

Internal and External Audit Policy for Sponsored Programs

Revised: April 2019

It is the policy of CSUDH Office of Sponsored Research and Programs (OSRP) that OSRP will respond to all internal and external audits and financial reviews of sponsored awards in a manner that is in compliance with all applicable Federal requirements, including the Uniform Guidance Single Audit Act, as well as all other applicable sponsor, state and city requirements and the Integrated CSU Administrative Manual (ICSUAM) 11005.00.

PURPOSE OF THIS POLICY

The purpose of this policy is to provide guidelines for the proper management and response to internal and external audits and financial reviews of sponsored programs.

SCOPE OF THIS POLICY

This policy is applicable to all colleges, departments, units, and personnel of the university involved in managing sponsored awards, including contracts.

PROCEDURES FOR IMPLEMENTATION

Audits of sponsored programs are coordinated by the Director of OSRP. Principal Investigators (PIs) contacted by a sponsor intending to perform an audit or financial review of a sponsored project should immediately notify OSRP.

a. Internal Audits

The CSU Chancellor's Office performs audits of sponsored programs on a cyclical basis. These audits are performed to monitor compliance with government regulations, sponsor terms and conditions and ICSUAM policies and procedures.

b. External Audits

1. Sponsor Audit, Program Audit, or Financial Review

Programmatic Audits

The department/campus entity must notify OSRP. The PI and OSRP will coordinate on programmatic audits.

Financial Audits or Reviews

The department/campus entity must notify OSRP, which will be the primary point of contact for completing the audit. OSRP will coordinate the audit and collaborate with the department, as necessary, to develop a response and submit correspondence. The PI should not send correspondence directly to the external auditors.

2. Annual Single Audit (OMB Uniform Guidance, 2 CFR 200, Subpart F)

During annual Single Audit of federal expenditures, OSRP will be present at all meetings including discussions with PIs on compliance and internal controls. All documentation should be forwarded to OSRP for review and submission to auditors and sponsors.

The Schedule of Expenditures on Federal Awards (SEFA) is prepared by OSRP for the auditors to review and is submitted to the Federal Audit Clearinghouse in compliance with 2 CFR 200.512. This report is a public document which summarizes how the CSUDH Foundation has complied with federal regulations, sponsor requirements and internal policies and procedures in administering sponsored awards.

Terms and conditions of the sponsor and federal requirements dictate what expenses and activities are allowable. When administering awards, PIs and or there designee should not assume something is allowable because it was included in the approved budget. Any activity or expense that may not comply with the award terms and conditions should be discussed with the Post-Award Analyst or OSRP Director.

Intentional disregard of federal requirements and university policies and procedures may lead to sponsor-imposed administrative sanctions, damage to reputation, loss of current or future funding, and/or in severe cases, imprisonment.

c. Communication with the Chancellor's Office

In compliance with ICSUAM Policy 1105.00 the Foundation or Campus will notify the Director, Office of Sponsored Research and Programs about potential audit findings that could have systemic impact – for possible resolution prior to the final audit report. The following information will also be provided to the CO:

1. Annual Single Audit report and any corrective action plans (when applicable).
2. External audit findings and corrective action plans for those findings that may challenge the adequacy of system wide policies or expose a risk that may have systemic implications.