



INDIANA
WORKFORCE
DEVELOPMENT
AND ITS **WorkOne** CENTERS

To: The Workforce System

From: Josh Richardson, Chief Operating Officer
Regina Ashley, Chief Strategy Officer

Date: October 31, 2016

Subject: DWD Policy 2016-03
Grantee and Grantee Sub-Recipient Audit Requirements

JOR REA

Purpose

To identify the specific actions the Indiana Department of Workforce Development (DWD) requires from each of its grant recipients to ensure that they are meeting their audit and sub-recipient audit oversight responsibilities as dictated by OMB 2 CFR Part 200 and Indiana Code 5-11-1-9.

Rescission

DWD Policy 2007-02 Grantee and Grantee Sub-Recipient Audit Requirements

References

- Office of Management and Budget, 2 CFR Part 200, Subpart F-Audit Requirements
- Indiana Code 5-11-1 and 5-14-3.8-7
- <https://gateway.ifionline.org/userguides/E1guide> - E-1 Submission User Guide
- Indiana State Board of Accounts, Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Government Sources

Content

State Requirements: Entity Annual Report (Form E-1)

Pursuant to Indiana Code (IC) 5-11-1-4(a), every municipality and every state or local governmental unit, entity, or instrumentality must file an Entity Annual Report (Form E-1) with the State Board of Accounts (SBOA) covering the full period of each fiscal year. Nongovernmental organizations, if they are recipients of federal pass-through dollars defined as financial assistance by the federal provider, are considered entities subject to the audit and reporting requirements of IC 5-11-1. Each entity must file Form E-1 within sixty (60) days of the end of the entity's fiscal year. Filing of Form E-1 triggers SBOA's involvement in the entity audit process. Based on financial information reported and the requirements set forth in IC 5-11-1-9, SBOA will advise the entity if an audit is required or if the entity qualifies for a waiver.

Form E-1 must be filed electronically in the manner prescribed under IC 5-14-3.8-7. DWD further requires its grantees to submit a copy of the Form E-1 to DWD's Regulatory Oversight and Compliance (ROC) Division within sixty (60) days after the close of each grantee's fiscal year. Within thirty (30) days of receipt from SBOA, each grantee must forward to the ROC Division a copy of its Letter of Determination from SBOA and/or documentation that SBOA has waived the grantee's state audit requirements.

Federal Requirements: Grantee Audit

In addition to the state reporting and audit requirements prescribed within IC 5-11-1, all organizations receiving federal financial assistance as a pass through from DWD are subject to the federal audit requirements of the Office of Management and Budget (OMB), 2 CFR Part 200, Subpart F.

All DWD grantees must submit a copy of their auditor's report within the earlier of thirty (30) days after the receipt of the auditor's report, or nine (9) months after the end of the audit period.

If the auditor's report notes that other matters involving the internal control over financial reporting and its operation had been reported to management in a separate letter, a copy of that letter must accompany the auditor's report.

Grantee Sub-Recipient Audit Oversight

Grantees that make sub-awards utilizing DWD funds are required to ensure that their sub-recipients have satisfied the federal and state audit requirements described above. All DWD grantees are required to submit a list of their sub-recipients to DWD's ROC Division within thirty (30) days after the close of their fiscal year.

The list must include the following information on each sub-recipient:

- Name and address of the sub-recipient
- Audit period
- Total amount expended in Federal funds from all sources
- Total amount expended in funds from all other public fund sources
- Total amount of all expenditures
- Type of sub-recipient (not-for-profit, for profit, School Corporation, etc.)

A grantee, as a pass through entity, is required to obtain an audit on each of its sub-recipients, perform appropriate audit resolution on each of its sub-recipient audits, and notify DWD's ROC within thirty (30) days of completing the resolution on each of its sub-recipient audits.

If no sub-awards were made, then DWD's ROC must be notified in writing within thirty (30) days of the Grantee's fiscal year that there were no sub-awards.

Submitting Documentation

Documentation may be submitted electronically (preferred) by attaching the document(s) to an email and sending to Oversight@dwd.in.gov or via mail to:

Regulatory Oversight & Compliance Division
Indiana Department of Workforce Development
10 North Senate Avenue; Room SE308
Indianapolis, IN 46204-2277

Adult Education grantees shall submit the required documentation to the Adult Education inbox at: AdultEd@dwd.IN.gov, as directed by the Adult Education Grants Manager. Adult Education Grants Manager will send grantee documentation to ROC Division for review in accordance with the above information.

Effective Date

October 31, 2016

Ending Date

Upon rescission.

Contact for Questions

policy@dwd.in.gov