



Policy:  <b>External Audits</b>	Category: <b>Audits</b>	Number: <b>GP2500</b>
	<input type="checkbox"/> Complete Revision <input checked="" type="checkbox"/> Partial Revision <input type="checkbox"/> New	Supersedes:

**Policy Statement**

The School District of Philadelphia is committed to utilizing award funds for program-approved purposes and limiting the possibility of fraud, waste or abuse of those funds. In furtherance of this commitment, the District recognizes the right of external funding agencies to ensure that funds provided are used in accordance with the grant requirements by reviewing District records and documentation. In addition, the District shall address any findings and recommendations in an approved auditor’s report in a timely manner and in accordance with applicable regulations. The District recognizes that audit resolution can be a vital management tool to strengthen not only individual programs but overall District operations.

**Reason for Policy**

The Code of Federal Regulations, *2 C.F.R. Part 200 Subpart F-Audit Requirements*, applies to audits of the District. 2 C.F.R Subpart F requires a non-federal entity that expends \$750,000 or more during the entity’s fiscal year in Federal awards to have a single audit conducted for that year. The District under this regulation is required to prepare financial statements, a schedule of expenditures of Federal awards for the period covered by the financial statements which includes total federal awards expended, notes that describe significant accounting policies, a summary schedule of prior audit findings, audit findings follow-up, a corrective action plan, and to provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed. The District is also subject to and must properly respond to audits of other funders.

**Policy Requirements**

The Grant Accounting Unit (GAU) in the District’s Comptroller’s Office shall ensure that programs receiving grant funds are in compliance with grantor audit requirements. Any District employee contacted by an external auditor will direct the request to GAU and the Grants Compliance and Fiscal Services (GCFS). The GAU shall track and coordinate requests of auditors and will seek assistance, when needed, from the Grant Program Manager (GPM), GCFS, or any other District office.

The GPM is responsible for implementing any corrective actions whereas the GCO will monitor for implementation compliance.

**Responsibilities**

**Grant Accounting Unit** is responsible for coordinating all external audit responses.

**Grant Program Manager (GPM)** is responsible for supporting audit requests by ensuring that grant programmatic and financial documentation within the grant file are complete and maintained in accordance with District Policy *GP1400 Documentation and Record Retention*. The GPM must be available to answer questions arising from the audit including questions regarding the program’s methods and accomplishments. The GPM is responsible for implementing any corrective actions resulting from the audit visit.

**Grant Budget Analyst (GBA)** in GCFS is responsible for supporting the GAU and GCO in responding to audit requests by ensuring that grant financial documentation within the grant file is complete and maintained in accordance with *District Policy GP1400 Documentation and Record Retention*. GBAs will provide assistance in researching audit findings and preparing responses.

**Grant Compliance and Fiscal Services Office and other District Offices** will assist with audit requests as needed. The Grant Compliance Office is responsible for monitoring to ensure that corrective action plans are implemented.

**Procedures**

- *GP2500.1 Preparation for External Audit Visits*
- *GP2500.2 Resolution of Audit Findings*
- *GP2500.3 Federal Single Audit Charges*

**Forms**

**Definitions**

Auditor is a public accountant or a Federal, State or local government audit organization.

Audit finding means deficiencies or questioned costs which the auditor reports.

Audit visit is an examination of program records or financial information performed by an external funder.

**Contacts**

- *Grant Accounting Unit*
- *Grant Compliance and Fiscal Services*
- *District Comptroller*

**Frequently Asked Questions**

**Related Information**

- *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*  
2 C.F.R. Part 200 Subpart F-Audit Requirements.

**History**

**Amended:**

- Amended on 6/4/2015 for reference updates to the Uniform Grant Guidance and for technical adjustments.
- Amended in July, 2022 to clarify roles and make technical adjustments.

Issue Date: July 1, 2022	Effective Date: July 1, 2022	Approved by: Deputy Chief, Grant Compliance and Fiscal Services
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