

PI ARTICLE: Audits and Reviews

The purpose of this article is to cover the myriad audits and reviews that, as recipients of sponsored funds, must be managed by Grants and Contracts Accounting in partnership with many other departments in the institution. The focus here is on audits/reviews that directly impact Resident Instruction (non-GTRI) sponsored funding.

- **Federal Single Audit:** an annual, organization-wide financial statement and federal expenditure audit. It is intended to provide assurance to the Federal Government that we have adequate internal controls in place and are generally in compliance with program requirements. We contract with an external audit firm to perform the Single Audit, which is conducted in the fall. Note that these audits may include interviews with randomly selected PIs.
- **State of Georgia Audit:** an annual, organization-wide audit conducted by the Georgia Department of Audits and Accounts (DOAA) for all state entities.
- **Incurred Cost Audits (DCAA):** conducted by the Defense Contract Audit Agency (DCAA), which provides audit and advisory services to the Department of Defense (DOD). These audits, applied to our annual fringe benefit rate proposal, our annual Graduate Student Tuition Remission Program (GSTRP), and our periodic facilities and administration (F&A) cost proposal, are designed to assess the accuracy of our costs. Determinations are made as to allowability, reasonableness, and allocability per contract terms, cost accounting standards (CAS), and government laws or regulations. Note that DCAA has a physical presence on our campus year-round and their staff have GT affiliate status.
- **Federal Office of Inspector General (OIG) Audits:** housed within each federal government department and independent agency, OIGs were created by Congress to detect and identify fraud, waste, and abuse of federal funds. OIGs are authorized to conduct audits and investigations on federal award recipients to evaluate fiscal management and award compliance. These audits may be conducted at any time.
- **GT Department of Internal Auditing (DIA):** Through consulting and independent audits, the DIA seeks to provide reasonable assurance to management that effective stewardship is maintained over Institute resources. As part of their annual audit plan, DIA will include reviews of specific research activities.
- **Subrecipient Monitoring (dual perspectives):** As outlined in 2 CFR 200.332, pass-through entities who have received funding from federal sponsors and have awarded a portion of those funds to a subrecipient entity must ensure the subaward is used for authorized purposes, is in compliance with Federal statutes, regulations, terms and conditions of the award, and that performance goals are achieved. Georgia Tech as the pass-through entity must conduct reviews of subrecipients (which is a big emphasis point for the Single Audit). Georgia Tech as the subawardee is subject to review by the pass-through entity.
- **Desk Reviews:** conducted to ensure compliance with sponsor requirements and internal policies. Sponsors may request supporting documentation regarding a specific cost or may request information regarding University policies and procedures. Some sponsors require and review supporting documentation for every item billed and review cost share levels as applicable, before approving GT invoices for payment.
- **Site Visits:** performed in many cases prior to an award or after desk reviews to assess awardees capability, performance, and compliance against the applicable elements that make up each award. This may include administrative regulations, public policy requirements, and special and/or general terms and conditions.
- **Cost Claims:** Some sponsors require contractors to prepare cost claims in preparation for an audit. The document is used to compare and reconcile previously billed and paid amounts shown in the sponsor's accounting system. It also provides the contractor with an additional opportunity to review previous billings to ensure there have not been errors.

All of the items above speak to the importance of being extremely diligent with grants management. The Financial Compliance Team within Grants and Contracts accounting functions to both manage the requests above and to proactively identify areas where processes and controls need to be strengthened. Everything can be questioned and we have to be able to defend all of our actions if asked. If you have any questions, please contact Josh Rosenberg at josh.rosenberg@business.gatech.edu.