

LEA Determinations: Examples of Audit Findings

Listed most to least serious

("Seriousness" is a variable that depends on factors including "questioned costs" and the number of findings for an administrative agent in one fiscal year.)

Major financial tracking issues which would require the initiation of appropriate financial and accounting procedures.

1. The Administrative Agent does not maintain an adequate set of financial records.
 2. Due to the lack of accurate and reliable financial records, the joint agreement claimed salary and benefit expenditures that were actually funded by the joint agreement's administrative agent.
 3. There is no supervisory review to assure the accuracy and completeness of the program expenditure reports submitted to ODE. Underlying accounting data is not reviewed for accuracy.
 4. Expenditure reports do not agree with the amounts recorded in the district's general ledger.
 5. The administrative agent does not have adequate controls to ensure all equipment purchased with federal awards is properly tracked.
 6. The administrative agent has not performed a physical inventory of equipment.
 7. The District was unable to provide appropriate supporting documentation for specified grant expenditures selected for testing.
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Moderate documentation and/or reporting issues which would require revision of internal financial processes.

8. Salaries that were split between departments and/or funding sources were not accurately documented.
 9. Final expenditure report overstated (i.e., some prior year expenditures were included in current year expenditure report).
 10. Final expenditure report understated (i.e., some current year expenditures were not reported).
 11. The overall project was under spent (under budget by more than 20%) – amendments were not filed in a timely manner.
 12. Formal procedures are not in place to monitor the level of effort compliance (MOE).
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Minor monitoring and/or reporting issues which can be easily remedied by implementing procedures according to A-133 guidance.

13. Subgrant expenditures are not monitored.
14. The administrative agent does not formally monitor the sub recipients' compliance with program requirements.
15. There is inadequate control over the functions of processing and recording the financial transactions due to limited personnel.
16. The administrative agent directed funds to a sub-grant recipient that was not approved on initial application.
17. Grant funds have not been segregated and restricted grant funds were used to pay for local operating expenses.
18. The administrative agent did not obtain audit reports for all member district or review audit findings to assure that all findings are resolved.
19. The administrative agent did not properly report expenditures charged to the grant.
20. The expenditure report included non-IDEA Flow Through expenditures.
21. Salaries were reported in the wrong Fiscal Year.