

Business Use Case 080.GRM.L1.08 Grant Recipient with Corrective Action Issues

End-to-End Business Process: 080. Apply to Perform

Business Scenario(s) Covered

- L1.SA02 Single Audit Past Due
- L1.SA03 Past Due Corrective Actions
- L1.SA06 Multiple Prior Year Findings
- L1.SA07 Questioned Costs Findings

Business Actor(s):

Grant Recipient; Independent Auditor; Federal Awarding Agency; Single Audit Accountable Official; Key Management Single Audit Liaison; Audit Resolution Staff; Grants Office; Program Office; Finance Office

Synopsis

Grant recipient expenditure information is retrieved and consolidated to determine recipients with expenditures of \$750,000 or more of Federal funds in the recipient's fiscal year who are required to conduct a single audit. Grant recipients requiring a single audit are compared to single audits received, and past due single audits are identified. Notifications are provided to grant recipients with past due single audits. In response to the notification, a past due single audit package is received, which includes the summary schedule of prior audit findings and corrective action plan. The audit package receipt is confirmed, and the information is evaluated. Closed findings in the summary schedule of prior audit findings are identified and confirmed, and the findings are marked closed. Appropriate parties are notified of the closed findings. The open audit findings are identified and assigned to appropriate parties for follow-up, and assignment notifications are provided. After reviewing the audit findings and corrective action plan, recommendations are provided to the grant recipient for changes to the corrective action plan. Updates to the corrective action plan are received and evaluated.

During the audit findings resolution process, additional information is needed for findings related to questioned costs. The request for additional information on questioned costs is provided to the grant recipient, and the information is received. After evaluating the additional information, a determination is made to disallow the questioned costs amount. The Management Decision Letter (MDL) is developed, documenting the resolution for findings and including the disallowed costs amount with instructions for repayment of the amount to the Government. The MDL and supporting documentation is routed for review and approval by appropriate parties. Approvals are documented, and the MDL is provided to the grant recipient. A request to establish a receivable due from the grant recipient for the disallowed costs is submitted and processed. During the next month, the repayment for the disallowed costs amount is received and processed, and a payment confirmation is provided.

As the deadline for completion of corrective actions approaches, corrective action status information for audit findings is received and evaluated. For two of the audit findings, the corrective actions are past due. A request is sent to the grant recipient for a justification and revised timeline for completion of the past due corrective actions. The justification information and revised timeline for completion of the past due corrective actions for the two audit findings is reviewed, the revised timeline is approved, and the grant recipient is notified.

After the end of the grant recipient's next fiscal year when the single audit is due, audit package information is received, which includes the summary schedule of prior audit findings and corrective action plan. The audit package information is evaluated. Closed findings in the summary schedule of prior audit findings are identified and confirmed, and the findings are marked closed. Appropriate parties are notified of the closed findings. Corrective actions for several prior audit findings over multiple years have not been addressed by the grant recipient by the due date. A request for additional information concerning the delay in carrying out corrective actions for prior audit findings is provided to the grant recipient, and the additional information is received and determined to be unacceptable. Grant recipient previous audit, performance, and financial reports are retrieved and evaluated, and the grant recipient is notified that payments will be suspended until the past due corrective actions for the prior audit findings are resolved. A request to suspend grant recipient payments is submitted and processed. The MDL is developed, documenting the resolution for findings, and routed for review and approval by the appropriate parties. Approvals are documented, and the MDL is provided to the grant recipient. When updated corrective action status information for the prior audit findings with past due corrective actions is received, the information is evaluated, and a determination is made

that the actions have been completed satisfactorily. The prior audit findings and the audit are closed. A request to end suspension of payments to the grant recipient is submitted and processed, and the grant recipient is notified.

Assumptions and Dependencies

1. There is no presumption as to which events are executed by which business actor.
2. There is no presumption as to which events are automated, semi-automated, or manual.
3. There may or may not be automated (near/real-time or batch) interfaces between service areas/functions/activities and between provider solutions/systems.
4. All predecessor events required to trigger the Initiating Event have been completed.
5. All awards received by the grant recipient are discretionary grants.
6. The grant recipient has awards that continue for several fiscal years.
7. The cognizant agency for audit has been designated.
8. The awarding agency single audit accountable official and key management single audit liaison have previously been determined.
9. The grant recipient awards are all from one agency, making the cognizant agency for audit and the Federal awarding agency the same entity.
10. Payments are disbursed at a later date after the suspension has ended.

Initiating Event

A Federal awarding agency needs to determine if single audit reports have been submitted.

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
1	<p>a. Retrieve grant recipients’ total expenditures by award for recipients’ fiscal year from agency-designated source</p> <p>b. Identify and document recipients with expenditures exceeding the \$750,000 threshold requiring a single audit</p> <p>c. Match grant recipient single audits required with single audits received and document results</p> <p>d. Notify grant recipients with past due audits (GRM.060.020 Grant Recipient Single Audit)</p>		<ul style="list-style-type: none"> • Grant recipients’ expenditures by award • Grant recipients’ fiscal years • Single audit packages received 	<ul style="list-style-type: none"> • Grant recipient past due single audit notifications
2	<p>a. Receive grant recipient past due single audit package with summary schedule of prior audit findings and corrective action plan information</p> <p>b. Verify completeness and compliance of single audit package information and document results with no issues identified</p> <p>c. Provide confirmation to grant recipient of single audit package information receipt</p> <p>d. Identify and notify appropriate parties of receipt of single audit package information (GRM.060.020 Grant Recipient Single Audit)</p>		<ul style="list-style-type: none"> • Grant recipient single audit package information • Federal regulatory, statutory, and agency-specific policy/guidance information related to single audit requirements 	<ul style="list-style-type: none"> • Verified grant recipient single audit package information • Confirmation to grant recipient of single audit package information receipt • Notification to appropriate parties of receipt of single audit package information

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
3	a. Evaluate verified grant recipient single audit package information and record results b. Identify closed findings in summary schedule of prior audit findings in audit package information, confirm closure information, and document results c. Mark appropriate findings as closed, document results, and provide results to OMB-designated source d. Notify appropriate parties of closed audit findings e. Identify and assign open audit findings to appropriate parties for follow-up and document results f. Notify appropriate parties of audit finding assignments (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> • Verified grant recipient single audit package information 	<ul style="list-style-type: none"> • Documented closed prior audit findings • Notification to appropriate parties of closed audit findings • Audit finding assignment notifications
4	a. Receive audit finding assignment notification b. Evaluate grant recipient single audit package with corrective action plan information and record results c. Identify and document issues with grant recipient corrective action plan d. Develop and document recommendations for changes to the corrective action plan e. Notify grant recipient of recommended changes to the corrective action plan f. Provide evaluation results for grant recipient single audit package and recommended changes to corrective action plan to OMB-designated source (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> • Audit finding assignment notifications • Verified grant recipient single audit package information 	<ul style="list-style-type: none"> • Audit package information evaluation results • Grant recipient corrective action plan recommendations • Notification to grant recipient of recommended changes to corrective action plan

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
5	a. Receive grant recipient’s updated corrective action plan information b. Evaluate grant recipient’s updated corrective action plan information and record results that recommendations have been incorporated c. Provide evaluation results for updated corrective action plan information to OMB-designated source (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> • Grant recipient corrective action plan recommendations • Updated grant recipient corrective action plan information 	<ul style="list-style-type: none"> • Updated grant recipient corrective action plan information evaluation results
6	a. Identify and document additional information needed from grant recipient concerning questioned costs in the audit findings b. Develop, document, and provide request to grant recipient for additional information concerning questioned costs in the audit findings (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> • Audit package information evaluation results • Updated grant recipient corrective action plan information evaluation results 	<ul style="list-style-type: none"> • Request to grant recipient for additional information concerning questioned costs

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
7	a. Receive additional information concerning the questioned costs from the grant recipient b. Evaluate additional information concerning the questioned costs and record results c. Determine disallowance of the questioned costs and calculate amount owed d. Develop draft MDL with audit findings resolution, including the disallowed costs amount with the instructions for repayment of the amount to the Government, and document results e. Route draft of MDL with audit findings resolution, disallowed costs amount, and repayment instructions for review and approval (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> • Grant recipient additional information concerning questioned costs 	<ul style="list-style-type: none"> • Disallowed costs amount • Draft MDL with audit findings resolution, disallowed costs amount, and repayment instructions
8	a. Receive and review draft of MDL with audit findings resolution, disallowed costs amount, and repayment instructions b. Approve and sign MDL c. Provide approved MDL with audit findings resolution, disallowed costs amount, and repayment instructions to grant recipient and to OMB-designated source (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> • Draft MDL with audit findings resolution, disallowed costs amount, and repayment instructions 	<ul style="list-style-type: none"> • Approved MDL

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
9	Request establishment of receivable due from the grant recipient for the disallowed costs amount (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Approved MDL with audit findings resolution, disallowed costs amount, and repayment instructions 	<ul style="list-style-type: none"> Request for establishment of receivable for grant recipient disallowed costs amount
10		a. Receive and process request for establishment of receivable for disallowed costs amount b. Provide confirmation for establishment of receivable for disallowed costs amount (FFM.060.020 Public Receivable Set up and Invoicing)	<ul style="list-style-type: none"> Request for establishment of receivable for grant recipient disallowed costs amount 	<ul style="list-style-type: none"> Appropriate general ledger entries created with reference to source information Confirmation for establishment of receivable for grant recipient disallowed costs amount
11	a. Receive confirmation for establishment of receivable for grant recipient disallowed costs amount b. Identify disallowed costs information associated with confirmation of establishment of receivable for grant recipient disallowed costs amount and document results (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Confirmation for establishment of receivable for grant recipient disallowed costs amount 	<ul style="list-style-type: none"> Disallowed costs information associated with confirmation of establishment of receivable for grant recipient disallowed costs amount

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
12		a. Receive and process reimbursement payment and deposit information for disallowed costs amount b. Provide confirmation of receipt of reimbursement payment for disallowed costs amount (FFM.060.040 Public Receipt Processing)	<ul style="list-style-type: none"> Reimbursement payment and deposit information for disallowed costs amount 	<ul style="list-style-type: none"> Appropriate general ledger entries created with reference to source information Confirmation of receipt of reimbursement payment for disallowed costs amount
13	a. Receive confirmation of receipt of reimbursement payment for disallowed costs amount b. Identify disallowed costs information associated with confirmation of receipt of reimbursement payment for disallowed costs amount and document results (GRM.030.020 Grant Award Payment Processing)		<ul style="list-style-type: none"> Confirmation of receipt of reimbursement payment for disallowed costs amount 	<ul style="list-style-type: none"> Disallowed costs information associated with confirmation of receipt of reimbursement payment for disallowed costs amount
14	a. Receive corrective action status information for audit findings from grant recipient b. Evaluate grant recipient corrective action status information for audit findings, record results, and provide to OMB-designated source c. Identify and document grant recipient past due corrective actions for two audit findings d. Develop, document, and provide request to grant recipient for a revised timeline and justification for the past due corrective actions for the two audit findings (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Grant recipient corrective action status information 	<ul style="list-style-type: none"> Evaluation results for grant recipient corrective action status information for audit findings Request to grant recipient for revised timeline and justification for past-due corrective actions for two audit findings

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
15	a. Receive, review, and approve grant recipient’s revised timeline and justification for the past-due corrective actions for the two audit findings and document results b. Notify grant recipient of approval for revised timeline (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> • Evaluation results for grant recipient corrective action status information for audit findings • Revised timeline and justification for past-due corrective actions for two audit findings 	<ul style="list-style-type: none"> • Notification to grant recipient of approval for revised timeline

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
16	<p>a. Receive grant recipient single audit package information with summary schedule of prior audit findings and corrective action plan</p> <p>b. Verify completeness and compliance of single audit package information and document results with no issues identified</p> <p>c. Identify and notify appropriate parties of receipt of single audit package information</p> <p>d. Evaluate grant recipient’s single audit package information, record results, and provide results to OMB-designated source</p> <p>e. Identify closed findings in summary schedule of prior audit findings in audit package information, confirm closure information, and document results</p> <p>f. Mark appropriate findings as closed, document results, and provide results to OMB-designated source</p> <p>g. Identify and document several prior audit findings not addressed by the grant recipient by the due dates</p> <p>h. Develop, document, and provide request to grant recipient for additional information to explain the delay in carrying out corrective actions on prior audit findings</p> <p>(GRM.060.020 Grant Recipient Single Audit)</p>	.	<ul style="list-style-type: none"> • Grant recipient single audit package information • Federal regulatory, statutory, and agency-specific policy/guidance information related to single audit requirements 	<ul style="list-style-type: none"> • Verified grant recipient single audit package information • Notification to appropriate parties of receipt of single audit package information • Grant recipient single audit package information evaluation results • Documented closed prior audit findings information • Notification to appropriate parties of closed audit findings • Request to grant recipient for additional information to explain the delay in carrying out corrective actions on prior audit findings

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
17	<p>a. Receive additional information from grant recipient to explain the delay in carrying out corrective actions on prior audit findings</p> <p>b. Evaluate additional information to explain the delay in carrying out corrective actions on prior audit findings and record results that the explanation is unacceptable and that further action is required</p> <p>c. Provide evaluation results to OMB-designated source concerning delay in carrying out corrective actions and unacceptable explanation (GRM.060.020 Grant Recipient Single Audit)</p>		<ul style="list-style-type: none"> • Verified grant recipient single audit package information • Request to grant recipient for additional information to explain the delay in carrying out corrective actions on prior audit findings 	<ul style="list-style-type: none"> • Evaluation results that additional information explanation for delay in carrying out corrective actions is unacceptable and further action is required
18	<p>a. Retrieve and evaluate grant recipient’s previous audit, performance, and financial reports from OMB-designated source (GRM.060.020 Grant Recipient Single Audit)</p> <p>b. Determine in consultation with appropriate parties that award payments will be suspended until past due corrective actions for prior audit findings are resolved and document results (GRM.060.020 Grant Recipient Single Audit)</p> <p>c. Develop, document, and provide notification to grant recipient that award payments will be suspended until past due corrective actions for prior audit findings are resolved (GRM.060.020 Grant Recipient Single Audit)</p> <p>d. Develop, document, and provide request to suspend award payments (GRM.030.020 Grant Award Payment Processing)</p>		<ul style="list-style-type: none"> • Evaluation results that additional information explanation for delay in carrying out corrective actions is unacceptable and further action is required • Previous audit, performance, and financial reports 	<ul style="list-style-type: none"> • Previous audit, performance, and financial reports evaluation results • Determination to suspend award payments information • Notification to grant recipient that award payments will be suspended until past due corrective actions for prior audit findings are resolved • Request to suspend award payments

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
19		a. Receive request to suspend award payments b. Initiate suspension of award payments and provide confirmation (FFM.030.080 Payment Processing - Grant Payments)	<ul style="list-style-type: none"> Request to suspend award payments 	<ul style="list-style-type: none"> Confirmation of suspension of award payments
20	a. Receive confirmation of suspension of award payments b. Identify award associated with confirmation of suspension of award payment and document results (GRM.030.020 Grant Award Payment Processing)		<ul style="list-style-type: none"> Confirmation of suspension of award payments 	<ul style="list-style-type: none"> Award information associated with confirmation of suspension of award payment
21	a. Develop and document draft MDL with audit findings resolution, including suspension of payments information b. Route draft MDL for review and approval (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Grant recipient single audit package information with summary schedule of prior audit findings evaluation results Determination to suspend award payments information 	<ul style="list-style-type: none"> Draft MDL
22	a. Receive and review draft MDL b. Approve, and sign MDL c. Provide approved MDL to grant recipient and to OMB-designated source (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Draft MDL 	<ul style="list-style-type: none"> Approved MDL

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
23	a. Receive updated corrective action status information from grant recipient for prior audit findings with past due corrective actions b. Evaluate updated corrective action status information for the prior audit findings with past due corrective actions, determine that actions have been satisfactorily completed, and record results c. Provide updated corrective action status information evaluation results to OMB-designated source (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Grant recipient updated corrective action status information for prior audit findings with past due corrective actions 	<ul style="list-style-type: none"> Evaluation results for grant recipient’s updated corrective action status information
24	a. Retrieve grant recipient prior audit findings from government source b. Identify appropriate prior audit findings that have been resolved and document closure of findings c. Notify appropriate parties of closed audit findings d. Close audit and document results e. Provide documented audit closure information to OMB-designated source (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Evaluation results for grant recipient’s updated corrective action status information Grant recipient’s prior audit findings 	<ul style="list-style-type: none"> Documented closed prior audit findings information Notification to appropriate parties of audit findings closure Documented closed audit information
25	Develop and provide request to end suspension of award payments (GRM.030.020 Grant Award Payment Processing)		<ul style="list-style-type: none"> Documented confirmation of suspension of payments 	<ul style="list-style-type: none"> Request to end suspension of award payments

BUSINESS USE CASE 080.GRM.L1.08 GRANT RECIPIENT WITH CORRECTIVE ACTION ISSUES

Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
26		a. Receive request to end suspension of award payments b. Terminate suspension of award payments and provide confirmation (FFM.030.080 Payment Processing - Grant Payments)	<ul style="list-style-type: none"> Request to end suspension of award payments 	<ul style="list-style-type: none"> Confirmation of termination of suspension of award payments
27	a. Receive confirmation of termination of suspension of award payments b. Identify award associated with confirmation of termination of suspension of award payment and document results c. Notify grant recipient of termination of suspension of award payments (GRM.030.020 Grant Award Payment Processing)		<ul style="list-style-type: none"> Confirmation of termination of suspension of award payments 	<ul style="list-style-type: none"> Award information associated with confirmation of termination of suspension of award payment Notification to grant recipient of termination of suspension of award payments