



Mississippi Department of Education

DESCRIPTOR TERM: Audit, SDE Resolution Process	CODE: 1200
ADOPTION DATE: March 17, 1989	REVISION: October 26, 1990

STATE BOARD POLICY

This audit resolution policy is in effect for audits of subrecipients of federal funds from the Department. For the purpose of this policy, subrecipients are state or local governments, institutions of higher learning and other nonprofit organizations. Each subrecipient shall obtain an audit that meets the requirements of the appropriate OMB circular, forward a copy of the report to the ~~Audit Resolution Officer~~ Office of Internal Accountability, provided the ~~Department of Audit~~ Mississippi Office of the State Auditor does not transmit a copy of the audit to the Department.

Upon receipt of the audit report, the ~~Audit Resolution Officer~~ Office of Internal Accountability will review the audit and ~~comments~~ findings in the audit to determine if there are any areas that require attention. For those ~~comments~~ findings that require attention, the ~~Audit Resolution Officer~~ Office of Internal Accountability will determine if the response by the subrecipient is adequate for acceptance as a Corrective Action Plan. Should there not be any areas that require attention and/or should the responses be adequate for Corrective Action Plans, the ~~Audit Resolution Officer~~ Office of Internal Accountability will notify the subrecipient, thereby closing the file on the audit at the desk review level.

Should there be areas that require attention or should the ~~Audit Resolution Officer~~ Office of Internal Accountability need further information on a ~~comment~~ finding and/or a Corrective Action Plan, the subrecipient will be requested to submit the necessary information within thirty working days. If the subrecipient does not respond within the thirty working days, a follow-up letter will be sent requesting the information to be submitted within fifteen working days. Should no response be forthcoming within the fifteen working days, the ~~Audit Resolution Officer~~ Office of Internal Accountability may request the State Superintendent to place in escrow all or a portion of federal funds payable to the subrecipient until an appropriate response has been received. The Corrective Action Plan must be implemented by the subrecipient within six months from the receipt of the audit report.

If the findings identify questioned costs that are subsequently disallowed during the audit resolution process, the ~~Audit Resolution Officer~~ Office of Internal Accountability shall require the subrecipient to repay the disallowed cost within sixty working days of receipt of the notice of disallowance. If the subrecipient does not agree to repay the disallowed costs in a lump sum payment by the date specified or begin and continue repayment under an installment plan approved by the ~~Audit Resolution Officer~~ Office of Internal Accountability, appropriate action will be taken to recover the disallowed costs.

The subrecipient has the right under this policy to request a hearing on the decision of the ~~Audit Resolution Officer~~ Office of Internal Accountability concerning the findings of the audit. A written request for a hearing must be submitted to the State Superintendent of Education within thirty calendar days of notification that the ~~Audit Resolution Officer~~ Office of Internal Accountability has sustained the audit finding. If the appeal request is found to be proper, a hearing official will be appointed and the time and location of the hearing established. The subrecipient will be notified in writing concerning the hearing, time and location, and the procedures of the hearing. Upon completion of the hearing, the hearing official will make a report to the State Superintendent of Education, who will then notify the subrecipient of the final decision.

At the end of the six months from the receipt of the audit report by the subrecipient, a follow-up visit may be made to certify that the Corrective Action Plan has been implemented. If the subrecipient has not implemented the Corrective Action Plan, the ~~Audit Resolution Officer~~ Office of Internal Accountability will recommend that appropriate action be taken.