

**Subject: Workforce Innovation and Opportunity Act (WIOA) Audit Requirements and Resolutions Policy**

**Policy No: 2015-48**

**Effective Date: 5/30/17**

**Revised: 3/31/22**

**Purpose:**

To communicate the Benton-Franklin Workforce Development Council (BFWDC) local workforce development board policy and operational guidance regarding audit requirements.

**Background:**

Agencies that expend \$750,000 or more of federal awards during their fiscal year shall have an audit conducted for that year.

**Policy:**

The BFWDC will engage an independent auditor to complete an annual audit of its financial records within six (6) months of the end of each program year. Audit reports will be provided to the BFWDC Board of Directors and Chief Local Elected Officials, along with a plan to address findings, should any be identified during the audit, in a timely manner.

The BFWDC requires that an independent audit be conducted by each of its subrecipients. Any subrecipient that expends \$750,000 or more of federal awards during its fiscal year is required to conduct an audit and submit a copy to the BFWDC within thirty (30) days of completion. If the audit reports indicate unallowable expenditures or findings related to the awards issued by the BFWDC, then the BFWDC will follow the process described in Policy No 2015-50 Debt Collection.

## **Definitions:**

**Auditee** - Any non-federal entity that expends federal awards which must be audited under 2 CFR Part 200 Subpart F—Audit Requirements.

**Auditor** - An auditor who is a public accountant or a federal, state, local government, or Indian Tribe audit organization, which meets the general standards specified for external auditors in generally accepted government auditing standards (GAGAS). The term auditor does not include internal auditors of nonprofit organizations.

**Audit Finding** - Deficiencies which the auditor is required by 2 CFR 200.516 - Audit Findings, paragraph (a), to report in the schedule of findings and questioned costs.

**Management Decision** – The evaluation by the pass-through entity of the audit findings and corrective action plan and the issuance of a written decision to the auditee as to what corrective action is necessary.

**Pass-Through Entity** - A non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

**Subrecipient** - An entity that receives federal assistance passed through from a prime recipient or another subrecipient to carry out or administer a WIOA program. Distinguishing characteristics of a subrecipient include:

- Determining eligibility for assistance.
- Performance measured against meeting the objectives of the program.
- Responsibility for programmatic decision making.
- Responsibility for applicable program compliance requirements.
- Use of the funds passed through to carry out a program of the sub-entity as compared to providing goods or services for a program of the prime recipient.

## **References:**

Public Law 113-128, Workforce Innovation and Opportunity Act of 2014, Sections 184 and 185  
20 CFR 683.210

2 CFR Part 200.31 – Requirements for Pass-through Entities

2 CFR Part 200 Subpart F – Audit Requirements

2 CFR Part 200.521(d) – Management Decision

State Administrative and Accounting Manual (SAAM), Section 50.30 - Compliance with Federal Single Audit Act

WIOA Title I Policy 5255, WIOA Audit Requirements, Reports, and Resolutions

WIOA Title I Policy 5410, Dispute Resolution and Appeals