
Audit Requirements Policy

Policy Number: F-2004, Rev. 1

Release Date: January 19, 2023

Supersedes: Audit Requirements, Reports, and Resolution Policy # F-1004, effective June 30, 2016

PURPOSE

This policy describes audit, reporting, and resolution requirements for recipients of federal awards, including WIOA Title I funding.

The purpose of the policy revision is to:

- Shorten the title of the policy from “Audit Requirements, Reports, and Resolution Policy” to “Audit Requirements Policy”.
- Clarify who is exempt from federal single audit requirements.
- Update references and citations.
- Update the signature block to the WorkForce CEO.

BACKGROUND

Audit requirements are codified in [2 CFR Part 200, Subpart F](#) of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, [20 CFR 683.210](#), and Employment Security Department (ESD) [Policy 5255, Rev. 1 – WIOA Audit Requirements, Reports, and Resolution](#).

POLICY

WorkForce Central and its subrecipients that spend \$750,000 or more of federal awards during a fiscal year must have a [single](#), or [program-specific](#) audit conducted for that year.

WorkForce Central, as a recipient and pass-through entity of federal funds, must:

- Monitor subrecipients to ensure appropriate use of federal funds.
- Ensure it and its recipients of federal funds provide auditors access to records and financial statements as necessary to ensure compliance with applicable law, regulations, and terms and conditions of the federal awards.

A. Audit Requirements

WorkForce Central must:

- Verify subrecipients are audited as required in 2 CFR Part 200 Subpart F – Audit Requirements and 20 CFR 683.210.
- Issue management decisions for audit findings on federal funds WorkForce Central has awarded.
- Follow-up and ensure subrecipients take timely and appropriate action to resolve all deficiencies identified through audits, reviews, and other means.

B. Audit Resolution and Management Decisions

WorkForce Central must review audit reports to ensure any findings are adequately resolved in a timely manner. WorkForce Central will issue a written response, or “management decision”, of the findings that may include a corrective action plan to resolve the audit findings.

WorkForce Central will issue a management decision to resolve audit findings within six months of acceptance of the audit report by the [Federal Audit Clearinghouse](#) (FAC) consistent with 2 CFR 200.521(d). The management decision will clearly state whether or not the audit finding is sustained, the reasons for the decision, and the auditee’s expected actions.

If the auditee has not completed corrective action at the time the decision is made, a timetable for follow-up must be provided. Management decisions must describe appeal processes available to the auditee.

C. Appeals

Appeals and disputes regarding management decisions are first addressed through local dispute resolution policies and procedures, detailed in WorkForce Central’s Dispute Resolution and Appeals Policy located on [WorkForce Central’s Policy Library](#).

If the requirements of local dispute resolution policies and procedures have been met and the parties to the dispute cannot reach agreement, they may appeal to the State per [WIOA Title I Policy 5410, Rev. 1 – Dispute Resolution and Appeals](#) and WorkForce Central’s Dispute Resolution and Appeals Policy.

D. Exempt from Federal Audit Requirements

A non-Federal entity that expends less than \$750,000 of federal funds during the non-Federal entity’s fiscal year is exempt from the federal single or program-specific audit requirements for that year. Records must still be made available for review or audit by appropriate officials of the federal agency, Government Accountability Office (GAO), ESD, WorkForce Central, and State Auditor’s Office (SAO).

For-profit subrecipients are not subject to federal audit requirements. WorkForce Central is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient’s compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. For-profit subrecipients are required to submit audit reports or financial statements to WorkForce Central.

Contractors (i.e., “vendors”) of goods services are not subject to federal audit requirements.

E. Audit Reports


WorkForce Central subrecipients must forward audit reports or financial statements to the WorkForce Central Contracts & Compliance Department.

REFERENCES

- Public Law 113-128, Workforce Innovation and Opportunity Act of 2014, Sections 184 and 185
- 20 CFR 683.210
- 2 CFR Part 200.332– Requirements for Pass-through Entities
- 2 CFR Part 200, Subpart F - Audit Requirements

- State Administrative and Accounting Manual (SAAM), Section 50.30 – Compliance with Federal Single Audit Act
- ESD Policy WIOA Title I Policy 5410 Revision 1, Dispute Resolution and Appeal
- ESD Policy 5255, Rev. 1 – WIOA Audit Requirements, Reports, and Resolutions
- WorkForce Central Policy ADM-3011 - Dispute Resolution and Appeals Policy

APPROVED


Katie Condit (Jan 20, 2023 11:44 EST)

Jan 20, 2023

Katie Condit, WorkForce Central CEO

Date

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