



State of South Carolina

Office of the Governor

MARK SANFORD
GOVERNOR

OFFICE OF EXECUTIVE
POLICY AND PROGRAMS

FISCAL/TECHNICAL ASSISTANCE MEMO – F 02-05 (revised)

TO: See Distribution List

FROM: Thomas Welch, Senior Manager for Audits

SUBJECT: OEO FIELD AUDIT

DATE: April 11, 2008

This memorandum supersedes Fiscal/Technical Assistance Memo – F02-05 dated October 17, 2005.

I. FIELD AUDIT – OEO RESPONSIBILITIES

The Office of Economic Opportunity (OEO) performs a routine year-end closeout audits to ensure

- 1) the integrity of OEO-funded programs
- 2) operational effectiveness and efficiency
- 3) the reliability of the subgrantee's business management systems and financial reporting
- 4) compliance with applicable federal and state laws and regulations governing OEO grant awards
- 5) funds and property are properly safeguarded
- 6) technical assistance is provided in appropriate areas of concern
- 7) the subgrantee takes appropriate action to resolve current and prior year audit findings

OEO's on-site audit objectives include an assessment of subgrantee's internal controls, cash management, ensuring assets have the proper documentation and are properly maintained, accruals are properly supported, balance sheet and income statement accounts are used in a consistent manner to ensure comparability, client assistance eligibility, proper procurement standard and a review of human resource policies and procedures. OEO will sample expenditures to ensure payments are adequately supported

with the proper documentation and are in compliance with the OEO grant agreement and budget requirements.

Approximately thirty (30) days prior to the actual visit, OEO will send a written confirmation of the anticipated field audit date to the agency's executive director outlining the required documents that are to be submitted to OEO prior to the on-site visit and a list of documents to be readily available upon arrival. Additional documents may need to be provided during the field audit.

Upon arrival at the agency, OEO audit staff will conduct an entrance conference with the subgrantee's executive director and fiscal officer. The entrance conference is open to any additional staff the executive director or OEO staff deem necessary.

Prior to leaving the agency, OEO audit staff will conduct an exit conference with the agency's executive director, fiscal officer and program director(s). The exit conference is open to any additional persons the executive director or OEO staff deem necessary. Findings and areas of concern will be detailed along with suggestions for corrective actions.

Under normal circumstances where no additional information is required, a report will be submitted to the executive director within approximately sixty (60) days from the date of the exit conference. A copy of the report will be sent to the Board.

II. SUBGRANTEE AUDIT RESPONSIBILITIES

The subgrantee is responsible for preparing for all of the requested documents, responding within the required time frame and developing a corrective action plan as needed.

DISTRIBUTION:

Ashlie Lancaster, OEO Director
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