

Video Transcript: “The Grant Award Audit Process Webinar Video 5: Finishing a Grant Award Audit,” August 2018

Welcome to the fifth and final webinar of our 5-part series. We will continue to describe the lifecycle of a grant award audit. The Department of Justice awards billions of dollars in grant and cooperative agreement funding, which we refer to as “awards” throughout this presentation.

This presentation is for informational purposes only. It does not create or provide any rights to award recipients or other parties relating to the OIG’s audit process, nor does it create any responsibilities for the OIG. Additionally, the information presented here pertains only to grant audits performed by the Department of Justice Office of the Inspector General, and may not describe the practices of the DOJ OIG in other types of audits and reviews, or the practices of OIGs for other federal agencies.

As the OIG approaches the completion of the audit, the OIG team will reach out to the award recipient to schedule an Exit Conference. The Exit Conference will be an opportunity for the award recipient to hear formally what the OIG found and ask any questions about the process. Then, the OIG will provide the award recipient and the DOJ awarding agency a copy of the draft report so that they can review the OIG’s findings.

After the award recipient has had a chance to review the draft report, the OIG allows the award recipient to provide a written response with formal comments on the draft and the OIG’s recommendations. We expect the award recipient to explicitly state whether they agree or disagree with each of the recommendations, and what planned corrective actions will be taken.

The award recipient’s deadline to submit this response will generally be 21 days from the issuance of the draft report. The DOJ awarding agency’s deadline will be shortly after the award recipient’s, so the awarding agency will have a chance to take the award recipient’s response into consideration as it compiles its own response.

At this point, we will also request that the award recipient sign a Management Representation Letter and provide it to the OIG with their response to the draft report. This letter attests that the award recipient has been forthcoming throughout the audit process.

After we receive responses to the draft report from both the award recipient and the DOJ awarding agency, or agencies, we will make any needed adjustments and compile the final report. We will include the award recipient’s response, along with the response from the DOJ awarding agency, as appendices to our final, public report.

Based on the responses to the draft and descriptions of any planned or completed remedial actions, we will develop our own OIG analysis and summary of actions necessary to close the report for inclusion as the last appendix in the final report.

When all these portions of the final report are ready, we will issue our final report and post it publicly on our OIG website. As part of our routine process, we also notify our congressional oversight committees when we release a new report.

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After we issue a report, we follow up on the efforts to implement any recommendations we have made, and we assign a status to each recommendation and to the report as a whole. The status of the report is based on our evaluation of the awarding agency’s responses to the recommendations. OIG Audit report recommendations will be issued in a status of either Resolved, Unresolved, or Closed.

Resolved recommendations occur when the awarding agency has agreed to implement the recommendation or has proposed actions that will address the recommendation.

Unresolved recommendations occur when the initial deadline for the Department’s response to the recommendation has passed, and the Department has not agreed to implement the recommendation or has not proposed actions that will address the recommendation. The OIG may also convert a recommendation from Resolved to Unresolved if it determines that the Department is not making sufficient progress towards implementation. Unresolved recommendations are a rare occurrence.

Closed recommendations occur when the OIG and DOJ agency agree on the specific recommendation, and when the OIG has received adequate documentation showing that corrective actions have been completed. In some instances, audited organizations are able to correct issues the OIG identifies before the report is released in final, and in these cases, the OIG will designate these recommendations as Closed when the final report is issued.

After the report has been issued in final, the audit moves to the resolution phase. In this phase, the award recipient will correspond directly with the DOJ awarding agency (such as OJP, COPS Office, or OVW) to address the OIG recommendations. The DOJ agency will correspond with the OIG to provide updates, and to communicate when it believes sufficient documentation has been obtained, and actions have been taken to adequately close the recommendations. When the OIG has agreed to close all of the recommendations in a report, the audit is officially closed.

Thank you for viewing the OIG’s webinar on the grant award process. Please continue to access the OIG’s public website, your awarding agency’s website, and the DOJ Grants Financial Management Guide for new or updated information that may be applicable to your awards. You can read all of the reports the OIG has issued, including reports on grant audits, on our website: oig.justice.gov

Thanks for listening to this part of the Grant Award Audit Process webinar. Please make sure to check out the other 4 videos in this series.