

505-000-A: Sponsored Programs Audit Procedure

This procedure implements CSU systemwide policy for Sponsored Programs Administration: [Audit Monitoring and Resolution](#) (ICSUAM #11005.00).

Summary

The purpose of this procedure is to provide guidelines for the proper management and response to internal and external audits and financial reviews of sponsored programs.

Depending on the scope of the audit, either the CSUMB Sponsored Programs Office (SPO) or the University Corporation (Corporation) will respond to all internal and external audits and financial reviews of sponsored awards in a manner that is in compliance with all applicable Federal requirements, including the Federal Office of Budget and Management, [2 CFR 200](#), as well as all other applicable sponsor, state and California State University (CSU) requirements.

This procedure is applicable to all colleges, departments, units and personnel of the Campus (University & University Corporation) involved in managing sponsored awards.

Process

Audits of sponsored programs are coordinated by the SPO Director, when the scope of the audit is related to research compliance; or the Corporation CFO, when the scope of the audit is Post-Award Administration. Principal Investigators (PI's) or other University staff contacted by a sponsor intending to perform an audit or financial review of a sponsored project should immediately notify SPO and the Corporation.

a. Internal Audits

The CSU Chancellor's Office performs audits of sponsored programs on a cyclical basis. These audits are performed to monitor compliance with government regulations, sponsor terms and conditions, and ICSUAM, CSUMB and Corporation policies and procedures. The University CFO or designee coordinates internal audits in collaboration with the Corporation and the SPO.

b. External Audits

1. Sponsor Audit, Program Audit or Financial Review

- *Programmatic Audits*

The department/campus entity is typically notified of programmatic audits and must notify SPO. The PI and SPO will coordinate on programmatic audits and include the Corporation when necessary on post-award administration matters.

- *Financial Audits or Reviews*

The department/campus entity must notify the Corporation CFO, who will be the primary point of contact for completing the audit. The Corporation CFO or designee will coordinate the auditors and collaborate with the department, as necessary, to develop a response and submit correspondence. The PI or department staff should not send correspondence directly to the external auditors.

2. Annual Single Audit (OMB Uniform Guidance, 2 CFR 200, Subpart F)

1. During annual Single Audit of federal expenditures, the Corporation representative will be present at all meetings including discussions with PIs on compliance and internal controls. All documentation should be forwarded to the Corporation for review and submission to auditors and sponsors.
2. The Schedule of Expenditures on Federal Awards (SEFA), is prepared by the Corporation for the auditors to review – and is submitted to the Federal Audit Clearinghouse, in compliance with 2 CFR 200.512. This report is a public document, which summarizes how the Corporation has complied with federal

regulations, sponsor requirements and internal policies and procedures in administering sponsored awards.

3. Terms and conditions of the sponsor and federal requirements dictate what expenses and activities are allowable. When administering awards, PIs or their designees should not assume that something is allowable because it was included in the approved budget. Any activity or expense that may not comply with the award terms and conditions should be discussed with the Corporation Post-Award Accountant.
4. Intentional disregard of Federal requirements and University policies and procedures may lead to sponsor imposed administrative sanctions, damage to reputation, loss of current or future funding and/or in severe cases, imprisonment.

c. Communication with the Chancellor's Office

In compliance with ICSUAM Policy 11005.00 the Corporation or SPO will alert the CO Director of Sponsored Programs about potential audit findings that could have systemic impact – for possible resolution prior to the final audit report. The following information will also be provided to the CO:

1. Annual Single Audit report and any corrective action plans (when applicable)
2. External audit findings and corrective action plans for those findings that may challenge the adequacy of systemwide policies or expose a risk that may have systemic implications

Roles & Responsibilities

PI: Be available to respond to requests from auditors related to compliance with grant management and project performance and report submission, when necessary.

Dean (or other administrator): Be available to discuss potential audit disallowances as a result of external or internal audits.

Corporation, Post-Award Admin: Primary contact for post-award audits for CSUMB – working with CSUMB SPO and CSUMB audit reps as well as Chancellor's Office SPO as necessary.

SPO: Primary contact for CSUMB pre-award/research compliance audits – working with University Corporation and CSUMB audit reps as well as Chancellor's Office SPO as necessary.

References

For definitions of key words in this procedure, refer to the CSU systemwide [Sponsored Programs Definitions Policy](#) (ICSUAM #11001.01).

Uniform Guidance 2 CFR 200, [Subpart F](#) – Audit Requirements
[Audit Monitoring and Resolution](#) #11005.00