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# What Will Get You Audited Bud Fitch

Top Ten Reasons your ARRA  
funded Program would be  
Audited  
(KPMG – general list)



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11. Those major programs  
deemed high risk by OMB



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10. Significant changes in federal programs, laws or regulations (changes in the compliance supplement for a particular program)



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9. Inherent risk of federal programs, i.e complexity of the compliance requirements, fraud risk, length of time agency has been subjected to the compliance requirements



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8. System/processes in place for monitoring subreceptients



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7. Whether a program is administered under multiple internal control structures (Student Financial Aid)



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6. Computer system used, whether the state-wide system is used to process transactions or a stand-alone system. Also a newly installed system or modifications to a system may indicate high risk.



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5. Turnover in key  
personnel who administer  
the grants





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4. Competence and experience of personnel who administer the grants is weak



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3. Overall control environment  
at management level is found  
to be weak



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2. Prior audit experience – prior year findings identified where either internal control weaknesses over compliance were identified or compliance issues were identified



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1. Federal audit reports  
issued with findings

# Best Practices

## *Guide to Opportunities for Improving Grant Accountability;*

## Grant Accountability Project

A collection of Federal, State, and local audit organizations tasked by the Comptroller General of the United States' Domestic Working Group to offer suggestions for improving grant accountability

<http://www.ignet.gov/randp/grantguide.pdf>



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# Best Practices

- Internal Control Systems:
  - Preparing policies and procedures before issuing grants
    - *Written Criteria cleared with Governor's Office*
  - Consolidating information systems to assist in managing grants
    - *DAS Central RFP/RFQ/Bid and Award*



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# Best Practices

- Performance Measures:
  - Linking activities with program goals
    - *Program Specific, if not in place, develop – we will be asking to see written documentation*
  - Working with grantees to develop performance measures



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# Best Practices

- Pre-Award Process:
  - Assessing applicant capability to account for funds
    - *We plan to tailor compliance efforts to your assessment of the grantee's capability*



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# Best Practices

- Pre-Award Process:
  - Competing grants to facilitate accountability
    - ARRA strongly favors use of a competitive selection process, requires special posting of non-competitive awards



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# Best Practices

- Pre-Award Process:
  - Preparing work plans to provide framework for grant accountability



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# Best Practices

- Pre-Award Process:
  - Including clear terms and conditions in grant award documents
    - We will be issuing, hopefully from federal guidance, ARRA specific contract terms. (NHDOJ in approx. one week)



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# Best Practices

- Managing Performance:
  - Monitoring the financial status of grants
  - Ensuring results through performance monitoring
  - Using audits to provide valuable information about grantees
  - Monitoring subrecipients as a critical element of grant success



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# Best Practices

- Assessing and Using Results:
  - Providing evidence of program success
  - Identifying ways to improve program performance



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