

Required Format for Findings and Questioned Costs	EXAMPLE
<p><b>Reference numbers.</b> Each audit finding in the schedule of findings and questioned costs must include a reference number in the format meeting the requirements of the data collection form submission required by §200.512 Report submission, paragraph (b) to allow for easy referencing of the audit findings during follow-up.</p>	<p><b>Finding 201X-01: Allowable Costs/Activities Allowed</b></p> <p><b>Note: The Finding number starts with the year of the audit and the number assigned to the finding in that year.</b></p>
<p>Federal program and specific Federal award identification including the CFDA title and number, Federal award identification number and year, name of Federal agency, and name of the applicable pass-through entity. When information, such as the CFDA title and number or Federal award identification number, is not available, the auditor must provide the best information available to describe the Federal award.</p>	<p><b>Federal Award and Specific Award Identification:</b>  U.S Department of Housing and Urban Development  Indian Housing Block Grant (IHBG)(NAHASDA  CFDA # 14.867  Grant No: 55-IH-99-99999</p>
<p>The criteria or specific requirement upon which the audit finding is based, including the Federal statutes, regulations, or the terms and conditions of the Federal awards. Criteria generally identify the required or desired state or expectation with respect to the program or operation. Criteria provide a context for evaluating evidence and understanding findings.</p>	<p><b>Criteria:</b>  Good internal controls require obtaining proper authorization and approval for all purchases. Proper documentation should be maintained to support all transactions, and federal procurement policies should be followed. Payments for services or goods charged to a federal grant or contract must be allowable.</p>
<p>The condition found, including facts that support the deficiency identified in the audit finding.</p>	<p><b>Statement of Condition:</b></p> <ul style="list-style-type: none"> <li>- Invoices from the contractor for work performed under this major program were woefully inadequate.</li> <li>- Competitive bidding process may have been performed inappropriately.</li> <li>- Independent Contractor / Employee hours charged to this major program were in excess of the normal work week hours.</li> <li>- Payment was made in advance of the work being performed and the work was never completed by the contractor.</li> <li>- No verification or testing of the invoices.</li> <li>- Contractor failed to comply with the State requirements to maintain adequate workers' compensation coverage.</li> </ul>
<p>A statement of cause that identifies the reason or explanation for the condition or the factors responsible for the difference between the situation that exists (condition) and the required or desired state (criteria), which may also serve as a basis for recommendations for corrective action.</p>	<p><b>Cause:</b> The former Procurement Manager lacked the experience and knowledge in his capacity and did not follow established written Procurement Policy and procedures. There was lack of sufficient documentation on the award of the contract to the contractor.</p>

