

CORRECTIVE ACTION PLAN
(Must be on Institution's or Servicer's Letterhead)

Audit Firm _____

Audit Period _____

The Corrective Action Plan must include the number the auditor assigns to audit findings in the Schedule of Findings and Questioned Costs. The number must include the fiscal year in which the finding initially occurred.

A. Comments on Findings and Recommendations:

The institution must provide a statement of concurrence or nonconcurrence with the findings and recommendations. If the institution does not agree with a finding, specific information must be provided to support its position. If the information is voluminous, an appendix may be attached to the submission.

If the institution determines that the questioned costs are unallowable or that the charges cannot be supported, the institution should provide a statement to that effect in the corrective action plan.

If the institution believes a questioned cost, or a portion of that cost is an allowable cost, the institution must identify the allowable portion by program.¹

B. Actions Taken or Planned:

The institution must detail actions taken or planned to correct deficiencies identified in the report. For planned actions, institutions must provide projected dates for completion of major tasks. If the institution believes a corrective action is not required, a statement describing the reasons must be included.

C. Status of Corrective Actions on Prior Findings:

For all prior audits, e.g. IPA SFA, ED OIG, ED-SFAP program review, and State Guarantee Agency and SPRE reports, the institution must comment on all prior findings whether or not corrective action has been completed.²

¹ The institution is required to have the IPA provide a statement that the necessary documents were located/obtained and/or that the actions were taken either with the CAP or during the audit resolution process.

² ED may have issued a FAD for a prior audit/examination. A FAD describes any corrective actions the institution is required to take within 45 days of receipt (unless otherwise stated) of the FAD.

EXAMPLE H
2 of 2

The institution must provide a report on the status of corrective actions taken on prior findings that remain open. An update must be included on dates for completion of major tasks and responsible officials for any actions not completed.

(Signature)

Institution or Servicer Official's Name

Title

Telephone #: