

## Tips for Surviving an A-133 Audit

The Controller's Office has developed these tips to assist departments when engaging with the University's external auditors on the topic of an A-133 audit of sponsored funds.

### Target Audience

Department Managers, Financial Administrators, RSAs, and Post-Award Administrators, and all staff tasked with the responsibility for managing sponsored funds.

**Please share this information with appropriate staff.**

### Background

In accordance with OMB Circular A-133, UCSF expenditures of federal funds are audited annually by the University's external auditors. The A-133 auditors examine the University's schedule of federal expenditures and, if warranted, may suggest areas for improvement. The audit process includes meeting with campus central and department staff.

### General Rules When Interacting With Auditors:

Below are tips on working effectively with auditors to help the audit process go more smoothly.

### Top 10 Do's:

- 1) Be prepared for the meeting and understand the purpose of the meeting. Review and prepare related records prior to interviews/visits. Anticipate questions related to the documents. If a record will hurt the University's interest, immediately notify department management and internal audit of the issue.
- 2) If, in the course of an audit, you find inappropriate charges or inadequate procedures, resolve it immediately e.g., cost transfer unallowable charges.
- 3) Listen carefully and understand the auditor's question before answering. Be thoughtful when composing your answers, ensuring you have the facts and evidence to back them up. Please be sure your responses are complete and accurate. Ask for clarification when you don't understand the auditors' questions, assumptions, or conclusions.
- 4) If you have any questions or concerns about the audit, discuss these with your department manager or direct supervisor.
- 5) Respond only to the question being asked. Please keep your answers simple and direct. Don't feel pressured to come up with an answer when you don't know the answer - it is okay to say, "I don't know" and "I will get back to you with the answer".
- 6) It is always a good idea to be discreet and diplomatic. Limit your answers and comments to areas where you have first-hand knowledge and/or supporting documentation. Don't speculate if you don't have the information.
- 7) Politely decline to answer questions you don't fully understand until a central administrative contact within your school or audit committee member is present.
- 8) Be responsive to requests for information and documents, but please do not volunteer documents or information that is not relevant to the question at hand.
- 9) Avoid data dumps for auditors to sort through. When providing data, provide well-ordered, clear documents.
- 10) Keep notes on and copies of information they provide to external auditors during interviews, and ensure that all original records provided to external auditors are returned at the end of the audit.

## Top 5 Don'ts

- 1) Do not provide any information over the telephone. Ideally, responses be coordinated through one point of contact and reviewed first by an audit liaison, the external audit coordinating committee, or your control point before responses are provided to auditors.
- 2) If supporting documents appear to be incomplete or problematic, do not modify or delete these. Refer to Top 10 Do #2.
- 3) Please do not speculate or answer hypothetical questions. Do not agree or disagree with opinions. If there are differences of opinions, raise your concerns after the meeting with your department manager and/or the Controller's Office.
- 4) Do not provide irrelevant information e.g., rumors, office gossip, conversations from 2<sup>nd</sup> and 3<sup>rd</sup> hand sources, especially if they are outside the scope of the audit.
- 5) Do not sign anything on behalf of the University.

## Three Things You Can Do Now

- 1) Ensure you have good internal controls and that you monitor your processes and expenses. Reconcile ledgers for funds with activities in the current fiscal year and provide evidence of review per SAS 112 key control 13. Review and resolve financial, administrative, and project management systems e.g., timely journal transfers, compliance with effort reporting on ERS.
- 2) Document appropriate approvals and maintain an audit trail of supporting documentation. Maintain an organized filing system.
- 3) Ensure that staff understand policies and procedures. Review and fully understand award terms and conditions, ensuring expenses are appropriate and allowable, follow uniform administrative requirements, federal cost principles, and follow cost accounting standards. Take immediate corrective action and resolve issues as soon as possible.

## Who To Contact

Questions regarding A-133 audit should be directed to Arsenio Roldan, Interim Assistant Controller of EMF at (415) 476-1340 or [Arsenio.Roldan@ucsf.edu](mailto:Arsenio.Roldan@ucsf.edu). General questions about the external audit should be directed to Jeff Yepsen, Assistant Accounting Officer of General Accounting and Reporting at (415) 502-7430 or [Jeff.Yepsen@ucsf.edu](mailto:Jeff.Yepsen@ucsf.edu).

## References

- Audit Committee: <http://chancellor.ucsf.edu/committees/standing/audit/contents.htm>
- A-133 at UCSF: [http://acctg.ucsf.edu/extramural\\_funds/A133/index.htm](http://acctg.ucsf.edu/extramural_funds/A133/index.htm)
- SAS 112 at UCSF: [http://acctg.ucsf.edu/internal\\_controls/sas112/index.htm](http://acctg.ucsf.edu/internal_controls/sas112/index.htm)

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Updated June 9, 2008 with materials developed from various universities, Tim Patterson, NCURA workshops, and in partnership with the UCSF School of Dentistry Dean's Office, and feedback from UCSF School of Nursing Dean's Office.