

Business Use Case 080.GRM.L1.09 Cross-Cutting Finding Affecting Multiple Agencies

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

Business Scenario(s) Covered

- L1.SA01 Insufficient Grant Recipient Internal Controls
- L1.SA04 Grant Recipient with Awards from Multiple Agencies
- L1.SA05 Management Decision Past Due

Business Actor(s):

Grant Recipient; Independent Auditor; Cognizant Agency for Audit; Key Management Single Audit Liaison at Awarding Agency; Audit Resolution Staff; Grants Office; Program Office

Synopsis

A material weakness is found in the grant recipient's financial management from the commingling of grant and private funds, indicating insufficient grant recipient internal controls. Because the grant recipient has received awards from multiple agencies, the material weakness is determined to be a cross-cutting audit finding. The Federal awarding agencies affected by the finding are determined, and the key management single audit liaisons (liaisons) at the affected awarding agencies are notified by the cognizant agency for audit. The cross-cutting audit finding and corrective action plan information are reviewed by the liaisons at the affected awarding agencies, and results are documented. A request to provide agency input to the management decision letter (MDL) is received by the cognizant agency for audit from a liaison at an affected awarding agency. The liaison is provided with guidance and the due date for agency input. The MDL is initiated, the agency input is received from the liaison, and the input is evaluated and incorporated. As the MDL is finalized, additional information is needed from the grant recipient concerning the cross-cutting finding. The request for the additional information is developed by the cognizant agency for audit and provided to the grant recipient, but the additional information is not received until after the deadline for issuing the MDL has passed. The additional information is evaluated by the cognizant agency for audit. The liaison at the affected awarding agency who provided MDL input is notified of the additional information receipt. The additional information on the cross-cutting finding is evaluated by the liaison, but no additional input is provided. The MDL is completed with the resolution for the cross-cutting audit finding, and routed for review and approval by appropriate parties. After approvals are documented, the MDL is provided to the grant recipient.

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. The cognizant agency for audit has previously been designated.
6. The Federal awarding agencies' key management single audit liaisons have previously been determined.
7. The grant recipients requiring single audits have previously been determined.
8. Cross-cutting audit finding follow-up is conducted at a later date.

Initiating Event

A grant recipient single audit package has been received and evaluated.

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Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
1	a. Identify and document a cross-cutting audit finding concerning a material weakness in the grant recipient’s financial management from the commingling of grant and private funds b. Determine and document Federal awarding agencies affected by the cross-cutting audit finding c. Notify the key management single audit liaisons (liaisons) at affected awarding agencies of the cross-cutting audit finding (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Grant recipient single audit package with corrective action plan information evaluation results 	<ul style="list-style-type: none"> Notification to liaisons at affected awarding agencies of cross-cutting audit finding
2	a. Receive notification from cognizant agency for audit of the cross-cutting audit finding for grant recipient b. Retrieve single audit package with corrective action plan information c. Evaluate grant recipient’s cross-cutting audit finding and corrective action plan information, record results, and provide to OMB-designated source (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Notification to liaisons at affected awarding agencies of cross-cutting audit finding Grant recipient single audit package with corrective action plan information 	<ul style="list-style-type: none"> Cross-cutting audit finding and corrective action plan information evaluation results
3	Develop, document, and provide request to the cognizant agency for audit to provide agency input to the management decision letter (MDL) (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Cross-cutting audit finding and corrective action plan evaluation results 	<ul style="list-style-type: none"> Request to cognizant agency for audit to provide agency input to the MDL
4	a. Receive request from a liaison at an affected awarding agency to provide input to the MDL b. Identify, document, and provide guidance for agency input and due date to liaison (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Request to cognizant agency for audit to provide agency input to the MDL 	<ul style="list-style-type: none"> Notification to liaison with guidance and due date for agency input
5	Develop, document, and provide agency input to MDL (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Notification to liaison with guidance and due date for agency input 	<ul style="list-style-type: none"> Agency input to MDL

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Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
6	a. Initiate development of MDL b. Receive agency input to the MDL c. Evaluate agency input, incorporate input into the draft MDL, and record results (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Agency input to MDL Grant recipient single audit package with corrective action plan information 	<ul style="list-style-type: none"> Draft MDL
7	a. Identify additional information needed from grant recipient concerning the cross-cutting audit finding, and document results b. Develop, document, and provide request to grant recipient for additional information concerning the cross-cutting audit finding (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Draft MDL Grant recipient single audit package with corrective action plan information 	<ul style="list-style-type: none"> Request to grant recipient for additional information concerning the cross-cutting audit finding
8	a. Receive additional information concerning the cross-cutting audit finding from grant recipient after the deadline for issuing the MDL has passed b. Evaluate additional information concerning the cross-cutting audit finding and record results c. Notify liaison at affected awarding agency who had provided MDL input of the additional information receipt concerning the cross-cutting finding (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Additional information concerning the cross-cutting audit finding from grant recipient 	<ul style="list-style-type: none"> Notification to liaison of additional information receipt for cross-cutting finding
9	a. Receive notification from the cognizant agency for audit concerning receipt of additional information for cross-cutting finding b. Retrieve additional information on cross-cutting finding c. Evaluate additional information on cross-cutting finding and record results that no further input needs to be provided (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> Notification to liaison of additional information receipt for cross-cutting finding Additional information concerning the cross-cutting audit finding from grant recipient 	<ul style="list-style-type: none"> Evaluation results for additional information on cross-cutting finding

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Typical Flow of Events

#	GRM Event	Non-GRM Event	Input(s)	Output(s) / Outcome(s)
10	a. Complete and document the final draft of the MDL with the cross-cutting audit finding resolution b. Route the final draft MDL for review and approval (GRM.060.020 Grant Recipient Single Audit)		<ul style="list-style-type: none"> • Draft MDL 	<ul style="list-style-type: none"> • Final draft MDL
11	a. Receive and review the final 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"> • Final draft MDL 	<ul style="list-style-type: none"> • Approved MDL