

State of Vermont
Agency of Natural Resources
Department of Environmental Conservation

Financial Procedure:	Single Audit Review	Effective Date:	3/15/2020
Applicable To:	Department of Environmental Conservation	Revision Date:	7/1/2020
Prepared/ Revised by:	Maria Davies	Approved By:	Joseph Le Clair

Procedure Objective

To detail the procedures used by the Department of Environmental Conservation (DEC) when reviewing subrecipient Single Audits in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F- Audit Requirements.

Impacted Departments or Divisions

Although led by the DEC's Administration and Innovation Division (AID), entities deemed to be out of compliance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F may adversely affect all Programs within the DEC.

Resources Required

State of Vermont's VISION System, specifically the Grant Tracking WorkCenter

- VISION Query access.
- Microsoft Excel
- Federal Audit Clearing (FAC) House
<https://harvester.census.gov/facdissem/Main.aspx>
DEC's Y drive specifically the folders located on: Y:\DEC_AID\Finance\Grants Management Specialist Resources \Monitoring \Single Audit Review

Documents utilized include:

- VT DEC Single Audit Compliance checklist located:
 - Y:\DEC_AID\Finance\Grants Management Specialist Resources\Monitoring\Single Audit Review\Single Audit Review Templates
- [SOV Single Audit Contact List](#) compiled by the Department of Finance & Management located:
 - https://finance.vermont.gov/sites/finance/files/documents/Pol_Proc/Grants/FIN-B5_Dept_Contact_List.pdf
- Single Audit Request for Inputs Notification – SOV Secondary Pass-Through Entity located:
 - Y:\DEC_AID\Finance\Grants Management Specialist Resources\Monitoring\Single Audit Review\Single Audit Review Templates
- [Single Audit Requirement Reminder Notification- Entity](#) located:
 - Y:\DEC_AID\Finance\Grants Management Specialist Resources\Monitoring\Single Audit Review\Single Audit Review Templates
- [Management Decision Letter Template](#) located:
 - Y:\DEC_AID\Finance\Grants Management Specialist Resources\Monitoring\Single Audit Review\Single Audit Review Templates
- Quarterly Single Audit Tracker located:
 - Y:\DEC_AID\Finance\Grants Management Specialist Resources\Monitoring\Single Audit Review\Quarterly Vision Reports under FY19.

Governing Documents

- [Agency of Administration Bulletin 5 Policy for Grant Issuance and Monitoring](#), Section VIII.E Review of Single Audit Reports
Agency of Administration Bulletin 5, [Procedure #2](#): Single Audit Review which can be found on: <https://finance.vermont.gov/policies-and-procedures/grant-guidelines-and-procedures>. This document outlines the procedure to be used by the State when reviewing Single Audit Reports in accordance with Vermont Agency of Administration Bulletin 5, Section VIII.E (Bulletin 5) and 2 CFR Chapter I, Chapter II, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)
- [2 CFR Chapter I, Chapter II, Part 200](#) - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F.

Timeline/Frequency

Where DEC is the “primary”, we will send a *Single Audit Request for Inputs Notification – SOV Secondary Pass-Through Entity* letter or email/notification, via electronic

correspondence to any State of Vermont Agency/Department designated as “secondary”. This letter/notification will be sent on the date the subrecipient’s Single Audit is received by DEC or within that week and will request inputs from the “secondary” to be received within 45 calendar days. The specific State employee(s) responsible for Single Audits outside of DEC can be identified using the Agency/Department Subrecipient Contact list. DEC will provide a Management Decision Letter (MDL) or CAP to the subrecipient within 60 days of receipt of the subrecipient’s Single Audit.

Quarterly, the DEC will send out a *Single Audit Reporting Requirement Reminder Notification* letter/notification, via email to all entities meeting the threshold to complete a Single Audit within the next nine months. If a subrecipient requires a Single Audit, and the Single Audit is not available in FAC, the DEC will send an email to the subrecipient’s primary contact three (3) months in advance of its due date notifying the subrecipient of the deadline. This email will state that not meeting the Single Audit requirement deadline (9 months after the subrecipient’s fiscal year end) could trigger sanctions which may include being placed on the DEC Exclusions List resulting in the withholding of DEC future payments or refusal to make additional DEC awards.

Correspondence regarding outstanding audits or forthcoming audit deadlines will be sent quarterly via email to each subrecipient. The DEC will document the date the email was sent in the Quarterly Single Audit Tracker.

Data Requirements

On a quarterly basis, the DEC will run the following reports from VISION to identify the subrecipients to which the DEC is “primary”; which Single Audits the DEC is “secondary”, and where the DEC is “primary, which subrecipients are delinquent in submitting their Single Audits.

- VT_FED_GRANTS_FOR_BU to be run in Excel Format – query to determine secondaries.

VT_FED_GRANTS_FOR_BU - Subr grants for a GL BU

From Start Date

Thru Start Date

Business Unit (%=All)

Active/Inactive (A, I or %)

- VT_PRIMARY_SINGLE_AUD_REQD- This report will tell us who requires a Single Audit and it will identify DEC as the Primary.

VT_PRIMARY_SINGLE_AUD_REQD - Primary w/ single audit

Business Unit (% for All)

Fiscal Year

VT_AUDIT_REVIEW_NOT_FINISHED-single audit review not complete- This report will identify the Single Audits that have not been finalized with the DEC as primary. Allowing us to follow up and finalize.

VT_AUDIT_REVIEW_NOT_FINISHED - single aud review not complete

Fiscal Year (% = All)

Business Unit (% = All)

- VT_FED_GRNT_AWRD_VND_BU- This report will give you a list of all the grants that we have that are active and inactive and their CFDA. We will run this report and place it in a separate tab in the Quarterly Single Audit Tracker Table.

VT_FED_GRANT_AWARD_VENDOR - Federal grants for a vendor

From Start Date

Thru Start Date

Vendor ID (%=All)

Active/Inactive (A, I, %)

Single Audit Process

Subrecipients that require a Single Audit must have the audit completed within nine months of the end of their fiscal year end month. For subrecipients to which the DEC is a “primary” pass-through entity, the DEC will:

1. Run the VISION Query reports described above under Data Requirements
2. Where DEC is the “secondary” DEC will reach out to the Department’s designated “primary” using the Subrecipient Contact List, which can be found on:
https://finance.vermont.gov/sites/finance/files/documents/Pol_Proc/Grants/FIN-B5_Dept_Contact_List.pdf, in order to request a copy of the entity’s Single Audit if it is not available in FAC.
3. Obtain a copy of the subrecipient’s Single Audit via the FAC or via emailing the subrecipient and requesting a copy. Once the Single Audit is received, the audit will be kept in the subrecipient’s folder in the Y: Drive under:

Y:\DEC_AID\Finance\Grants Management Specialist Resources\Monitoring\Single Audit Review\Single Audit Compliance Reviews. If a folder for that entity does not exist, the GMS will create one. The location on the Y drive is where these files should be stored.

- a. Y:\DEC_AID\Finance\Grants Management Specialist Resources\Monitoring\Single Audit Review\Single Audit Compliance Reviews

4. Update VISION’s Grant Tracking Module in VISION’s WorkCenter under the entity’s “Review” Tab for the subrecipient with the date the “Audit Received”.

Award | Review

GRANT TRACKING MODULE
Review - Used for Federal Grants Only

Grantee Supplier ID: 0000040742 Springfield Town Treasurer Federal Grantee Fiscal Year End Month: 6

Audit Section Find | View All First 15 of 16 Las

Subrecipient Annual Report Received Rev. 10/16/2018 Delinquent Fiscal Year: 2018

Annual Report Extension Granted Ext. date: Comments 1

Audit Yes Required? Comments 2

Primary Pass-Through: 06140 Environmental Conservation Dates

Comments on Findings Audit Received → 05/14/2019

5. Using the *Single Audit Request for Inputs Notification – SOV Secondary Pass-Through Entity* template email; send an email notification to all and any “secondary” State of Vermont pass-through entities, requesting their inputs on the Single Audit within 45 days.
6. Review the subrecipient’s Single Audit and complete the following:
 - VTDEC Single Audit Compliance checklist found in: Y:\DEC_AID\Finance\Grants Management Specialist Resources\Monitoring\Single Audit Review folder
 - If Primary, start drafting the Management Decision Letter for the entity
7. Update VISION’s Grant Tracking Module in the VISION WorkCenter “Review” Tab for the subrecipient with the date entered in “Audit Reviewed”

Award | Review

GRANT TRACKING MODULE
Review - Used for Federal Grants Only

Grantee Supplier ID: 0000042868 Norwich University Federal Grantee Fiscal Year End Month: 5

Audit Section Find | View All First 14 of 14 Las

Subrecipient Annual Report Received Rev. 06/25/2019 Delinquent Fiscal Year: 2019

Annual Report Extension Granted Ext. date: Comments 1

Audit Yes Required? Comments 2

Primary Pass-Through: 06140 Environmental Conservation Dates

Comments on Findings Audit Received 01/15/2020

VT DEC agrees with the auditor's opinion that Norwich University has materially complied with the reporting Audit Reviewed → 01/30/2020

8. Update VISION’s Grant Tracking Module in the VISION WorkCenter and add the date under “Audit Accepted” if there are no issues with the content of the Single Audit and after confirming feedback from other Departments or Agencies.

GRANT TRACKING MODULE
Review - Used for Federal Grants Only

Grantee Supplier ID: 0000042868 Norwich University Federal Grantee Fiscal Year End Month: 5

Audit Section Find | View All First 14 of 14 Last

<input checked="" type="checkbox"/> Subrecipient Annual Report Received	Rev. <input type="checkbox"/> 06/25/2019	<input type="checkbox"/> Delinquent	Fiscal Year: 2019
<input type="checkbox"/> Annual Report Extension Granted	Ext. date:	Comments 1	
Audit Required? Yes	Comments 2		

Primary Pass-Through: 06140 Environmental Conservation Dates

Comments on Findings VT DEC agrees with the auditor's opinion that Norwich University has materially complied with the reporting requirements of 2 CFR Part 200 Subpart F for the period of June 1, 2018 through May 31, 2019 - MD	<input checked="" type="checkbox"/> Audit Received	01/15/2020	BT
	<input checked="" type="checkbox"/> Audit Reviewed	01/30/2020	BT
	<input checked="" type="checkbox"/> Audit Accepted	01/30/2020	BT

If you have any feedback from other secondaries, DEC will incorporate any feedback provided by the “secondary” pass-through entities within 45 days from the date the *Single Audit Request for Inputs Notification – SOV Secondary Pass-Through Entity* letter was sent into the DEC’s Management Decision letter, or CAP.

DEC may request a response from the subrecipient as to how the findings and/or questioned costs were addressed and (if necessary) corrected. All requests will be in writing to the subrecipient and will require them to send copies of the CAP to the “primary” and all “secondary” pass-through entities.

9. Issue the Management Decision¹ Letter (MDL) if there are no findings on the DEC’s programs or issue a CAP if there are findings to DEC’s program and/or if the “secondary” provides inputs concerning findings to their programs.
10. Update VISION’s Grant Tracking Module in VISION WorkCenter “Review” Tab for the subrecipient with the date the “Management Decision Letter was issued” as well as, the “Comments on Findings” box under Primary Pass-Through.

¹ In accordance with all federal and state regulations, the DEC must address any issues as appropriate and issue the Management Decision Letter on audit findings within six months after receipt of the subrecipient’s audit report

Award **Review**

GRANT TRACKING MODULE
Review - Used for Federal Grants Only

Grantee Supplier ID: 0000362729 North Branch Fire District #1 Federal Grantee Fiscal Year End Month: 12

Audit Section Find | View All First 2 of 3 Last

Subrecipient Annual Report Received Rev. 01/28/2019 Delinquent Fiscal Year: 2018
 Annual Report Extension Granted Ext. date: Comments 1
 Audit Yes Comments 2
 Required?

Primary Pass-Through: 06140 Environmental Conservation

Comments on Findings
 VT DEC agrees with the auditor's opinion that the North Branch Fire District No. 1 has materially complied with the reporting requirements of 2 CFR Part 200 Subpart F for the period of January 1, 2017 through December 31, 2018 - JLC

	Dates
<input checked="" type="checkbox"/> Audit Received	12/04/2019
<input checked="" type="checkbox"/> Audit Reviewed	12/09/2019
<input checked="" type="checkbox"/> Audit Accepted	01/08/2020
<input checked="" type="checkbox"/> Mgt. Decision Letter Issued	02/10/2020

11. DEC will also update the Quarterly Single Audit Tracker with the data required as each Single Audit is Reviewed, and MDL's are issued.
12. If there are findings or issues identified DEC will issue the Management Decision² Letter (MDL) with the appropriate information requesting a CAP or clarification (if appropriate) and the DEC MDL will include, if all possible all "secondary" inputs concerning findings to their programs as provided by the secondary.
13. Update VISION's Grant Tracking Module in VISION WorkCenter "Review" Tab for the subrecipient by ticking the box, "Audit Contains Findings/Issues"

Award **Review**

GRANT TRACKING MODULE
Review - Used for Federal Grants Only

Grantee Supplier ID: 0000040069 ST Johnsbury Town Treasurer Federal Grantee Fiscal Year End Month: 6

Audit Section Find | View All First 10 of 15 Last

Subrecipient Annual Report Received Rev. 02/28/2014 Delinquent Fiscal Year: 2013
 Annual Report Extension Granted Ext. date: Comments 1
 Audit Yes Comments 2
 Required?

Primary Pass-Through: 08100 Transportation Agency

Comments on Findings
 The auditor's report found no significant deficiencies that were considered to be material weaknesses. SVC

	Dates
<input checked="" type="checkbox"/> Audit Received	09/11/2014
<input checked="" type="checkbox"/> Audit Reviewed	09/11/2014
<input checked="" type="checkbox"/> Audit Accepted	10/26/2014
<input checked="" type="checkbox"/> Mgt. Decision Letter Issued	10/26/2014
<input checked="" type="checkbox"/> Audit Contains Findings/Issues	

Monitoring Corrective Action (CAP)

Corrective Action Plans (CAP) requested and received should be reviewed and saved with the Single Audit in the Y drive at:

Y:\DEC_AID\Finance\Grants Management Specialist
Resources\Monitoring\Single Audit Review\Single Audit Compliance Reviews
under that subrecipients file.

Update VISION's Grant Tracking Module in VISION WorkCenter "Review" Tab for the subrecipient by adding a date in the box, "Corrective Action Plan Requested"

² In accordance with all federal and state regulations, the DEC must address any issues as appropriate and issue the Management Decision Letter on audit findings within six months after receipt of the subrecipient's audit report

GRANT TRACKING MODULE

Review - Used for Federal Grants Only

Grantee Supplier ID: 0000040704 Hartford Town Treasurer Federal Grantee Fiscal Year End Month: 6

Audit Section Find | View All First 14 of 16 Last

Subrecipient Annual Report Received Rev. 10/27/2017 Delinquent Fiscal Year: 2017

Annual Report Extension Granted Ext. date: Comments 1
1/29/2018: PRIMARY CHANGED FROM AOT TO DEC PER SEFA. KJ

Audit Yes Comments 2
Required?

Primary Pass-Through: 06140 Environmental Conservation Dates

Comments on Findings

10/25/17 DHCD sent SAR delinquent notice & Town submitted to KJ. SA is required.

Letter issued 2/21/2018 requesting administrative clarifications regarding DPS award not found on SEFA. - KM

Revised SEFA received 2/26/2018. Reviewed and accepted by DPS & DEC. - KM

<input checked="" type="checkbox"/> Audit Received	01/26/2018
<input checked="" type="checkbox"/> Audit Reviewed	02/21/2018
<input checked="" type="checkbox"/> Audit Accepted	02/27/2018
<input checked="" type="checkbox"/> Mgt. Decision Letter Issued	02/27/2018
<input type="checkbox"/> Audit Contains Findings/Issues	
<input checked="" type="checkbox"/> Corrective Action Plan Requested	02/21/2018

1. If a CAP is deemed incomplete or inadequate by the DEC as a “secondary” pass-through entity, we will contact the “primary” within fifteen (15) business days to request follow-up information.
2. If the only follow-up necessary pertains to the “secondary” pass-through entity’s programs, it is acceptable for the “primary” and “secondary” to mutually agree to allow the “secondary” to contact the subrecipient directly. However, all communication with the subrecipient should be in writing and filed in the official monitoring file with the “primary” pass-through.
3. Update Vision Grant Tracking Module marking receipt of Corrected Action Plan.

GRANT TRACKING MODULE

Review - Used for Federal Grants Only

Grantee Supplier ID: 0000040704 Hartford Town Treasurer Federal Grantee Fiscal Year End Month: 6

Audit Section Find | View All First 14 of 16 Last

Subrecipient Annual Report Received Rev. 10/27/2017 Delinquent Fiscal Year: 2017

Annual Report Extension Granted Ext. date: Comments 1
1/29/2018: PRIMARY CHANGED FROM AOT TO DEC PER SEFA. KJ

Audit Yes Comments 2
Required?

Primary Pass-Through: 06140 Environmental Conservation Dates

Comments on Findings

10/25/17 DHCD sent SAR delinquent notice & Town submitted to KJ. SA is required.

Letter issued 2/21/2018 requesting administrative clarifications regarding DPS award not found on SEFA. - KM

Revised SEFA received 2/26/2018. Reviewed and accepted by DPS & DEC. - KM

<input checked="" type="checkbox"/> Audit Received	01/26/2018
<input checked="" type="checkbox"/> Audit Reviewed	02/21/2018
<input checked="" type="checkbox"/> Audit Accepted	02/27/2018
<input checked="" type="checkbox"/> Mgt. Decision Letter Issued	02/27/2018
<input type="checkbox"/> Audit Contains Findings/Issues	
<input checked="" type="checkbox"/> Corrective Action Plan Requested	02/21/2018
<input checked="" type="checkbox"/> Corrective Action Plan Received	02/26/2018

Sanctions

1. Where applicable, if requests for information, including Subrecipient Annual Report, Single Audit Report, CAPs and/or Progress Reports related to CAPs are not submitted by the subrecipient within forty-five (45) days, possible sanctions could include:
 - a) Withholding of future payments
 - b) Refuse to enter into any new awards on future requests for funding
 - c) Entity added to the DEC Exclusions List
 - d) Take legal action if necessary (with guidance from General Counsel)

Notices

- These procedures are intended to support the Agency of Natural Resources internal control environment.
- In consideration of these procedures, the objective should be on adherence and not on rationalizing ways and means for circumvention.
- Nothing in this document shall limit or supersede any applicable Federal or State laws, statutes, bulletins, or regulations.
- State of Vermont agencies are not required to review or comment on findings contained in the report related to programs not passed through the State of Vermont.