

Research Administrator Meeting

March 11, 2008

10:00-12:00

Illinois Room, IMU

A-133 Audit Overview

What is the OMB Circular A133?

- Office of Management & Budget Circular A-133 – Audits of States, Local Governments, and Non-Profit Organizations
- Congress enacted the Single Audit Act of 1984 to establish uniform audit requirements
- OMB Circular A-133 sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of States, local governments, and non-profit organizations expending Federal awards

What is the purpose of the single audit:

- To determine whether the financial statements of the institution are presented fairly in accordance with generally accepted accounting principles
- To determine whether internal controls are properly designed and provide reasonable assurance that funds and property are safeguarded, financial reporting is accurate, and compliance with applicable laws and regulations has been achieved
- To determine whether there has been compliance with laws and regulations which, if violated, could have a direct material effect on financial amounts including claims under federal programs
- To determine whether the institution can demonstrate compliance with all the specifically named items in the A-133 Compliance Supplement

A-133 Compliance Supplement

The compliance supplement lists 14 compliance elements:

1. Activities allowed or unallowed
2. Allowable costs/cost principles
3. Cash management
4. Davis-Bacon Act
5. Eligibility
6. Equipment and real property management
7. Matching, level of effort, earmarking

A-133 Compliance Supplement

8. Period of availability of funds
9. Procurement and suspension and debarment
10. Program income
11. Real property acquisition and relocation assistance
12. Reporting
13. Sub-recipient monitoring
14. Special tests and provisions

We are responsible for...

- Identifying all federal awards and funds expended
- Maintaining internal controls over federal funds and providing reasonable assurance that we are complying with the laws and regulations applicable to the awards
- Ensuring that laws and regulations are followed for all programs covered by the audit
- Preparing financial statements that accurately reflect our financial position
- Ensuring that the A133 audit is completed and submitted when due to the Federal Clearinghouse
- Following up on all audit findings and taking corrective actions to ensure that the problems do not recur in future years

What are the auditors responsible for...

- Determining whether the financial statements are presented fairly
- Testing internal controls
- Determining whether we have complied with the laws, regulations and provisions for contracts or grant agreements
- Following up on prior audit findings to ensure that corrective action has taken place
- Submitting the audit report
 - Includes schedule of findings and questioned costs
 - Assessment of risk