



Policy: External Audits	Category: Audits	Number: GP2500
	<input type="checkbox"/> Complete Revision <input type="checkbox"/> Partial Revision <input checked="" type="checkbox"/> New	Supersedes:

Policy Statement

The School District of Philadelphia is committed to utilizing award funds for program-approved purposes and limiting the possibility of fraud, waste or abuse of those funds. In furtherance of this commitment, the District recognizes the right of external funding agencies to ensure that funds provided are used in accordance with the grant requirements by reviewing District records and documentation. In addition, the District shall address any findings and recommendations in an approved auditor’s report in a timely manner and in accordance with applicable regulations. The District recognizes that audit resolution can be a vital management tool to strengthen not only individual programs but overall District operations.

Reason for Policy

The following policy applies for District fiscal years beginning before December 26, 2014. Federal award recipients, including subgrantees, expending more than \$500,000 in a fiscal year across all federal award funds are responsible for obtaining independent audits in accordance with federal *OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*. Additionally, any District program expending non federal award funds may be subject to audit by the grantor. OMB Circular A-133 also stipulates that the District and its subgrantees have responsibility for addressing and correcting any federal audit findings. The Code of Federal Regulations, *2 C.F.R. Part 200 Subpart F-Audit Requirements*, applies to audits of the District for fiscal years beginning after December 26, 2014. 2 C.F.R Subpart F requires a non-federal entity that expends \$750,000 or more during the entity’s fiscal year in Federal awards to have a single audit conducted for that year. The District under this regulation is required to prepare financial statements, a schedule of expenditures of Federal awards for the period covered by the financial statements which includes total federal awards expended, notes that describe significant accounting policies, a summary schedule of prior audit findings, audit findings follow-up, a corrective action plan, and to provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed. The District is also subject to and must properly respond to audits of other funders.

Policy Requirements

The Grant Accounting Unit (GAU) of the Office of Accounting Services and Audit Coordination (ASAC) shall ensure that programs receiving grant funds are in compliance with grantor audit requirements.

Any District employee contacted by an external auditor will direct the request to GAU and the Grants Compliance Office (GCO). The GAU shall coordinate requests of auditors and will seek assistance from the Grant Program Manager (GPM), Grant Budget Analyst (GBA) and any other District offices as needed.

In order to address any audit findings, the GAU will coordinate District research and responses with Grant Program Managers (GPM), Grant Budget Analysts (GBAs), the Grant Compliance Office (GCO) and any other necessary District offices. The GAU will share all audit results with the Grant Oversight Committee (GOC).

The GPM is responsible for implementing any corrective actions whereas the GCO will ensure such implementation has taken place.

Responsibilities

Grant Accounting Unit is responsible for coordinating all external audits and reporting any findings to the Grant Oversight Committee.

Grant Program Manager (GPM) is responsible for supporting the GAU in responding to audit requests by ensuring that grant programmatic and financial documentation within the grant file are complete and maintained in accordance with District Policy *GP1400 Documentation and Record Retention*. The GPM must be available to answer questions arising from the audit including questions regarding the program's methods and accomplishments. The GPM is responsible for implementing any corrective actions resulting from the audit visit.

Grant Budget Analyst (GBA) is responsible for supporting the GAU in responding to audit requests by ensuring that grant financial documentation within grant file is complete and maintained in accordance with *District Policy GP1400 Documentation and Record Retention*. GBAs will provide assistance in researching audit findings and preparing responses.

Grant Compliance Office (GCO) and other District Offices will assist with audit requests as needed. The Grant Compliance Office is responsible for monitoring to ensure that corrective action plans are implemented.

Grant Oversight Committee (GOC) is responsible for reviewing and understanding external audit findings.

Procedures

- *GP2500.1 Preparation for External Audit Visits*
- *GP2500.2 Resolution of Audit Findings*
- *GP2500.3 Federal Single Audit Charges*

Forms

Definitions

Auditor is a public accountant or a Federal, State or local government audit organization.

Audit finding means deficiencies or questioned costs which the auditor reports.

Audit visit is an examination of program records or financial information performed by an external funder.

Contacts

- *Office of Accounting Services and Audit Coordination*
- *Grant Accounting Unit*
- *Grant Fiscal Services*
- *Grant Compliance Office*
- *Grant Oversight Committee*

Frequently Asked Questions

Related Information

- *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*
- 2 C.F.R. Part 200 Subpart F-Audit Requirements, for audits of District fiscal years beginning after December 26, 2014

History

Amended:

- Amended on 6/4/2015 for reference updates to the Uniform Grant Guidance and for technical adjustments.

Issue Date: July 1, 2012	Effective Date: July 1, 2015	Approved by: Chief Grant Development & Compliance Officer
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