

**Van Buren Triple**

**E. Monitoring Assessment Tool - Subrecipient Responsibilities**

**Background:**

As recipients of federal awards, county agencies subgrant federal monies to other governmental entities or non-profit organizations for them to administer federal programs. For this reason, the county agencies must comply with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, §\_\_\_\_.400 Responsibilities and §\_\_\_\_.405 Management decision.

**Review Objectives:**

- To determine whether entities receiving federal monies from the county agency are appropriately classified as vendors or as subrecipients;
- To determine whether the county agency enters into a subgrant agreement or maintains other documentation as to the terms and conditions of subgrants;
- To determine whether language in subgrant agreements or other documentation as to the terms and conditions of subgrants is consistent with subrecipient status, rather than with vendor status;
- To determine whether specified information is communicated to a subrecipient as required by OMB Circular A-133, §\_\_\_\_.400;
- To determine whether the county agency monitors subrecipients for compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved;
- To determine whether the county agency limits subrecipients to actual costs for the provision of services and the administration of the program; and
- To determine whether the county agency undertakes appropriate action to obtain subrecipient A-133 audits and to effect the management resolution required in OMB Circular A-133, §\_\_\_\_.405.

**Procedures: (Auditor comments inserted below)**

	Program Step	Date/ Initials	Work Paper Reference
1.	Using the CDJFS GSA response, discuss subrecipient administration procedures and controls for determination and monitoring. Compile narrative summary.  <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <b>For Subgrant Agreements</b>  <a href="#">OAC 5101:9-1-88 (F) and (G)</a> </div>		
2.	Obtain from the county auditor (or the agency if unavailable) a list of all contracts and subgrants made by the agency during the current fiscal year. (Scan the list into AutoAudit)		
3.	From the list, select one contract and one subgrant and independently re-perform the determination of the status of each.  Ensure your workpaper contains a narrative of the population from which you chose the agreements. Describe how you were assured the population was complete.		

**Van Buren Triple**

**E. Monitoring Assessment Tool - Subrecipient Responsibilities**

	Program Step	Date/ Initials	Work Paper Reference
4.	<p>If the subgrant agreement selected above is determined to, in fact, be a subgrant, review the subgrant documentation to determine whether it adequately sets forth the essential terms and conditions of a subgrant</p> <p><b>For Vendor Contracts</b>  <a href="#">OAC 5101: 9-4-07 (C)</a> or <a href="#">45 CFR 92.36 (i)</a></p> <ul style="list-style-type: none"> <li>• Administrative, contractual, or legal remedies in instances where contractors violate or beach contract terms, and provide for such sanctions and penalties as may be appropriate.</li> <li>• Termination for cause and for convenience by the county family services agency and workforce development agency including the manner by which it will be effected and the basis for settlement. (All contracts in excess of ten thousand dollars.)</li> </ul> <p>Construction contracts have additional disclosure requirements; please refer to the OAC if you are evaluating one of these contracts.</p>		
5.	<p>Determine whether the subgrant agreement includes the communications specified in OMB Circular A-133, §____.400. If not, inquire as to any other communications to the subrecipient which may include the required information. Review any such documentation for compliance with the requirement.</p> <p><b>Pass-through entity responsibilities:</b> <a href="#">OMB Circular A-133, § ____ .400 (d)</a></p> <ul style="list-style-type: none"> <li>• Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&amp;D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.</li> <li>• Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.</li> <li>• Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.</li> </ul>		

**Van Buren Triple**  
**E. Monitoring Assessment Tool - Subrecipient Responsibilities**

	Program Step	Date/ Initials	Work Paper Reference
	<ul style="list-style-type: none"> <li>• Ensure that subrecipients expending \$300,000 (<i>\$500,000 for fiscal years ending after December 31, 2003</i>) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.</li> <li>• Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.</li> <li>• Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.</li> <li>• Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.</li> </ul>		
6.	<p>For the subgrant selected above, review documentation of any subrecipient monitoring performed to assess its sufficiency in terms of OMB Circular A-133, §____.400.</p> <p><b>Contract Monitoring</b> <a href="#">OAC 5101:9-4-07 (J) (8)</a></p>		
7.	<p>Obtain the documentation related to claims, expenditures and costs for a closed subgrant and determine whether the subrecipient was limited to actual costs of direct services provided and any allowable administrative costs.</p>		
8.	<p>From the list of subrecipients, determine whether any had expenditures of federal monies of \$500,000 or more during the subrecipient's fiscal year. If so, select one such subrecipient and determine whether the county agency obtained the required A-133 audit of the subrecipient and performed management resolution as required by <a href="#">OMB Circular A-133, § ____ .405</a></p>		
9.	<p>Determine whether the county agency has a process and procedures in place to review A-133 audits of their subrecipients to assure all funding provided by the county agency is included on the Schedule of Federal Awards Expended (the federal schedule). If not, a comment should be prepared to address any deficiency.</p>		
10.	<p><b>Conclusion:</b></p> <p>Consider whether there are any instances of non compliance or a systemic problem due to a lack of adequate internal control exists with regards to your procedures. If so, make an appropriate notation as an Issue in Auto Audit.</p>		

**Van Buren Triple**  
**E. Monitoring Assessment Tool - Subrecipient Responsibilities**

	Program Step	Date/ Initials	Work Paper Reference
	Prepare a segment summary to reflect work completed and results of your testing. (Note: An example index/segment summary can be obtained from the Auto Audit Library.)		