Grant Management: Preparing for a Successful Audit

Conducting An In-House Audit of Grant Program Files

Purpose

- An in-house audit of grant program files prior to an outside audit will properly prepare your organization by assisting you in finding any problematic issues and implementing corrective action ahead of time, keeps you organized and at ease during the audit process, and helps you with the upkeep of grant program files.

Getting Started

- In order to get started, create an accurate listing of all funded programs your organization currently has as well as those programs which have closed in the last year.

Listing of Funded Programs

- Program Name
- Name of Agency Providing Funding
- Award Amount
- Award Date
- Grant Award End Date
- Reporting Schedule

- Type of Reporting Documents Required
- Awarding Agency Contact Person
- In-House Contact Person

Reviewing Program Files

- Each file folder (electronic or hardcopy) should have a consistent pattern in regards to the type of documentation stored by the organization.

Program Files

- Award Letter
- Award Instructions/Guidelines
- Award Financial or Reimbursement Information
- Original awarded proposal submitted for funding
- Modification made by the awarding agency
- Reporting Schedule

- Copies of financial reports submitted to the awarding agency
- Expense Documentation
- Copies of programmatic reports submitted to the awarding agency
- Modifications requested by your organization
- Correspondence with awarding agency

Auditing Process

- Review each file folder to verify that all documents are accounted for;

- Review documents to ensure that all award documents have been signed and dated by the proper officials (awarding agency and funded agency officials);

- Review the awarding agency program instructions and guidelines to ensure your organization has stayed in compliance;

Auditing Process

- Examine program goals and timelines to see if your organization is currently on track, based on the information submitted in the original proposal;

- Review the budget to see if you are currently over budget or under budget;

- Examine the current filing process to see if it is meeting the needs of your organization;

- Document your in-house audit procedures;

Follow-up

- Work with in-house program contacts (program officer or director of programs) to locate any missing documents or to retrieve appropriate signatures;

- Discuss awarding agency program instructions and guidelines with in-house program contact;

- Review program goals and budget with the in-house program contact and finance officer;

- Review the filing process with the in-house contact person and people who are responsible for filing all program award documents;

Audit Readiness

- Organized Files

- Documentation for Expenses

- Appropriate Approvals

- Audit Trails (i.e. documentation)

- Knowledge of policies and regulations

- If it's not documented, it didn't happen…

  - Audit Readiness from Practical Tips for Grant Compliance KPMG LLP

Questions