



ESSER Audit Considerations

How ESSER Affects Audits

- Additional funds can result in type of audit required resulting in additional costs.
- ESSER grant can be used to pay for additional audit costs, including accounting assistance.
- The rules are the same with ESSER money. Example is capital projects, > \$80,000 require 3 bids per MCA 20-9-204(3)

The Seven Standard Internal Controls

1. Segregation of Duties
2. Access Controls
3. Physical Audits
4. Standardized Documentation
5. Trial Balances
6. Periodic Reconciliations
7. Approval Authority

Type of Audit or Review Required:	Threshold	Contractor	Term	Comments:
(State law) Review Due June 30	*REVENUES (All Funds) \$750,000 or less	By contracted auditor The OPI or Dept. of Administration will notify district. Contract must be done through the Dept. of Administration as 3rd party	One year at a time with a rotating 4-year schedule.	A review of procedures, especially for recording and reporting revenues and expenditures.
(State Law) Regular (Yellowbook Audit) Due June 30	*REVENUES (All Funds) More than \$750,000	By contracted auditor Dept. of Administration has standard contracts and a roster of authorized auditors	Usually Annual	May be for two years, if approved by Department of Administration.
(Federal Law) Federal Audit Due March 31	FEDERAL EXPENDITURES (including USDA Commodities) \$750,000 or more	By contracted auditor Department of Administration has standard contracts and a roster of authorized auditors.	Annual	Regular audit, plus additional procedures to review and report on federal programs.



What To Do If There Is An Audit Finding

1. Determine if the money needs to be returned.
2. Within 30 days, a **corrective action plan** must be submitted, with a separate response for each finding.
3. Each finding response must include the answer to each of the following questions:
 - a. Why did the deficiency occur?
 - b. What is being done to correct the deficiency?
 - c. Who is responsible for correcting the deficiency?
 - d. When will the corrective measure(s) be implemented?



ESSER - Elementary and Secondary School Emergency Relief

*“Preventing, Preparing for, and Responding
to the Covid-19 pandemic and its effects on
Montana Students”*

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Or, call the auditor on contract with your
school or district.

*Be mindful that auditors are often limited to
contractual obligations and stipulations.*

OPI Auditing Webpage:

<http://opi.mt.gov/Leadership/Finance-Grants/School-Finance/School-Finance-Auditing>