

### Phases of the Audit Process

| Participants                        | Preparing for the Audit  | During the Audit  | Preparing the Report  | Resolving the Audit   |
|-------------------------------------|--|---|---|---|
| <b>Auditor and OIG</b>              | Send notification letter and conduct entrance conference.  | Audit firm conducts field work at grantee site. Conducts exit conference.   | Issues final report for comment to grantee and CNCS. Incorporates grantee and CNCS comments and issues draft report.  | Reviews Management Decision.  |
| <b>Grantee</b>                      | Responds to notification letter and invites appropriate staff, board members, and sub-grantees to entrance conference. | Provides auditors with access to systems, files and documents as requested.   | Invites appropriate people to exit conference. Provides any final document needed to resolve issues. Reviews draft report and prepares response to draft. Reviews final report and notes OIG additions based on grantee and CNCS comments on the draft. | Provides information and clarification as needed to CNCS to support questioned costs. Develops and implements any corrective action as needed.                                      |
| <b>CNCS Staff and Audit Liaison</b> | Issues letter to grantee explaining the audit and audit resolution process, and attends entrance conference.           | Responds to questions and provides clarification if needed to auditors and grantees. Works with grantee to begin corrective action as needed. | Attends exit conference. Assists grantees with response to draft as needed and prepares CNCS response to draft.   | Reviews working papers. Reviews grantee corrective action plan, resolves any questioned costs and issues management decision. Confirms grantee has completed all corrective action. |