

North Central Workforce Development Area

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LOCAL DIRECTIVE

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| Directive #: <u>16-153</u> | Date: <u>7/1/2016</u> |
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TO: Staff and Service Providers

FROM: Dave Petersen, Executive Director

SUBJECT: Audit Resolution

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| Effective Date: 7/1/2016 |
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Background:

Entities receiving Workforce Innovation and Opportunity Act Title I funds must comply with Public Law 113-128, 20 CFR Parts 676 thru 683 (Federal Regulations), 2 CFR Part 200 (OMB Super Circular), WIOA Title I State Policies, applicable Revised Code of Washington and Washington Administrative Code policies, applicable Office of Financial Management (OFM) policies, and North Central Workforce Development Area Local Directives.

Policy:

SkillSource obtains independent audits of itself and subrecipients in conformance with the Single Audit Act and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Subrecipients are required to obtain an audit and submit the audit report to SkillSource within 30 days of receipt.

Process:

1. If the audit report questions or disallows costs or makes administrative finding, SkillSource will notify the subrecipient by certified letter, return receipt requested, of the **30-day** comment period allowed for response.
2. **Within 15 days** of the end of the comment period, management will review and analyze the audit report, subrecipient's response, and the pertinent rules, regulations and policies. Upon complete review, SkillSource will draft an initial determination disallowing specific costs and requiring corrective action as appropriate.

3. Subrecipients will be afforded the opportunity to informally resolve any disputes they may have with SkillSource determination. If a subrecipient chooses to request informal resolution, the appropriate staff will meet to review and discuss additional information and documentation that the agency may present to resolve the audit.
4. Within 45 days of the determination, the SkillSource will review and analyze the audit report, the subrecipient's response, and the result of the resolution, the pertinent rules, regulations, and policies. Upon completion of the review, SkillSource will issue a final determination allowing or disallowed cost in question and required corrective action.
5. The final determination will be mailed to the subrecipient by certified mail, return receipt requested.
6. If a debt is established, payment within 30 days will be requested.
7. The subrecipient will be advised of the appeal process and given 10 days in which to request a hearing before an impartial hearing officer.
8. Upon receipt of a hearing request, the NCWDC will arrange such hearing consistent with the SkillSource Hearing and Grievance Process.
9. Upon receiving the decision of the hearing officer, SkillSource will ensure that the adversely affected party is advised of their rights under WIOA and Washington State Policy for appeal.

References:

All fiscal policies and guidance letters published for WIOA are governed, as appropriate, under:

- Public Law 113-128, Section 185
- 20 CFR, Sections 683.420, 683.430 and 683.440
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Generally Accepted Accounting Procedures (GAAP)

Website: **SkillSource.org**