

MONITORING AND AUDIT RESOLUTION

- I. Internal monitoring. The Financial Planning, Monitoring and Accountability Department conducts monitoring of school sites and departments. This includes reviewing school-wide plans and budgets and departments' federal program budgets to ensure compliance with the applicable federal programs. Onsite support and technical assistance is provided as needed and as requested.
- II. Program monitoring. The U.S. Department of Education (ED) program offices are actively involved in monitoring how grantees and subrecipients carry out federal education programs. Program monitoring consists of both desk reviews and onsite monitoring.
- III. California Department of Education (CDE) monitoring.
 - A. The district may be chosen for a review by the Federal Program Monitoring Office at the California Department of Education (CDE) for certain federal programs. The purpose of this review is to ensure that the district is spending the funding as required by law.
 - B. At the end of each review, the State completes a report that details any findings of non-compliance and informs the district how to correct findings.
 - C. Local Education Agencies (LEA) may be selected for an onsite or online monitoring review every two years. The CDE uses several factors, including compliance history, program size, and fiscal analysis in identifying LEAs for review. More information about the CDE Monitoring Process can be found at <https://www.cde.ca.gov/ta/cr/>.
- IV. Single audits.
 - A. Under 2 C.F.R. § 200.501, a nonfederal entity such as the district that expends \$750,000 or more during the nonfederal entity's fiscal year in federal awards must have a single or program-specific audit conducted for that year.
 - B. The district contracts with an external auditor to perform the annual financial audit and the single audit in compliance with federal and state laws.
 - C. In the event the district needs to prepare a corrective action plan, the corrective action plan must include, for each audit finding:
 - 1. Specific corrective action planned.
 - 2. Name(s) of contact person(s) responsible for the corrective action.
 - 3. Anticipated completion date. 2 C.F.R. § 200.511(c).

MONITORING AND AUDIT RESOLUTION (continued)

- D. If the district does not agree with an audit finding or does not believe corrective action is warranted, the corrective action plan must include an explanation and specific reasons. 2 C.F.R. § 200.511(c).

- V. Implementation.
 - A. Preparing for a monitoring or audit visit.
 - 1. The Audit Coordinator in the Financial Accounting Department under the Controller's Office coordinates all district audits.
 - 2. Depending on the program being audited, the Audit Coordinator:
 - a. Informs all departments concerned of the pending audit.
 - b. Provides information regarding the scope of the audit and timelines.
 - c. Gathers information, data and documents requested for the audit from pertinent departments.
 - d. Schedules meetings with the auditors and pertinent district staff.
 - 3. The Controller reports all pending and ongoing audits to the district's Audit and Finance Committee. The Audit and Finance Committee members (two Board of Education Trustees and three community members) are appointed by the Board of Education to provide for separate and intensive oversight of the internal and external audit functions of the district.

 - B. Conclusion of the audit.
 - 1. The appropriate department head responds to the audit findings.
 - 2. The district's response to the audit is reviewed by the Finance Division head and if applicable, other pertinent division head(s).
 - 3. The Corrective Action Plan, if required, is developed and implemented by the appropriate department head.
 - 4. The Controller reports progress of the audit, any audit findings, corrective action plan and progress in the implementation of the corrective action to the Audit and Finance Committee during a regularly scheduled meeting.

MONITORING AND AUDIT RESOLUTION (continued)

- VI. Subrecipient monitoring. In the event that the district awards subgrants to other entities, it is responsible for monitoring those grant subrecipients to ensure compliance with federal, state, and local laws. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a program. Each program office that awards a subgrant must have its own monitoring policy. This must ensure that any monitoring findings are corrected.

- VII. Fiscal agent for consortium. In the event the district enters into an agreement to be a fiscal agent of a consortium for a federal program, it is responsible for all fiscal transactions of the consortium and for maintaining records of all financial transactions carried out on behalf of the consortium. In addition, the district is responsible for ensuring that all participating entities fulfill their fiscal and programmatic responsibilities under the grant. As the fiscal agent, the district is responsible for all required reports to CDE.

- VIII. References.
 - A. 2 C.F.R. § 200.501 <http://www.ecfr.gov>
 - B. 2 C.F.R. § 200.511(c) <http://www.ecfr.gov>
 - C. CDE Compliance Monitoring Website at <https://www.cde.ca.gov/ta/cr>

Regulation
approved: December 11, 2018

SAN DIEGO UNIFIED SCHOOL DISTRICT
San Diego, California