

# Top Ten Audit Findings

## 1. Board of Directors

- a. Lack of involvement with agency fiscal/internal control issues;
- b. Lack of properly maintained minutes and other support for establishing, maintaining and enforcing agency policies;
- c. Lack of written and up-to-date policies and procedures for the agency.

## 2. Independent Audits

- a. Failure to timely submit the required audit package;
- b. Failure to contract with competent independent auditor;
- c. Failure to properly identify ODH pass-through grants;
- d. Improper charging of non-Single Audit (A-133) costs to ODH grants.

## 3. Unallowable Costs

- a. Alcoholic beverages/ employee meals;
- b. Travel and meals over the current state rates;
- c. Miscellaneous, administrative or indirect costs (excluding up-to-date allocation plans, as pre-approved by ODH);
- d. Contracts, for compensation, with advisory board member

## 4. Reporting Requirements

- a. Expenditure Reports -- failure to support with sufficient original documentation and subgrantee's accounting records;
- b. Expenditure Reports -- to report actual expenditures (as opposed to budget information);
- c. Failure to document, obtain prior approval for and liquidate outstanding obligations at the end of the grant period;
- d. Inventory -- failure to properly tag and report equipment purchased with grant funds; failure to maintain a current and complete inventory listing.

## 5. Conflict of Interest

- a. Subgrantee official or employee participates personally in activities of the grant in which that individual holds a personal financial interest.

## 6. Internal Controls

- a. Lack of segregation of duties;
- b. Lack of proper authorization for payments of goods and services;
- c. Inadequate documentation for expenditures and vouchers;
- d. Failure to maintain an accounting system that includes separate ledger accounts for each program that receives funding.

**7. Budget**

- a. Expending grant funds for non-budgeted (approved) costs

**8. Payroll**

- a. Failure to support payroll costs with sufficient Time and Activity documentation (for employees that work less than 100% on the grant);
- b. Failure to properly represent alternate source of funding for employees (for employees that work less than 100% on the grant)

**9. Contracts**

- a. Failure to include all required contract elements

**10. Cost Allocation**

- a. Failure to maintain a current Cost Allocation Plan for shared expenses (multiple funding sources).