

# Grants – an Auditor’s Perspective



S B & COMPANY, LLC

Knowledge • Quality • Client Service

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

# How are you organized?

- ▶ Two types-
  - Dynamic organizations
  - Silo organizations
- ▶ Dynamic organizations
  - Communication through the organization
  - Information sharing
  - Collaboration
- ▶ Silo organizations
  - Lack of communication
  - Little to no collaboration



# Key Owners in Grants

## ▶ Key functions and owners

- Program personnel
- Procurement personnel
- Finance/accounting personnel
- Senior management

## ▶ Goal is to have

- Overall oversight
- Monitoring of activities
- Identification of issues before oversight
- Effective communication
- Alignment of project resources to activities and results



# Communication

- ▶ Starts at the application process
  - What does the grant require?
  - What are the goals?
  - Does it align with our strategies
  - Do we have the resources now or will we have to add?
  - Involvement of subrecipients
  - Planning!!
  
- ▶ At the award
  - Revisiting the plan at the application process
  - Documentation of responsibilities
  - Identification of training needs



# Process

- ▶ Understanding the rules (Uniform Guidance)
  - Review the compliance supplements- available at  
[https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement\\_PDF\\_Rev\\_05.11.22.pdf](https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement_PDF_Rev_05.11.22.pdf)
  - Documentation of how you will comply with the rules
  - Identification of knowledge gaps (identification of training needed)
  - Involvement of personnel (i.e., procurement and finance)
  - Documentation of internal monitoring



# Communication with Auditors

- ▶ The earlier you discuss, the better it is
- ▶ Auditor cannot make a management decision, but can help you interpret the rules and tell you what a finding might be
- ▶ Best to tackle an issue in the design phase; before transactions occur



# Communications with Grantor

- ▶ Discuss their expectations when situations are not clear
- ▶ Get in writing to the extent you can
- ▶ Develop ongoing relationships and ask!



# Subrecipient monitoring

- ▶ Formal risk assessment before spend
- ▶ Monitoring steps come from the risk assessment
  - Performance
  - Financial
- ▶ Documentation, documentation, documentation
- ▶ Develop fixes and document



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