				
<p>a. Determine any additional testing or reduce scope of monitoring based on these reports.</p>				
<p>4. Financial cash transactions reports. Review the form HUD-425s for all ONAP grants to determine if the reports were filed timely and agree with the Tribe/TDHE’s drawdowns from eLOCCS.</p>				
<p>5. Accounting system policies and procedures. Review accounting system policies and procedures for all ONAP grants for adequacy and list any areas that will be tested.</p>				

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6. List of all HUD grants. Identify all ONAP grants open in the last 3 years.				
7. Chart of accounts. Obtain a copy to assist in selection of accounts to review.				
8. Reconciliation of the Annual Performance Report (APR). Obtain a copy (preferably electronic) of all applicable reconciliations of APRs to the financial records and most recently audited financial statements. If reconciliation has not occurred, this should be done as soon as possible. The reconciliations should cover all APRs for all IHBG-based ONAP programs with expenditures during the review period.				
9. Trial balance. Obtain copies of the trial balances for years under review.				
III. Review				
A. Interview accounting personnel for a description of the overall accounting system transaction flow including data input, data processing, data output, and related internal controls.	2 CFR Part 200			

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B. Compare practices to policies and procedures. Document any discrepancies. Note whether the policies and procedures or the practices comply with the applicable requirements.				
C. Reconcile the APR. If not completed prior to the review, examine all reconciliations of the APR to the financial records and most recently audited financial statements. The reconciliations should cover all APRs for all IHBG-based ONAP programs with expenditures during the review period. The IHBG expenditures shown in the APR are cumulative, so annual expenditures in the audits and the financial reports will have to be totaled and compared to the APR amounts reported.				
1. Review the latest APR to determine the total amount reported as expended.				
2. Interview staff who prepared the APR and request copies of the financial reports used to develop the APR.				

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3. Request that staff describe the APR preparation process step-by-step.				
4. Tie the amounts in the APR to the financial reports provided.				
5. Compare the total amounts from the audits to the amounts reported in the APR.				
6. Discuss discrepancies with staff and request that the discrepancies be resolved.				
7. If the APRs cannot be reasonably reconciled to the financial records and/or the Schedule of Expenditure of Federal Awards, this is a problem that should be corrected.	NAHASDA Section 405(b)(1)(B) 2 CFR Part 200			
D. Transaction Testing: Verify that grant expenditures were allowable, allocable, and reasonable, in accordance with applicable program regulations in 24 CFR Part 1000, 24 CFR Part 1003, and 2 CFR 200, Subpart E. The expenditures must meet the program eligibility requirements.	24 CFR Part 1000, 24 CFR Part 1003, and 2 CFR Part 200, Subpart E			

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1. Review the trial balances and charts of accounts to determine which accounts to test. When selecting accounts to review, consideration should be given to materiality, prior findings, and inherent risk areas such as:				
a. Travel				
b. Employee Morale				
c. Gifts				
d. Holiday parties				
e. Food				
f. Board of Commissioner/Tribal Council expenses				
g. Consulting services				
h. Stipends				
i. Salaries (appropriate allocation to the program)				
j. Miscellaneous				

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2. For accounts selected for further review, obtain the detailed general ledger to select individual transactions.				
3. Transactions may be selected based on:				
a. High dollar amounts				
b. Review of the account names				
c. Expenditure descriptions				
d. Random sampling				
4. Obtain source documentation for the transactions selected for testing (source documents include purchase orders, receiving reports, invoices, vouchers, etc.)				
5. Review source documents for appropriate authorizations, amounts, and allocation. Invoices should be original, marked paid, and coded with the grant being charged.				
6. Verify expenditures are allowable in accordance with 2 CFR 200, Subpart E and eligible in accordance with the program requirements.	24 CFR Part 1000, 24 CFR Part 1003, and 2 CFR 200, Subpart E			

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7. Note exceptions and obtain copies of documentation to support the review. The unsupported or unallowable amounts should be questioned in the report.				
E. Drawdowns and SF-425s (Federal Financial Report). Ensure that funds drawn from eLOCCS are supported by adequate documentation, are expended within 3 days of deposit, and agree with the SF-425s. If 100% of the IHBG funds are invested, skip this step.	2 CFR Part 200			
1. Interview employees to determine draw down practices and security procedures.				
2. Obtain the documentation used to support the selected draws.				
3. Request an accounting system report that shows the date the funds were expended. If expenditures were made consistently or systematically late for a reasonable amount of time after the eLOCCS draws, this problem should be corrected.				
4. Select a sample of SF-425s and compare amounts reported to financial records.				

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IV. Summary				
Develop the monitoring report by summarizing: <ul style="list-style-type: none"> • Compliance with requirements. • Violations of the applicable statutes, regulations, or local laws and authorities. • Corrective actions that should be taken to address programmatic concerns. 				
Review Date:				
Reviewer Name:				
Supervisor Name:				

Appendix B: Internal Controls Monitoring Plan

TRIBE/TDHE NAME:	Regulatory/ Statutory Citation	Other Tools	Reference Page	Remarks
I. Purpose				
<p>The purpose of this review is to test that:</p> <ul style="list-style-type: none"> • adequate controls exist to ensure that information is processed accurately and completely; • physical controls exist to ensure security of assets, including adequate segregation of duties; and • information systems provide reliable data, identify valid transactions, and properly classify costs in a timely manner. <p>If current independent public accountant (IPA) work papers are available, reliable, and document an accounting system review, document the assessment of the IPA’s work. Note: Review any areas the auditor did not review and those where internal control weaknesses, non-compliance conditions, and/or questioned costs were disclosed.</p>	<p>2 CFR Part 200, Subparts D, E, and F</p>			
II. Review				
<p>A. Review or document the accounting system, including a current description of books of original entry, general and subsidiary ledgers, and any statistical and/or supporting records that demonstrate the initiation of transactions, the flow of documents, and the identification of all points where correcting, adjusting, or other cost transfers can be entered into the system.</p>				

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B. Document physical control over assets and determine if there are any instances where any single individual has both custody of assets and responsibility for recordkeeping.				
C. Verify that adequate procedures exist for maintaining adequate documentation for accounting entries (source documents) and for reconciling subsidiary and general ledgers accounts. Selectively test the following attributes to ensure the procedures are operating effectively. Review the sampling methods in the General Instructions.				
1. All accounting entries are supported by source documents.				
2. Source documents tie to accounting entries in subsidiary or general ledgers.				
3. Subsidiary ledgers tie to the general ledger.				
a. Tie subsidiary ledger information (cash receipt ledger, drawdowns, etc.) to the general ledger.				

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4. For computerized accounting systems, review the system documentation to determine how the system is intended to operate and then selectively test to verify that it is operating effectively.				
D. Verify that a trial balance is prepared on a regular basis and can be reconciled with the financial statements.				
E. Review the number and type of adjusting journal entries.				
1. Select a sample to review. Review the sampling methods in the General Instructions.				
2. Analyze the reasoning for the entries.				
3. Determine if they are allowable, allocable, and reasonable in accordance with 2 C.F.R. 200, Subpart E and applicable program regulations at 24 CFR Part 1000 and 24 CFR Part 1003.	24 CFR 1000.26, 24 CFR 1003.501, and 2 CFR Part 200, Subpart E			
4. Expand sample if initial review disclosed errors.				

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F. Summarize findings of the review.				
Review Date:				
Reviewer Name:				
Supervisor Name:				

Appendix C: Cash Management Monitoring Plan

TRIBE/TDHE NAME:	Regulatory/ Statutory Citation	Other Tools	Reference Page	Remarks
I. Purpose				
The purpose of this review is to ensure that adequate internal controls exist over cash management.				
II. Review				
<p>A. If current audit work papers are available, reliable, and document a cash receipts review, document the assessment of the auditors' work. Note: Review any areas the auditor did not review and those where internal control weaknesses, noncompliance conditions, and/or questioned costs were disclosed.</p> <p>The purpose of this review is to ensure that cash transactions are appropriately documented, recorded in the books of records, and reconciled to bank records.</p>				
1. Review the written cash receipt procedures.				
2. Observe and document the cash receipt process.				

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<p>3. Analyze the segregation of duties. The following illustrates an adequate segregation of duties. Determine if the process is adequate. Individuals in each category should not perform functions in the other categories. If there is not enough staff to accomplish this, determine if there are mitigating controls in place to ensure an adequate segregation of duties.</p>				
<p>a. Cash Handlers</p> <ul style="list-style-type: none"> • Receive cash payments • Open incoming mail and restrictively endorse checks • Issue duplicate receipts • Physically take deposits to the bank 				
<p>b. Non-Cash Handlers</p> <ul style="list-style-type: none"> • Record cash receipts • Post to residents' accounts receivable, as appropriate • Record program income, administrative fee, or non-program income, as appropriate • Prepare/send account statements to residents 				
<p>c. Other Staff Person</p> <ul style="list-style-type: none"> • Prepare bank deposit slip (using receipts) • Reconcile monthly bank statements • Perform surprise cash audits 				

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4. Test Practices				
a. Randomly select a sample of bank deposits from the bank statements. Tie to cash receipts journal or general ledger and to receipt books to ensure accurate recording and receipts were issued for all funds deposited. Review the sampling methods in the General Instructions.				
b. Summarize review. Select a sample of participant payments from the cash receipts book and ensure that the funds were properly recorded and deposited.				
c. Verify that check totals on bank statements compare to accounts and other source documents. Trace a sample of checks to tenant accounts.				
d. Expand sample or design additional tests as necessary.				

B. Summarize findings of the review.	
Review Date:	
Reviewer Name:	
Supervisor Name:	