|  |  |  |  |
| --- | --- | --- | --- |
| **Guide for Review of HOPWA Financial Management** | | | |
| **Name of Grantee:** | | | |
| **Staff Consulted:** | | | |
| **Program Year Under Review:** | | | |
| **Name(s) of Reviewer(s)** |  | **Date** |  |

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a **"finding.**"

**Instructions:** This Exhibit applies only to HOPWA activities and costs subject to 24 CFR part 84 or 85 when 2 CFR part 200 does not apply, as explained below. It is designed to monitor a grantee’s compliance with financial management requirements under 24 CFR part 84 (for grants made to nonprofit organizations) or 24 CFR part 85 (for grants made to state and local governments). This Exhibit is divided into eight sections: Financial Management System; Advances; Internal Controls; Accuracy of Report Information; Salaries and Wages; Indirect Costs; Minority-Owned Financial Institutions; and OMB Circular A-133. Additional instructions for a review of compliance with OMB Circular A-133 are provided on a worksheet at the end of this Exhibit. The sampling guidance in Section 10-5 of the Chapter 10 introductory text should be followed in selecting financial transactions to review.

This Exhibit should NOT be used for any grant that is only subject to 2 CFR part 200 requirements. Grants subject only to 2 CFR part 200 must be monitored only in accordance with Exhibit 34-1. The Uniform Requirements at 2 CFR part 200 are applicable to the following HOPWA grants:

* **HOPWA Formula Grants awarded in any year that are subject to HOPWA requirements “as may be amended” are subject to 2 CFR part 200 as of December 26, 2014.** Grantees are required to comply with 2 CFR part 200 as of December 26, 2014, but were required to comply with 24 CFR parts 84 or 85 in carrying out activities and incurring costs under their formula award before this effective date. Therefore, formula grants awarded for FY 2014 or earlier are subject to 2 CFR part 200 only for the portion of the operating period on and after December 26, 2014.
* **HOPWA Competitive Grants awarded in FY14 and subsequent years are subject to 2 CFR part 200 as of December 26, 2014.** HOPWA competitive grants awarded in FY13 and prior are not subject to 2 CFR part 200. HOPWA competitive grants awarded in FY 2013 and earlier remain subject to 24 CFR parts 84 or 85 in place at the time of the award in accordance with the terms and conditions of the award.

For additional information on the applicability of 2 CFR part 200 requirements for CPD programs, please reference Notice CPD-16-04, *Additional Transition and Implementation Guidance for Recipients of Community Planning and Development (CPD) Funds for 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, accessed at: <http://portal.hud.gov/hudportal/documents/huddoc?id=16-04cpdn.pdf>.

**Questions:**

A. Financial Management System

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee have written procedures covering the recording of transactions, an accounting manual and a chart of accounts, or other documentation of proper accounting?  [24 CFR 574.450] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee maintain a policy manual or other written procedures covering the authority for approving financial transactions?  [24 CFR 574.450] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee identify expenditures in its accounting records according to eligible activities identified in the approved Consolidated Plan or approved competitive applications?  [24 CFR 91.220 for units of local government; 24 CFR 91.320 for states; 24 CFR 574.240 for competitive grants] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do the fiscal records indicate evidence that the grantee has effective internal controls over and accountability for all grant funds, property and other assets?  [24 CFR 574.450] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Are the financial transactions drawn for this review supported by adequate source documentation, e.g., invoices, contracts, or purchase orders?  [24 CFR 84.21(b)(2) or 24 CFR 85.20(b)(6), as applicable] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee identify expenditures by:   * specific grant for approved projects for formula grants; or * by approved budget line items for competitive grants?   [24 CFR 84.21(b)(2) or24 CFR 85.20(b)(2), as applicable] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do accounting records include unexpended/unobligated balances?  [24 CFR 84.21(b)(2) or 24 CFR 85.20(b)(2), as applicable] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

B. Advances

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If the grantee draws down HOPWA funds on an advance basis, do the financial records reveal that payments made for eligible costs occurred within three business days of the deposit of grant funds?  [24 CFR 84.22 or 24 CFR 85.21, as applicable] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Does the grantee submit the SF-425, Federal Financial Report?  [24 CFR 84.52 or 24 CFR 85.41(b), as applicable] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| b. If the answer to “a” above is “yes,” has the grantee submitted timely and complete reports in the SF-425 for the last 3 reporting periods?  [24 CFR 84.52 or 24 CFR 85.41(b), as applicable] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| c. In its review of these reports, has HUD identified any problems where cash advances have been received and held in excess of three days? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If grant advances are deposited into an interest-bearing account, what provisions have been made for the return of interest income to HUD?  [24 CFR 84.22(l) or 24 CFR 85.21(i), as applicable] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

**C**. Internal CONTROLS (Reference for some of the questions: GAO/AIMD-98-21.2.1, “Framework for Federal Financial Management System Checklist,” May 1998)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee have an organizational chart that sets forth the actual lines of responsibility? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Are duties for key employees of the grantee defined so that financial transaction principles for separation of duties are likely to be followed?  [24 CFR 84.21 for nonprofits; or 24 CFR 85.20 for state and local governments] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Has the grantee obtained fidelity bond coverage for responsible officials? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee’s chart of accounts include a complete listing of the account numbers used to support the controls needed to ensure that resources used do not exceed resources authorized?  [24 CFR 84.21 for nonprofits; or 24 CFR 85.20 for state and local governments] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do the grantee’s approval controls provide reasonable assurance that appropriate individuals approve recorded transactions in accordance with management’s general or specific criteria?  [24 CFR 84.21 for nonprofits; or 24 CFR 85.20 for state and local governments] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do the grantee’s controls over the design and use of documents and records provide reasonable assurance that transactions and events are properly documented, recorded, and auditable?  [24 CFR 84.21 for nonprofits; or 24 CFR 85.20 for state and local governments] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

17.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee’s segregation of duties controls effectively reduce the opportunity for someone to perpetrate or conceal errors or irregularities in the normal course of duties?  [24 CFR 84.21 for nonprofits; or 24 CFR 85.20 for state and local governments] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Is it clear that all personnel are responsible for communicating upward the grantee’s operating problems and noncompliance with laws and regulations?  [24 CFR 84.21 for nonprofits; or 24 CFR 85.20 for state and local governments] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Do the grantee’s internal control procedures support its ability to prepare financial statements that are fairly presented in conformity with generally accepted or other relevant and appropriate accounting principles and regulatory requirements? (One level of assurance of the accuracy and integrity of data is provided by the attainment of an unqualified opinion on the audited annual financial statements and internal controls.)  [24 CFR 84.21 for nonprofits; or 24 CFR 85.20 for state and local governments] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

D. Accuracy of Report Information

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Does the financial information (e.g., drawdowns, unexpended balances) recorded in HUD’s financial management systems (e.g., LOCCS, IDIS) match the official accounting records of the grantee for the period covered by the last CPD-required performance report?  [24 CFR 91.520; 24 CFR 574.450; and 24 CFR 574.520] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| b. Does the program income information in the grantee’s official accounting records for the period covered by the most recently completed performance report match the performance report information?  [24 CFR 91.520; 24 CFR 574.450; and 24 CFR 574.520] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Does the grantee have a system for tracking program income generated by subrecipients or other entities to which funds are passed through?  [24 CFR 84.21(b)(3) or 24 CFR 85.20(b)(3), as applicable] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| b. If program income is retained by the subrecipient or pass-through entity, does the grantee have a system for ensuring that such income is reported in a timely and accurate manner? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| c. Upon expiration of any agreements between the grantee and the subrecipient and/or pass-through entity, does the grantee have a system for ensuring:   1. the timely and accurate transfer of any funds to be returned to the participant; and/or 2. the timely and accurate transfer of outstanding loans or accounts receivable? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

E. Salaries and Wages

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Are charges to the HOPWA program for salaries and wages, whether treated as direct or indirect costs, consistent with the generally accepted policies or practices of the governmental unit or organization and approved by a responsible official(s)?  [24 CFR 85.22; OMB Circular A-87, Attachment B, #8(h)(3); orOMB Circular A-122, Attachment B, #8(m)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. For employees working solely on the HOPWA program, are charges for their salaries and wages supported by periodic certifications or reports that the employees worked solely on that program for the period covered by the certification or report?  [24 CFR 85.22; OMB Circular A-87, Attachment B, #8(h)(3); or OMB Circular A-122, Attachment B, #8(m)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| b. Were the certifications or reports prepared at least semi-annually and signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee?  [24 CFR 85.22; OMB Circular A-87, Attachment B, Section 8(h)(3); OMB Circular A-122, Attachment B, Section 8(m)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| c. For employees working on multiple activities or cost objectives, are charges for their salaries and wages supported by personnel activity reports or equivalent documentation, which meet the requirements of the Circular or regulation?  [24 CFR 85.22; OMB Circular A-87, Attachment B, Section 8(h)(3); and 24 CFR 84.27; OMB Circular A-122, Attachment B, Section 8(m)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

F. Indirect Costs

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Are indirect costs charged to the program? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| b. If indirect costs are charged to the program, have Cost Allocation Plans and/or an Indirect Cost Rate proposal been developed in accordance withOMB Circular A-87, Attachment A, Section F (for units of state and local government) or OMB Circular A-122, Attachment A, Section C (for nonprofit organizations), or OMB Circular A-21, J.8 (for institutions of higher education)?  [24 CFR 84.27 for nonprofits; or 24 CFR 85.22 for state and local governments] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| c. Is there any evidence to indicate that costs are not being billed in accordance with the Indirect Cost Rate?  [24 CFR 85.22; OMB Circular A-87, Attachment A, Section F; or 24 CFR 84.27; OMB Circular A-122, Attachment A, Section C; or OMB Circular A-21, J.8] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

G. Minority-Owned Financial Institutions

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Has the grantee used minority-owned financial institutions in conjunction with the grant program?  **NOTE**: Because grantees are not required to use minority-owned financial institutions, but must make positive efforts whenever possible consistent with 24 CFR 84.44(b) and 85.36(e), a “No” response to this question would **NOT** necessarily constitute a finding. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

H. OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations

**Instructions:** OMB Circular A-133 establishes audit requirements pursuant to the Single Audit Act Amendments of 1996 for states, local governments, and non-profit organizations that receive Federal aid. The Circular defines responsibilities for implementing and monitoring those requirements. Grantees that, in turn, provide Federal funds to secondary organizations are called pass-through entities. For simplification purposes, the term “subrecipient” will be used here to refer to all such secondary organizations. Pass-through entities are required by OMB A-133, §\_\_\_.400(d) to establish systems to oversee subrecipient compliance with A-133. This section of the Exhibit is designed to assist in determining whether the grantee is in compliance with the required elements of an audits management system. An audits management review worksheet is located at the end of this Exhibit to help document the results from testing a sample of grants to subrecipients against the grantee’s control system.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee meet the threshold, or have any subrecipients that meet the threshold, for having a single audit performed? If “no,” stop here. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |
| --- |
| What is the grantee’s means of ensuring that audits are conducted to meet all of the following:   1. at the proper time? [OMB Circular A-133, §\_\_\_.320(a)] 2. by independent, qualified personnel? [OMB Circular A-133, §\_\_\_.305] 3. In a manner which meets the Comptroller General’s audit standards? [OMB Circular A-133, §\_\_\_.500]   [24 CFR 84.26 or 24 CFR 85.26] |
| **Describe Basis for Conclusion:** |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Does the grantee’s audit report include an opinion on whether the financial statements are presented fairly in all material aspects in conformity with GAAP and whether the schedule of expenditures is presented fairly in all material respects?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.310(a)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| b. Do the grantee’s financial statements reflect its financial position, results of operations or changes in net assets and, where appropriate, cash flows for the fiscal year?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.310(a)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |
| --- | --- |
| a. What is the grantee’s procedure for informing subrecipients of the OMB Circular A-133 audit requirements?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.400(d)(2)] | |
| **Describe Basis for Conclusion:** | |
|  | |
| b. Has the grantee determined if subrecipients expending $500,000 or more in a fiscal year met the requirements of OMB Circular A-133?  [24 CFR 84.26; 24 CFR 85.26] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Are the financial statements of subrecipients presented fairly in all material respects in conformity with generally accepted accounting principles? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| b. Are the schedules of expenditures of Federal awards presented fairly in all material respects in relation to the financial statements of subrecipients taken as a whole? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

31.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee ensure that each subrecipient/project sponsor audit has determined whether the subrecipient has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.400(d)(3) and (4), and §\_\_\_.500(c)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

32.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Did the grantee review each audit report of its subrecipients that expended $500,000 or more to determine whether the audit report states that the subrecipient has complied with laws, regulations, and provisions of contracts or grant agreements that may have a direct and material effect on each of its major programs? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

33.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Did the grantee ensure that audit reports of its subrecipients that expended $500,000 or more were submitted within 30 days after receipt of the auditor’s report, but not later than nine months after the end of the audit period (or such longer period agreed to in advance by the grantee)? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

34.

|  |
| --- |
| How does the grantee ensure that audit costs are allowable as a direct cost, or as an allocated indirect cost, as determined in accordance with the applicable OMB cost principles?  [24 CFR 84.27; 24 CFR 84.26; 24 CFR 85.22; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.230 and §\_\_\_.400(d)(4)] |
| **Describe Basis for Conclusion:** |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee have a means for determining what corrective actions by the subrecipient are necessary and appropriate to resolve findings and that such actions are taken?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.400(d)(5)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

36.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the system ensure that the grantee issues management decisions for audit findings within six months after receipt of subrecipient audit reports, and provide follow-up to ensure that the subrecipient takes appropriate and timely corrective action?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.400(d)(5)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee have a means for deciding whether the subrecipient audit necessitates adjustment of the participant’s records?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.400(d)(6)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Did the record review disclose any items that should have been adjusted in the grantee’s records, but were not?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.400(d)(6)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee’s system or procedure require each subrecipient to permit independent auditors and participant staff to have access to the records and financial statements, as necessary, to comply with the Circular?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.400(d)(7)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |
| --- |
| What is the grantee’s process for reviewing and reaching determinations to accept or reject findings and properly documenting such determinations?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.400(d)(5)] |
| **Describe Basis for Conclusion:** |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee have a process for referral of agency-contested findings and recommendations to senior level officials, outside of the normal chain of command, for resolution?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §§\_\_\_.400(d)(5) and \_\_\_\_.510(b)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

42.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. Does the grantee have a system or procedure to promptly inform HUD and federal law enforcement authorities of illegal acts or irregularities?  [24 CFR 84.26; 24 CFR 85.26; OMB Circular A-133, §\_\_\_.400(d)(3)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |
| --- |
| b. If yes, what are the procedure(s)/criteria used in determining when to notify authorities? |
| **Describe Basis for Conclusion:** |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Is there a procedure to establish an account receivable from the subrecipient when a monetary sanction is involved?  [24 CFR 84.26; 24 CFR 85.26; and OMB Circular A-133, §\_\_\_\_.224] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Is there a means of ensuring consistent treatment of all audit findings?  [24 CFR 84.26; 24 CFR 85.26] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Does the grantee make positive efforts to use small businesses, minority-owned firms, and women’s business enterprises in procuring audit services, and does its system encourage localities or subrecipients/subgrantees to do the same?  **NOTE**: Because grantees are not required to use minority-owned financial institutions, but must make positive efforts whenever possible pursuant to OMB Circular A-133, §\_\_\_.305(a), a “No” response to this question would **NOT** necessarily constitute a finding.) | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Guide for Review of Financial Management**  **OMB Circular A-133 Audits Management System Review Worksheet** | | | |
| **Name of Grantee:** | | | |
| **Name(s) of**  **Reviewer(s)** |  | **Date** |  |

**Instructions:** This worksheet is only for HOPWA activities and costs subject to 24 CFR parts 84 or 85. It is intended to supplement the information contained in Section H, OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations, of this Exhibit. Where subrecipient audits are reviewed to confirm the implementation of the grantee’s system, select a sample of grants and insert the names of the subrecipients in column (a) and the fiscal year end dates in column (b) of Part I. Insert due dates and receipt deadlines in columns (c) through (e) of Part I; and answer “yes” or “no,” as appropriate, in columns (f) through (j) of Part II.

Part I - Receipt Deadlines

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Subrecipient Name** | **Fiscal Year End Date** | **Audit**  **Report Date** | **Audit**  **Due Date** | **Audit Received**  **Date** | |
|  | (a) | (b) | (c) | (d) | | (e) |
| 1. |  |  |  |  | |  |
| 2. |  |  |  |  | |  |
| 3. |  |  |  |  | |  |
| 4. |  |  |  |  | |  |
| 5. |  |  |  |  | |  |
| 6. |  |  |  |  | |  |
| 7. |  |  |  |  | |  |
| 8. |  |  |  |  | |  |
| 9. |  |  |  |  | |  |
| 10. |  |  |  |  | |  |

Part II - Were Requirements Met (Yes/No)?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **A-133 Met?** | **Corrective Actions Accepted?** | **Corrective Actions Documented?** | **Corrective Actions Taken?** | **Corrective Actions Taken in 6 months?** |
| (f) | (g) | (h) | (i) | (j) |
| 1. |  |  |  |  |  |
| 2. |  |  |  |  |  |
| 3. |  |  |  |  |  |
| 4. |  |  |  |  |  |
| 5. |  |  |  |  |  |
| 6. |  |  |  |  |  |
| 7. |  |  |  |  |  |
| 8. |  |  |  |  |  |
| 9. |  |  |  |  |  |
| 10. |  |  |  |  |  |

Part III - Conclusions

|  |
| --- |
| Explain responses, including problems noted or delays in complying with the required deadlines. |
| **Describe Basis for Conclusion:** |
|  |