



Department of Education

John R. Kasich, Governor
Paolo DeMaria, Superintendent of Public Instruction

To: Sponsors Requiring Single Audits

From: Andrea Denning, Director
Office for Child Nutrition

Date: September 11, 2017

Re: Audit Requirements for the Child and Adult Care Food Program
(CACFP)

Purpose

The purpose of this memo is to summarize the audit standards and expectations for sponsors receiving more than \$750,000 in federal funds in a federal fiscal year.

Policy

The Ohio Department of Education (ODE) will utilize the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR 200](#)) for all sponsors participating in federal Child Nutrition programs.

Sponsors required to conduct and submit a single audit must do so within nine months of the end of the fiscal year to the Office of School Finance. The Office of School Finance will email sponsors which have not submitted an audit to ODE or posted the audit on the Federal Clearinghouse.

Sponsors that fail to submit or post the audit to ODE or the Federal Clearinghouse will be considered Seriously Deficient. ODE will send the sponsor a Seriously Deficient certified letter and the sponsor is required to submit a Corrective Action within 15 calendar days via certified mail.

The Office of Federal and State Grant Management (OFSGM) will review the Corrective Action plan with an internal auditor and will conduct further follow-up with the sponsor.

Failure of a sponsor to submit an audit by the Corrective Plan due date will receive an *Intent to Terminate* letter from ODE via certified mail. A sponsor has 15 calendar days to appeal the termination decision. In accordance with Section 17(d)(5)(D) of Richard B. Russell National School Lunch Act, reimbursement will be paid through the 45-day cycle, or if an appeal has been made, until a hearing decision is final. Following the 15-day appeal time, a Final Termination Letter will be sent via certified mail. The termination date is the first day following the appeal period.

Sponsor Identification

The Office of School Finance will identify all sponsors receiving \$750,000 or more in a federal fiscal year using Claims Reimbursement and Reporting System (CRRS) data. Sponsors expending \$750,000 or more in a fiscal year must meet federal audit requirements for that fiscal year ([2 CFR 200.501](#)).

Auditor Selection

Per federal rules and regulations, entities receiving greater than \$750,000 in federal funds a given fiscal year are required to receive a single audit. When a single audit is performed, the auditee is responsible and required to ensure all proper procurement standards are followed for auditor selection ([2 CFR 200.509](#)).

When requesting proposals, the sponsor should ensure the objectives and scope of the audit are clear and concise.

Per GAGAS (Generally Accepted Government Auditing Standards), the audit organization must provide the sponsor a copy of their peer review report. The sponsor should consider experience, qualifications, the peer review, and price when making their selection. Whenever possible, the auditee should make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises.

A sponsor is permitted to utilize a federal auditor if they comply fully with the requirements.

Selection Review & Enforcement

The Ohio Department of Education's (ODE) Office for Child Nutrition (OCN) is responsible for the oversight of sponsor's audit services procurement. OCN is permitted to request records of the procurement process at any point to ensure the correct procedures are being followed.

If it is determined a sponsor is not in compliance with federal procurement procedures regarding auditor selection, OCN will send them a letter regarding the matter. The sponsor will receive technical assistance to prevent a similar situation in the future. If it is a recurring issue, the sponsor may receive corrective action or be in serious deficiency.

Auditee Responsibilities

The auditee is responsible for following all federal rules regarding a single audit and selecting an auditor ([2 CFR 200.508](#)).

The auditee is expected provide the auditor with all documentation required to perform the audit. This includes all appropriate financial statements, including the schedule of expenditures of Federal awards ([2 CFR 200.510](#))

The auditee is expected to follow up and take corrective action on audit findings and provide the report to ODE within nine (9) months of the fiscal year.

Each SFA/Sponsor is responsible to administer programs in accordance with provisions of the USDA/Food and Nutrition Service (USDA/FNS) instructions, guidance, SA policies, and federal regulations 7 CFR: 210, 225 and 226.

All sponsors have an obligation to follow all 2 CFR 200 requirements with all associated consequences for noncompliance.

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