



DATE: February 2, 2016

TO: Procurement Directors
Heads of Contracting Activities

FROM: Chief
Contract and Financial Assistance Policy Division
Office of Policy
Office of Acquisition Management

SUBJECT: Clarifying Guidance for Audits of “For-Profit” Financial Assistance Awards

SUMMARY: The purpose of this policy flash is to provide clarifying guidance relating to certain provisions set forth in DOE Regulation 2 CFR 910.515. The clarifying guidance is as follows:

- DOE Regulation 2 CFR 910.515(a) states that the audit report must include an opinion (or disclaimer of opinion) as to whether the financial statements (if available) are presented fairly in all material respects in accordance with generally accepted accounting principles. The intent of this regulation is not to require auditors to render an opinion on the financial statements but to include such an opinion in its reporting package if the grantee has received an opinion on its financial statements. If no such opinion has been rendered, there is no requirement to include the opinion in the reporting package.
- DOE Regulation 2 CFR 910.515(b) requires an opinion on internal control over financial reporting. The intent of this regulation is not to require auditors to render an opinion on internal control over financial reporting but to include such an

opinion in its reporting package if the grantee has received an opinion on internal control over financial reporting. If no such opinion has been rendered, there is no requirement to include the opinion in the reporting package.

Questions have been raised regarding the applicability of The Department of Energy (DOE) Audit guidance for For-Profit Financial Assistance Awards” dated April 2012 (For-Profit Audit Guide). Effective for fiscal years beginning after December 26, 2014, the For-Profit Audit Guide has been superseded by DOE Regulation 2 CFR 910 Subpart F, “Audit Requirements for For-Profit Entities.”

This Flash will be available online at the following website:
<http://energy.gov/management/listings/policy-flashes>.

Questions concerning this policy flash should be directed to Robert M. Myers, Key Management Single Audit Liaison at (202) 287-1584 or robert.myers@hq.doe.gov.