

CONFIDENTIAL

Salt Lake Community College
Office of Sponsored Projects
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PO:7.0
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Supporting an External Audit or Site Visit

Review Dates:	_____	_____	_____	_____	_____	_____
Revision Dates:	_____	_____	_____	_____	_____	_____
Obsolete Date:	_____	Made Obsolete By (initials):	_____			
Approved By:	_____				_____	_____
	OSP Director/Designee				Date	

PURPOSE, SCOPE, AND PRINCIPLE:

The purpose of this Standard Operating Procedure (SOP) is to provide guidance to Office of Sponsored Projects (OSP) personnel regarding the documents, roles and responsibilities associated with preparing for an audit or site visit from an auditor in regards to an award or subaward. The scope covers the activities OSP personnel will engage in to support the audit or site visit. The principle is to assure consistency among OSP personnel in supporting audits and site visits. For the purpose of this SOP, the terms audit and site visit are used interchangeably unless specified otherwise. The steps listed for the Business Office (BOF) and Principal Investigator (PI) are listed only to provide clarification to OSP personnel as to what steps need to be taken by these parties.

There are several types of audits delineated in statute, rules and regulations. This SOP is not intended to detail how OSP would respond to any specific type of audit, rather how OSP would support Salt Lake Community College (SLCC) programs in preparing for and responding to an audit. Additional steps may need to be taken by OSP to assure award audits and site visits are conducted in accordance with applicable regulations.

RESPONSIBILITIES

- A. PI
 - 1. Lead coordination of audit or site visit
 - 2. Work with OSP and BOF to prepare for, host and follow-up on the audit or site visit
 - 3. Responsible to provide documentation of programmatic records

- B. OSP Personnel
 - 1. Assist PI to prepare for, support and follow-up on the audit or site visit
 - 2. Responsible to provide OSP procedures or other OSP controlled documents

- C. BOF
 - 1. Responsible to provide financial documentation and College-specific policies and procedures regarding finance and accounting practices
 - 2. Assist PI to prepare for, support, and follow-up on the audit or site visit

DOCUMENTS/RESOURCES NEEDED:

Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart F- Audit Requirements
(http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Sponsor Specific Audit Regulations, if any (see applicable award documents)

DEFINITIONS:

This section defines different types of audits and site visits in which OSP awards may be involved and that OSP staff should be aware of:

- **Single audit:** Typically conducted by the Utah State Auditor for all state agencies and higher education institutions; SLCC is required to conduct single audits per federal guidelines which state: "A non-federal entity that expends \$750,000 or more during the non-federal entity's fiscal year in federal awards must have a single audit conducted in accordance" with federal guidelines.
- **Major program audits:** Audit is triggered either by 1) the auditor determining the federal program is a major program as outlined in 2CFR 200.518 or 2) a federal agency or prime awardee has requested an audit of all awards or subawards under a federal program.
- **Program specific audit:** If a recipient expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the recipient, the recipient may elect to have a program specific audit. The auditors will audit the financial statements of the program, evaluate the entity's internal controls to assign a risk level to assist in determining the scope of the audit, determine whether the entity complied with laws, regulations, and the terms of the grant and contractual agreements.
- **Site Visit:** A non-certified visit conducted by a sponsor or prime awardee to review program activities; the review may focus on compliance, programmatic or financial activities and can occur at any time during the project period.
- **Desk Audit:** The sponsor or prime awardee does not physically come to SLCC to conduct the audit but rather the audit is conducted electronically. SLCC sends documents to the sponsor or prime awardee as requested.
- **OIG Audit:** Performed by the Office of Inspector General (OIG) to review the effectiveness, efficiency, economy, and integrity of federal programs and those performed by its contractors and grantees to determine if programs and operations are in compliance with the applicable laws and regulations; resources are economically and efficiently being utilized; and programs achieve their intended results.
- **Auditor:** The sponsor, prime awardee or outside entity/individual conducting the audit or site visit, regardless of the actual title.

PROCEDURE:

NOTE: For the purposes of this SOP, the steps listed below will be followed for site visits as well.

A. Pre-Audit Preparations

1. PI
 - a. If auditor sends PI audit notice, send copy to OSP Grant Officer and assigned Grant Accountant (Accountant); review request
 - b. Determine which parties/individuals must be involved to prepare and host the audit and their roles
 - 1) Parties may include but are not limited to project staff, OSP and BOF personnel, partners, etc.
 - c. Schedule coordination meetings with all applicable parties/individuals
2. OSP Personnel
 - a. If auditor sends OSP audit notice, send copy to PI and Accountant; review request
 - b. Assist PI to coordinate audit preparation activities
 - 1) Identify the type of audit and other resources/personnel needed
 - 2) Discuss roles of all parties/personnel involved in the audit
 - 3) Identify audit dates and location
 - c. Identify and review all documents requested and regulations cited by auditor for the audit
 - 1) Identify when the documents will be needed
 - 2) Identify who will provide the documents
 - d. Prepare any OSP required documents, and assist PI or BOF as needed to prepare documents identified in A.2.c

- e. Inform SLCC Internal Audit of the audit by providing a copy of the audit notice
3. BOF Personnel
 - a. If auditor sends BOF audit notice, send copy to PI and OSP Grant Officer; review request
 - b. Attend coordination meetings
 - c. Assist PI to determine what documents BOF will provide
 - d. Prepare applicable documents
- B. Audit – steps performed by OSP Personnel
 1. Support PI or BOF in facilitating and hosting the audit (applies to audits physically conducted at SLCC)
 - a. Attend applicable audit meetings. Note any items requiring action by OSP, and report them to the OSP Director. EX: The auditor states that SLCC does not have a grant close-out procedure, but needs to per the regulations.
 - b. Provide documents requested by the auditor as necessary.
- C. Audit Follow-up with no Findings– steps performed by OSP Personnel
 1. Review audit report, and perform the following:
 - a. Disseminate copy of report to PI, BOF and others as appropriate
 - b. File copy of the report in the electronic OSP project file under the “Audit and Site Visits” subfolder
 - c. File the physical copy of the report in the physical project file
 - d. Send copy of audit report to SLCC Internal Audit
- D. Audit Follow-up with Findings – steps performed by OSP Personnel
 1. Review audit report and perform the following in the response timeframe required by the auditor:
 - a. Determine with the PI and BOF what type of response is needed and who will prepare what
 - b. Assist PI and BOF in determining corrective actions, if required
 - c. If additional time is needed to prepare response request an extension
 - d. Work with the PI and BOF to prepare the response
 - 1) Format response and include all required information as defined by applicable regulations and sponsor requirements
 - a) For Federal awards refer to 2 CFR 200.511-512 for single audits or to sponsor guidelines for site visits/non-single audits for required format and required information
 - 2) Unless otherwise required by the sponsor write the response on OSP letter head, and once completed submit to OSP Director for review and signature
 - e. Submit the signed response electronically to the sponsor; copy the PI and BOF
 - f. File copies of the audit report and response in the electronic OSP project file under the “Audit and Site Visits” subfolder
 - g. File the physical copy of the audit report in the physical file
 2. Resolve outstanding findings or suggested corrective actions
 - a. Work with the PI and BOF to resolve audit findings and corrective action
 - b. Provide timely written follow-up to the sponsor as proposed in the audit response
 - c. Upon resolution, verify receipt of sponsor written response that the audit is closed
 - d. File copies of sponsor communication, including confirmation that audit findings have been resolved in the OSP project file under the “Audit and Site Visits” subfolder
 - e. File the physical copy, if applicable, in the physical project file
 - f. Send copy of audit report and response(s) to SLCC internal audit
- E. Audit Record Retention
 1. Follow GP 4.0, ‘Project File Record Retention and Destruction’; audit files/records are considered part of the project file/record
 2. Maintain physical and electronic audit records and responses a minimum of three years after resolution

REFERENCES:

ECFR — Code of Federal Regulations Title 2, Subtitle A, Chapter II, Part 200 Uniform Administrative Requirements, Cost, Principles and Audit Requirements for Federal Awards. (2014, December 19). Retrieved June 22, 2015, from http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl