

Part 12: SSAI Program Monitoring, Fiscal Monitoring and Audit Requirements

1200 SSAI Program Monitoring, Fiscal Monitoring and Audit Requirements

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A. SSAI Staff Responsibilities

The SSAI staff responsible for reviewing each project sponsor's performance throughout the program year in a variety of ways including, but not limited to, the following: regular contact via phone and email, staff meetings, training sessions, conducting in-office information or desk reviews and/or site visits to provide technical assistance or conduct program and fiscal compliance monitoring.

Program monitoring addresses program and compliance issues outlined in this manual as well as the daily operations of the sponsor project. During program monitoring visits, the program officer may review the following items:

- Sponsor Agreement (for more information, see section 100-B Sponsor Agreement);
- Correspondence (letters, faxes, emails, notes of telephone calls);
- Monthly and performance reports (enrollments, placements, etc.);
- Participant files; and
- Host agency files.

Fiscal monitoring addresses grant administration, cost and reporting requirements, including the grant budget, special grant conditions and clauses, specific grant regulations and the uniform guidance. During fiscal monitoring, SSAI staff review the following items:

- Monthly cost report (SA1) (for more information, see 1003-B *Report of Costs* (SA1);
- Non-federal share of cost reports for more information, see 1004-B *Reporting Non-Federal Costs* (SA2);
- Monthly payroll-by-payroll analysis reports and other budget tracking tools;
- Participant timesheets, payroll registers and agency general ledgers pertaining to SCSEP;
- Evaluation of project sponsor audited financial statements and single audit report (with appropriate follow-up where applicable);
- Fiscal review checklists; and
- Maintenance of fiscal review files.

During site visits and/or desk reviews, SSAI also counsels the project sponsors to ensure the performance measures are being met and reports are submitted in a timely manner (for more information, see 101-D SSAI Performance Measures).

To facilitate program and fiscal monitoring, project sponsors should be responsive and ensure SSAI staff have access to all appropriate personnel involved in the administration and operation of the sponsor project, all project records, all current host agency supervisors and participants and, as appropriate, all former host agency supervisors and participants.

B. On-Site Fiscal Reviews Required for Project Sponsors Not Subject to the A-133 Single Audit Requirements

Each program year, SSAI fiscal staff conducts on-site fiscal reviews of project sponsors not subject to the Single Audit Requirement. In addition to the fiscal monitoring activities noted in Section 1200-A (above), SSAI fiscal staff will also monitor the project sponsor's Other Program Costs and Administrative Costs.

C. Program Compliance Review Report

After each program compliance review, SSAI program staff prepares a Program Compliance Review Report that documents the review of the project's operations and provides a summary of findings and any issues identified during the site visit, including those that may affect performance. The report informs the project sponsor's principal executive and project director of findings and requires corrective actions if necessary. Findings address policies outlined in this manual, including any policy updates not included in this manual, and corrective actions must be accomplished within the time limits specified in the report.

D. Fiscal Compliance Review Report

SSAI fiscal staff also conducts an annual fiscal compliance review to examine the project sponsor's financial and program operations records to ensure compliance with applicable regulations and related requirements. SSAI fiscal staff sends a report to project sponsors summarizing any findings.

E. Auditing

Project sponsors are subject to periodic audits by U.S. Department of Labor (DOL) auditors or auditors operating under the direction of the DOL. Project directors are required to provide these auditors with access to pertinent records for the period being audited. Additionally, the Single Audit Act requires project sponsors who have total federal funding of \$750,000 or more to be audited by an independent certified public accountant. Audit reports should be complete and filed with federal agencies within nine months after the project sponsor's fiscal year ends. Project sponsors are required to submit copies of these reports to SSAI. If there are financial reasons or audit findings that affect SSAI, follow-up meetings or reviews will be scheduled to determine corrective actions.