

Section 5000

Visits, Reviews, and Audits

Log of Section Updates

This table will reflect updates to the handbook implemented during the current Program Year. All substantive updates made since the last release will be highlighted in yellow within this section.

Date of Edit	Content/Purpose	Subsection(s)
March 2026	Added policy that new sponsors cannot add new unaffiliated sites or expand the scope of service at initially approved sites within the first 12 months of operation, and only after their first TDA review indicates no serious management problems, Additionally, sponsors cannot add affiliated sites, or expand scope of service at initially approved sites, at locations with which they are not legally affiliated within the first 12 months of operation.	5210
	Added a reference to the Financial Sampling Tool that some organizations must complete prior to being reviewed onsite by TDA.	5240
May 2025	Consolidated Section 5000 from all four current CACFP handbooks and rewrote/reorganized as required for clarity. This section is now identical in all four handbooks.	N/A
	Clarified that CEs will be notified of the specific date(s) of announced reviews at least 30 days prior to the start of an administrative review or follow-up review.	5200
	Updated frequency, scope, and CE criteria related to scheduling of administrative reviews. This updated guidance reflects regulatory changes from the Child Nutrition Program Integrity Final Rule published in 2023.	5210
	Added TDA’s responsibilities for annually reviewing sponsors’ financial records in accordance with the Child Nutrition Program Integrity Rule.	5220
	Added information about Technical Assistance (TA) visits conducted by the Education Service Centers.	5230

May 2025	Added clarification around Document Request Package (DRP) due dates and delivery methods.	5240
	Added clarification that at minimum, 15% of all site/provider reviews conducted by TDA must be unannounced.	5260
	Clarified that day care home providers are not required to take point-of-service meal counts	
	Added more criteria for what might necessitate a periodic visit at the CE level	5310
	Increased federal threshold required for a single audit from \$750,000 to \$1,000,000.	5400, 5450

Table of Contents

Log of Section Updates.....	1
5100 Visit Prior to Approval	5
5200 Administrative Reviews	5
5210 Frequency and Scope	5
5220 Additional Financial Reviews for Sponsoring Organizations.....	7
5230 Technical Assistance (TA) Visits.....	8
5240 Engagement and Pre-Onsite Review of Records	8
5250 Entrance Conference.....	9
5260 Site/Provider Reviews	10
5270 Exit Conference.....	10
5280 Notification of Review Findings	11
5290 Corrective Action	11
5300 Periodic Visits	11
5310 Administrative Operations	12
5320 Site/Provider Level Operations	12
5400 Audits.....	12
5410 General Policy	13
5420 Scope of Audit	13
5430 Compliance with Audit Requirements.....	14
5440 Sanctions for Noncompliance.....	15
5450 Reimbursement for Audits	16
5460 Other Audits.....	16

This page intentionally left blank.

5000 Visits, Reviews, and Audits

5100 Visit Prior to Approval

Prior to approving an organization's application for participation, TDA staff will conduct a visit to:

- Evaluate the organization's management ability and the resources (e.g., staff) that it has reserved for its CACFP operation;
- Verify the information submitted on an application; and
- Provide technical assistance as appropriate.
- Determine if the organization is eligible to receive reimbursement for the month prior to agreement execution.

Inconsistencies between TDA's observations during the visit and the information that the organization submitted on its application may result in denial of the application and, in some cases, placement in the serious deficiency process.

5200 Administrative Reviews

TDA conducts administrative reviews of a CE's Program operations to:

- Ensure compliance with all applicable Program requirements; and
- Provide guidance and support to the CE regarding questions or concerns related to Program operations or the specific Programs it administers.

The administrative review includes observation of a meal service and examination of Program records. The CE must allow USDA, TDA, and any of their representatives to inspect its site and/or sponsored sites/providers and examine and copy records during normal business hours.

On or around November 1 of each year, TDA will send an automated email via TX-UNPS to each CE scheduled to receive an announced review during that Program Year (PY). CEs will be notified of the specific date(s) of announced reviews at least 30 days prior to the start of an administrative review or follow-up review. TDA also conducts unannounced reviews for which CEs will not be given prior notification.

5210 Frequency and Scope

Sponsoring organizations and independent centers in all CACFP sub-programs will, at minimum, be reviewed as follows:

- **Independent center** – once every three years
- **Sponsors with 1-100 sites/providers** – once every three years.
 - TDA will review 10 percent of a sponsoring organization's facilities.

- **Sponsors with more than 100 sites/providers** – once every two years.
 - These reviews will include reviews of 5 percent of the sponsoring organization's first 1,000 facilities and 2.5 percent of the sponsoring organization's facilities in excess of 1,000.
- **Sponsoring organizations and independent centers deemed seriously deficient at any time or determined to be at risk for Program non-compliance** – once every two years.
 - These reviews will include reviews of 5 percent of the sponsoring organization's first 1,000 facilities and 2.5 percent of the sponsoring organization's facilities in excess of 1,000.
- **Sponsoring organizations or independent centers engaging in activities other than CACFP (multi-purpose organizations)** – once every two years.
 - These reviews will include reviews of 5 percent of the sponsoring organization's first 1,000 facilities and 2.5 percent of the sponsoring organization's facilities in excess of 1,000.
 - Non-CACFP activities that may subject an organization to a 2-year cycle include but are not limited to:
 - Contract services, such as training and administrative services;
 - Community-based organizations;
 - Large nonprofit and for-profit institutions, such as multi-state sponsoring organizations;
 - Food banks; and/or
 - For-profit charter schools.
 - The following activities **would not** require an organization to receive more frequent monitoring:
 - Operating other child nutrition programs, such as the National School Lunch Program and the Summer Food Service Program; and/or
 - Activities and programs conducted for the purpose of providing child care (e.g., Pre-K grants, subsidized child care, and Head Start).

Additionally, the following requirements apply for new sponsoring organizations:

- **New sponsoring organizations with 5 or more sites/providers** – within the first 90 days of Program operation.
- **New sponsoring organizations with less than 5 sites/providers** – within the first 12 months of Program operation.

NOTE: New sponsoring organizations may not add new providers or unaffiliated sites during the first 12 months of operation beyond what was approved at the time of application, nor may they expand the scope of operations at those sites within the first 12 months (for example, serving additional meal types, increasing estimated number of meals served, or adding days of service at approved sites).

Additionally, sponsors may not add new affiliated sites at locations with which the sponsor is not legally affiliated, or expand the scope at such sites, during the first 12 months of operation.

After TDA has conducted its first complete administrative review of the sponsoring organization as described above, if no serious management problems are identified, sponsors will be eligible to apply to add new sites/providers and expand the scope of existing sites, as applicable, beginning after 12 months of operation.

Reviews are conducted during the CE's normal business hours and may take anywhere from two days to two weeks or more, depending on the size of the operation. TDA will review all records from a test month and may expand the review to include additional months based on documentation reviewed prior to the onsite review and/or if the CE is considered high risk.

5220 Additional Financial Reviews for Sponsoring Organizations

In addition to the Administrative Review requirements described in the previous section, TDA will conduct financial reviews of sponsoring organizations as follows:

- TDA will conduct an annual review of at least one month of bank account activity for all sponsoring organizations. This review will include a comparison of financial transactions against supporting documentation to ensure compliance with Program requirements. For details on allowable Program expenses, refer to Section 7000: Financial Management.
 - TDA may expand the review to examine additional months of bank account activity if discrepancies are identified ~~found~~.
 - If TDA identifies and is unable to verify any expenditures that have the appearance of violating Program requirements, or if the discrepancy is significant, TDA must refer the sponsoring organization's bank account activity to the appropriate State authorities.
- TDA will annually review actual expenditures reported of Program funds and the amount of meal reimbursement funds retained from sites, if any, for administrative costs for all **sponsoring organizations of unaffiliated sites**.
 - Sponsoring organizations may only retain the amount of **actual** administrative expenditures from the monthly claim disbursed to their sites, not to exceed 15%.
 - TDA will reconcile reported expenditures with Program payments to ensure that funds are fully accounted for and use the reported actual expenditures as the basis for selecting a sample of expenditures for validation.
 - If TDA identifies and is unable to verify any expenditures that have the appearance of violating Program requirements, TDA must refer the sponsoring organization's bank account activity to the appropriate State authorities.

TDA will also monitor and review CE and site financial documentation during scheduled administrative reviews to ensure that they are maintaining their nonprofit status and that all Program reimbursement funds are used solely for the conduct of the food service operation or to improve food service operations, principally for the benefit of children or adult participants.

5230 Technical Assistance (TA) Visits

Each new CE will receive a visit from an ESC within its first 90 days of Program operation.¹ The visit allows the CE an opportunity to ask questions related to Program operation and requirements. The ESC representative will be able to review the documentation the CE has on file and identify potential corrections that need to be made to the documentation and/or procedures. The 90-day TA visit can be a scheduled or unscheduled visit, and CEs will receive a copy of visit documentation.

Additionally, ESCs will conduct onsite TA visits with each CE at least twice a year. Conditions that may prompt an ESC TA visit include:

- New food service director
- CEs that have been suspended
- CEs scheduled for an administrative and/or procurement review
- CEs with identified findings prior to the corrective action due date
- New, returning, and potential CEs that need application assistance
- Substantial new policy guidance issued requiring change to Program operations (for example, Nationwide waivers)

5240 Engagement and Pre-Onsite Review of Records

To ensure continued compliance with applicable rules and regulations, timely and accurate completion of the review, and to minimize disruption to the CE's daily program operations, TDA will inspect the CE's Program documentation in advance of its review.

Prior to an announced administrative review, TDA's F&N Community Operations staff emails an engagement letter to the CE with the following information:

- Date and time of the on-site visit portion of the administrative review.
- A Document Request Packet (DRP) that contains:
 - A list of all required documentation to be submitted to TDA staff.
 - The documentation requested will be specific to each CE, by sponsor type.
 - The due date for all requested documentation will be listed in the engagement letter.²
 - Instructions for uploading the documents into TX-UNPS.
 - Additional instructions for on-site document review.

¹ If the CE is a sponsoring organization with 5 or more sites, thus necessitating a full TDA review within the first 90 days, the ESC TA review will occur between 30 and 60 days to allow the CE an opportunity to address noted concerns identified during the visit prior to the TDA review.

² TDA sends all engagement letters to the email addresses listed in the CE's Program application. It is the responsibility of each CE to ensure that the email addresses for **all** responsible principals and individuals are accurate and **up to date**. An engagement letter is considered received once the email has been sent. If the email is undeliverable, TDA will issue the notice via certified mail to the recipient's last known address. In such cases, the notice is considered received **five days** after the date of mailing.

- If applicable, the CE must complete and submit for review a Financial Sampling Tool (FST), which collects actual (not budgeted) CACFP financial data (income, operational expenses, and administrative expenses) for the Program Year requested.

CEs must provide all requested documentation by the due date noted in the engagement letter or risk being assessed a finding requiring corrective action. As a best practice, CEs should periodically scan documentation and are encouraged to combine multiple documents into single PDFs (up to 150 MB) to allow for more efficient uploading. If technological limitations will prevent document upload, the CE must contact TDA as soon as possible after receiving the letter to arrange an alternate method to have documents delivered by the due date. CEs seeking technical assistance are encouraged to contact their respective ESC representatives. The ESC contact information is included in the engagement letter.

Following the desk review of the CE's submitted documentation, a TDA reviewer may contact or email the CE questions regarding missing or incomplete records prior to the on-site review. CEs will be required to sign or attest to the provided documents.

If a CE fails to submit the requested records by the designated due date, or if they do not provide any additional documentation requested during the on-site review before the conclusion of the exit conference, this may lead to adverse action.

NOTES:

- CEs must maintain original versions of the submitted documents for review during the onsite visit.
- Costs incurred from making copies for the administrative review are considered allowable administrative costs if they are in the CE's approved budget.
- TDA will ensure CEs are retaining all documents for the minimum required three years and may request to review records for any time during that retention period.

5250 Entrance Conference

Upon arrival at the CE's location, the TDA reviewer(s) will conduct an entrance conference with an authorized representative.³ During the entrance conference, the TDA reviewer(s) will:

- Introduce all assigned reviewers.
- Explain the scope, intent, and process of the review.
- Discuss the records that will be evaluated, including the status of those already requested and/or any documentation that is still missing; the CE must provide any missing documentation no later than the exit conference.
- Answer any questions the CE might have.
- Designate a single TDA point of contact for the duration of the review.

³ Person(s) designated to act on the organization's behalf per the *Certificate of Authority for External Users* (FND-135)

- Ensure the CE knows how long the review should take and the estimated return time for the following day if additional time on-site is needed.
- Set a tentative date and time for the exit conference.
- Review records and complete a records checklist with the CE and request missing information.

5260 Site/Provider Reviews

Reviews of sponsored sites/providers are conducted to determine a sponsoring organization's ability to administer the Program. This is accomplished by reviewing the site/provider's compliance with Program requirements, which includes a meal service observation, review of records and record-keeping requirements, review of training documentation, review of the sponsor's monitoring documentation for the selected site/provider, and interviews with site/provider staff.

At minimum, TDA must select the number of individual sites/providers in accordance with the federal requirements described in *Frequency and Scope* above. Of the total number of sites/providers selected for review, 15% of those site/provider reviews must be unannounced.

Observation of the meal service will inform TDA if the CE or sponsored site/provider is:

- Complying with its approved meal service times (beginning and ending).
- Serving a reimbursable meal that meets the CACFP meal pattern requirements.
- Preparing meal production and attendance records in accordance with record-keeping requirements.
- Complying with civil rights requirements.

Additionally, at child care centers, adult day care centers, and At-Risk sites, TDA will ensure that these sites are taking a point-of-service meal count. **Day care home providers are not required to take a point-of-service meal count.**

5270 Exit Conference

All reviews require an exit conference with the CE's authorized representative prior to the conclusion of the review. During the review, the TDA reviewer(s) will provide the CE with a *preliminary*⁴ review report and:

- Request clarification for any unresolved discrepancies in the documentation.
- Explain any identified areas of non-compliance.
- Document any outstanding documentation or data that has not yet been received.

⁴ Preliminary review findings are subject to change upon further review of noted observations, review of scanned or copied information, and evaluation of any additional documentation provided to the TDA reviewer(s) at the exit conference.

- Provide technical assistance related to areas of non-compliance, as well as any other topics requested by the CE.
- Address any additional questions or concerns raised by the CE.

The TDA reviewer will not disclose the amount of any potential disallowances or whether the CE has been determined to be seriously deficient during the exit conference. Final review results will be provided in a *Notification of Review Findings* once all documentation has been reviewed and the assessment is complete. The CE is encouraged to use the Preliminary Review Report to begin taking immediate corrective action in any areas identified as non-compliant.

5280 Notification of Review Findings

After all information has been compiled, the CE will receive a notification of review findings. This notification will explain areas of non-compliance and request appropriate corrective action, if necessary. If any disallowances are being taken or unallowable costs were determined, these will be included in the notification as “adverse actions.” If any adverse actions are taken, the notification will include appeal rights. See Section 8000, *Denials, Terminations, and Appeals* for additional information.

If the CE is determined seriously deficient, the notification will include this information. See Section 10000, *Serious Deficiency*, for information on the serious deficiency process.

5290 Corrective Action

If the CE is determined to be non-compliant with Program requirements, it will be required to correct those non-compliances and submit a corrective action plan (CAP). The CAP will indicate the correction(s) made, including dates, and document the procedures and processes put in place to prevent repeat non-compliance. The CAP will be submitted through the corrective action document tool in TX-UNPS.

A CE will typically be given 20 days to submit its CAP. Failure to correct non-compliances and submit an acceptable CAP by the due date could result in placement in the serious deficiency process.

5300 Periodic Visits

CEs determined to be at risk of Program noncompliance may receive periodic visits from TDA. During these visits, TDA provides technical assistance to improve a CE’s management ability and reduce the risk of noncompliance that could result in adverse action, including placement in the serious deficiency process and/or termination of a CE’s Permanent Agreement.

TDA has established specific criteria for the uniform selection of CEs that may receive a visit. The criteria evaluate Program operation requirements at both the administrative CE and individual site/provider levels. These criteria are based on information gathered during the application process, visit prior to approval, previous administrative and site/provider reviews, and technical assistance visits. The purpose of this evaluation is to identify error-prone CEs and sites and reduce the risk of Program noncompliance.

See below for an explanation of the specific criteria.

5310 Administrative Operations

TDA uses the following criteria to evaluate if a CE's administrative operations require periodic visits (this list is not all inclusive):

- Inability to complete critical elements of a Program application (e.g., budget, VCA documentation, procurement, monitoring, and training).
- Claiming issues that may include but are not limited to:
 - Submittal of adjusted claims for more than three months during a PY.
 - Repeated submittal of claims that report high or perfect meal counts and attendance (i.e., children are never absent).
 - Significant increases to claims over time.
 - Large upward variations in claiming during the years the CE is not scheduled for review.
- Receipt of complaints from outside organizations or participants.
- Failure to maintain required records, such as receipts for food items or meal production records.

5320 Site/Provider Level Operations

The Texas Department of Agriculture (TDA) evaluates site and provider-level operations to identify potential risk factors that may warrant periodic monitoring visits. The following criteria, though not exhaustive, are considered in the selection process:

- Consistent perfect attendance.
 - A majority or all participants consistently report perfect attendance, indicating potential discrepancies in attendance records.
- Block claiming patterns
 - The site consistently claims the same number of meals and snacks each day, suggesting potential irregularities in meal count reporting.
- Excessive meal claims
 - The number of meals claimed exceeds observed attendance or, as applicable, the site's licensed capacity, raising concerns regarding claim accuracy and potential overclaims.

5400 Audits

Audits are conducted to determine whether a CE's:

- Financial operations are conducted properly.
- Expenditures of Program funds comply with applicable laws and regulations.
- Internal procedures meet the objectives of federally assisted programs.

- Financial statements are correct.
- Financial reports contain accurate information.

5410 General Policy

Non-federal entities (states, federally recognized Indian tribes, local governments, nonprofit organizations, and for-profit organizations) that expend \$1,000,000 or more during their fiscal year in federal awards must have an audit conducted for that year. CEs will identify their fiscal year and the source and amount of federal funds they expect to expend on the Annual Audit screen in TX-UNPS each year.

CEs subject to audit must be audited on a single (organization-wide) audit basis by independent auditors and must comply with the requirements found in [2 CFR Part 200](#), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

EXCEPTION: If a CE expends federal awards under only one federal program, it may obtain a Program-specific audit. Auditors must conduct Program-specific audits in accordance with Generally Accepted Government Auditing Standards (GAGAS) and the program-specific audit guide.

Organizations subject to the audit requirement must obtain the audits annually, except under the following circumstances:

- A state, local government, or Indian tribe that, as of January 1, 1987, is mandated by constitution or statute to undergo audits less frequently is allowed to conduct audits every two years (biennially). This requirement must remain in effect for the entire biennial period being audited.
- A nonprofit organization that has obtained biennial audits for all biennial periods ending between July 1, 1992, and January 1, 1995 (30-month period). All consecutive audits obtained during this 30-month period must have been on a biennial basis. Any interruption in the biennial process during this 30-month period disqualifies the CE from being able to obtain a biennial audit for fiscal years beginning after June 30, 1996.

NOTE: CEs that are exempt from federal audit requirements are still subject to state or local audit requirements as applicable.

5420 Scope of Audit

Audit(s) must be performed in accordance with GAGAS and must cover the entire operations of the CE. Please note that the lists below are not all-inclusive. Refer to [2 CFR 200.501](#) for complete requirements.

The auditee must prepare:

- Financial statements.
- Schedule of expenditures of federal awards:
 - List of individual federal programs by federal agency.

- The name of the pass-through entity and identifying number assigned to that pass-through entity.
- Total federal awards expended for each Federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other number when the CFDA number is not available.
- Total amount provided to subrecipients from each federal program.
- Summary schedule of prior audit findings.
- Audit findings (schedule of findings and questioned costs), to include corrective action plans, if applicable.

The auditor must prepare:

- An auditor's report that includes:
 - An opinion about whether the financial statements and schedule of expenditures of federal awards are presented fairly and in accordance with accounting principles.
 - A report on internal control and compliance with laws, regulations, contracts, and award agreements that could impact the financial statements.
 - A compliance report for major programs and internal control report. A schedule of findings and questions costs.
- Audit Findings
 - Serious deficiencies and abuse found in major program internal controls.
 - Significant violation of federal laws, regulations, or terms and conditions of federal awards for a major program.
 - Known questioned costs exceeding \$25,000 for a major program's compliance requirement.
 - Known questioned costs exceeding \$25,000 for a federal program that is not audited as a major program.
 - Any circumstances concerning why the auditor's report on compliance for each major program would include a modified opinion unless such circumstances are otherwise reported as audit findings in the schedule of findings and questioned costs.
 - Known or potential fraud related to a federal award unless it is already mentioned as an audit finding. Instances where audit follow-up procedures reveal material misrepresentation of prior audit findings in the summary schedule.

IMPORTANT: The criteria above are not all-inclusive. Refer to 2 CFR 200 for complete requirements.

5430 Compliance with Audit Requirements

CEs that are not exempt from the audit requirement must arrange for an audit conducted by a/an:

- Independent auditor;

- Local government accountant;
- Independent Certified Public Accountant (CPA); or
- Independent public accountant.

Auditors must have been licensed on or after December 31, 1970, and the license or certificate must still be valid. When seeking auditing services, procurement requirements must be followed, and the CE must request a copy of the audit organization’s peer review report. Refer to Section 7000, *Financial Management* for more information on procurement requirements. Audits must be submitted as described below within 30 days of receipt from the auditor or nine months after the end of the audit period, **whichever comes first**. Based on the FYE date provided, TDA will notify CEs of the due date for their audit using nine months after the end of the audit period. Failure to receive such notification does not relieve a CE of the responsibility to submit the audit. This notification does not extend the submission date for those who must receive the audit **prior** to the nine-month timeline.

For-profit organizations subject to audit requirements must submit their audit reports to the Federal Audit Clearinghouse (FAC). Audits can be submitted through the FAC website at: <https://harvester.census.gov/facweb/>

Copies of all audits for all CEs must be submitted to TDA at the following address:

Texas Department of Agriculture
 Attn: Business Operations – Audits
 P.O. Box 12847
 Austin, Texas 78711

The copy can be submitted on paper or electronically. If submitting by email, send to: CACFP.Bops@texasagriculture.gov. Include “Audit – [organization name] and CE ID#” in the subject line. The CE should review and accept the completed audit before submitting it to the clearinghouse and TDA. If the audit is organization-wide but the CACFP is not directly audited, the CE must submit a letter from the auditor stating that the program was included in the random sampling process but was not selected for audit.

5440 Sanctions for Noncompliance

TDA will place a CE in the serious deficiency process if the:

- Audit is not submitted to the clearinghouse by the specified due date (**does not apply to for-profit CEs**).
- Audit is not submitted to TDA by the due date
- CE submits an audit that does not meet the requirements.
 - TDA will notify the CE in writing that the audit is unacceptable. The CE must submit an acceptable audit within 30 calendar days of the date of the notice.

If TDA determines that extenuating circumstances resulted in the CE’s inability to submit an acceptable audit, TDA may conduct an audit directly or through a contract with a third party. The CE is responsible for all associated costs.

5450 Reimbursement for Audits

TDA reimburses CEs the appropriate portion of the cost for organization-wide or program-specific audits. The monies allotted will be based on the funding provided by USDA and the percentage of CACFP funds that the CE receives in relation to all other funding sources. If a CE has evidence confirming that the CACFP portion of an organization-wide audit had a higher actual cost, the CE may request additional reimbursement. However, under no condition will TDA fund 100% of the cost of an organization-wide audit.

A CE must submit a copy of the paid audit invoice to receive payment. The CE cannot include audit costs on a claim for reimbursement or in their budget. TDA only reimburses those CEs that have a permanent agreement and were required to submit an audit.

CEs will not be reimbursed for audits that were:

- Not properly procured.
- Not required by regulation or policy (e.g., audits obtained by CEs that expended less than \$1,000,000 in Federal awards).
- Required but not conducted according to regulation or policy.

After all requests for reimbursement have been received for a specific fiscal year, TDA will determine whether sufficient funds are available to pay 100% of the CACFP portion of eligible audits. If sufficient funds are not available, TDA will reimburse each CE a percentage of eligible costs based on dividing the total amount of available audit funds by the total amount of audit funds requested by all CEs.

EXAMPLE: If available audit funds total \$250,000 and the total requests received from all CEs is \$400,000, TDA will divide $\$250,000 \div \$400,000$, resulting in a reimbursement percentage of approximately 63%. Each CE will be reimbursed 63% of the amount it requested.

5460 Other Audits

The Texas Department of Agriculture (TDA) reserves the right to conduct additional audits as deemed necessary to ensure compliance with program requirements. In cases where serious deficiencies — such as fraud, misuse of funds, or other significant violations — TDA will take immediate action via the Serious Deficiency process.