

# OPTIMIZING AUDIT RESULTS

Mark Ianello, Finance Director, City  
of Lawrence

Adam Ploetz, AICP, HUD CPD Region I

NCDA Region I  
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# OVERVIEW

- A-133 Audits
- OIG Audits



# A-133 AUDITS

- Overview of auditor's reports on federal award programs (City of Lawrence).
  - Report on internal control in accordance with *Government Auditing Standards*.
  - Report on compliance requirements described in *OMB Compliance Supplement* and Report on Schedule of Federal Awards as required by the *Uniform Guidance*.
  - Schedule of Expenditure of Federal Awards.

# A-133 AUDITS CONT.

- Overview of Compliance Supplement used by auditors.  
([https://www.whitehouse.gov/omb/circulars/a133\\_compliance\\_supplement\\_2016](https://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2016))
  - OMB Circular A-133 Compliance Supplement table of contents
  - HUD CFDA 14.218 CDBG Grants
    - Part III. Compliance Requirements (12 types)
      - Auditor must determine which apply
      - Which will have a direct and material effect on Federal program of auditee.

# A-133 AUDITS CONT.

## ■ Practical tips

- **Scan** all grant documents and develop a naming convention for all staff to use.
- **Meet** with auditor well **in advance** of site visit to ensure you have records ready for audit.
- Make yourself available to auditor to review any potential findings. You may be able to **offer alternative procedures** or documents to satisfy the audit test. You know more about your programs than the auditors.

# A-133 AUDITS: HUD PERSPECTIVES

- CPD's review of A-133 audit findings is relatively new.
- A-133 audit findings will often parrot/repeat recent CPD monitoring findings.
- COFAR 200.509 requires jurisdiction that is subject to audit requirements must request a peer review of their auditing firm at least every three years.
  - The audit firm must comply with the request.
- Failure to submit A-133 audits in a timely manner to the FAC impacts CPDs risk analysis of grantees.

# OIG AUDITS

- Time consuming
- Traumatic
- CPD is an invaluable asset in clearing audit findings.

# CPD'S ROLE DURING AN OIG AUDIT

- CPD often requests OIG to audit grantees when we have concerns about specific issues related to a grantees program.
- You can contact CPD during the audit if you have concerns about how auditors are interpreting regulations related to your program.



# CPD'S ROLE POST AUDIT

- Audits are addressed to the CPD Director.
- Audit details:
  - What OIG audited and why;
  - What OIG found;
  - What OIG recommends CPD does about it.
- Each audit finding will have one or more recommendations that the CPD Director will instruct the grantee to address.
  - Financial and/or policy related.
- The process for clearing audit findings.
  - Management Decisions

# OIG AUDITS: TAKEAWAYS

- Clearing audit findings is an iterative process
- Communication is critical.
- Consider setting up a face-to-face meeting schedule to expediate the process.
- It's your choice to cooperate or obstruct.