



## CHECKPOINT LEARNING® WEBINARS

Performing Effective and Efficient Single Audits



## Performing Effective and Efficient Single Audits

Presented by: Troy Manning, CPA

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### Troy Manning, CPA

Troy Manning has over 20 years of diverse experience in the government and the not-for-profit sectors. As a former partner of one of the largest regional public accounting firms headquartered in the Southeast, she provided audit, accounting and consulting services to cities, counties, school districts, special purpose governments and various types of not-for-profit organizations. She also has extensive experience in compliance requirements related to the federal single audit.

Recognized as a government and not-for-profit expert, Troy has been a featured speaker at seminars sponsored by the Florida Government Finance Officers Association (FGFOA) and the Florida School Finance Officers Association (FSFOA). She has authored articles related to the public sector that have been published in *the Florida CPA Today* magazine, a publication of the Florida Institute of Certified Public Accountants (FICPA), and the *AICPA Journal of Accountancy*.

Troy received her Bachelor of Business Administration from Florida International University and her Master of Accounting from Nova University. She is a member of the American Institute of Certified Public Accountants (AICPA) and the FICPA, where she served for eight years on the Accounting Principles and Auditing Standards Committee and the past chair of the Editorial Committee for the *CPA Today*.



## Learning Objectives

Upon completion of this webinar, participants should be able to—

- Recognize standards associated with the single audit
- Identify key responsibilities of auditor
- Design effective methods to test internal controls and compliance requirements
- Describe common deficiencies and best practices

## 8 Hour Webinar Schedule



Activity	ET	CT	MT	PT
Instruction	10:00 a.m.–11:45 a.m.	9:00 a.m.–10:45 a.m.	8:00 a.m.–9:45 a.m.	7:00 a.m.–8:45 a.m.
BREAK	11:45 a.m.–Noon	10:45 a.m.–11:00 a.m.	9:45 a.m.–10:00 a.m.	8:45 a.m.–9:00 a.m.
Instruction	Noon–1:30 p.m.	11:00 a.m.–12:30 p.m.	10:00 a.m.–11:30 a.m.	9:00 a.m.–10:30 a.m.
LUNCH	1:30 p.m.–2:00 p.m.	12:30 p.m.–1:00 p.m.	11:30 a.m.–Noon	10:30 a.m.–11:00 a.m.
Instruction	2:00 p.m.–3:45 p.m.	1:00 p.m.–2:45 p.m.	Noon–1:45 p.m.	11:00 a.m.–12:45 p.m.
BREAK	3:45 p.m.–4:00 p.m.	2:45 p.m.–3:00 p.m.	1:45 p.m.–2:00 p.m.	12:45 p.m.–1:00 p.m.
Instruction/ Conclusion	4:00 p.m.–5:40 p.m.	3:00 p.m.–4:40 p.m.	2:00 p.m.–3:40 p.m.	1:00 p.m.–2:40 p.m.

### Discussion Question

Voluntary Participation. Answer in the Q&A Box.

What is your primary purpose for attending this webinar?

- A. CPE
- B. Refresher
- C. Learn the basics
- D. Become more efficient
- E. Learn what has recently changed

### Discussion

What is the ***most challenging*** aspect of performing the single audit?



## Module 1

### Background and Current Developments

9 Performing Effective and Efficient Single Audits



### Learning Objectives

Upon completion of this module, participants should be able to—

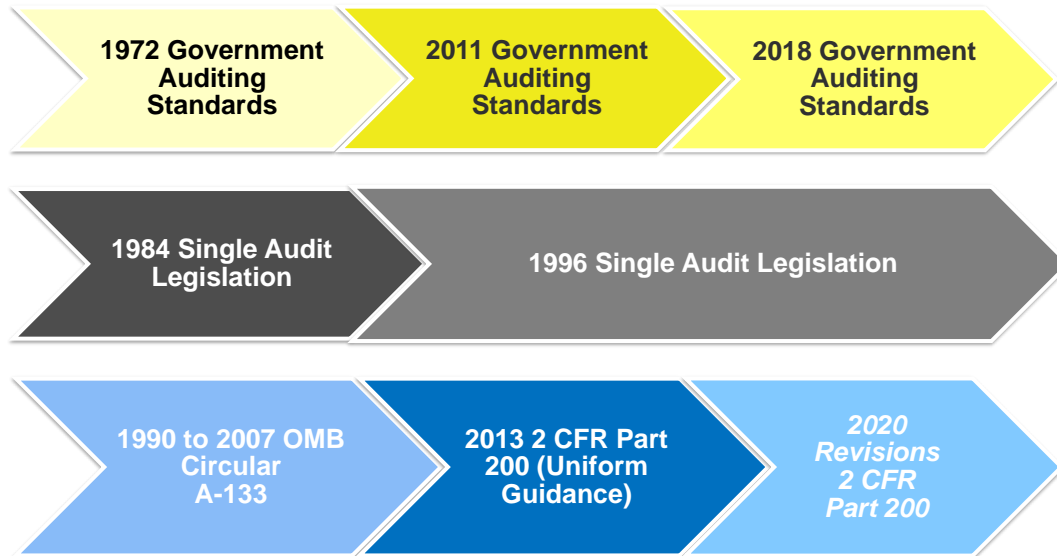
- Describe history
- Identify the standards associated with Single Audit
- Recognize effects of current developments



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## Where it Began

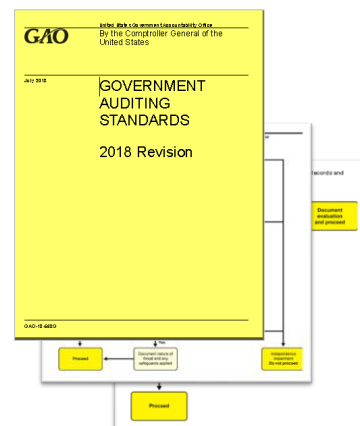


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## GAS – 2018 Revisions – Overview

- Effective for periods ending on or after June 30, 2020 for financial audits, attestation engagements and reviews of financial statements
- No amendments or interpretive guidance (at this time)
- Updated information include
  - Preparing accounting records and financial statements creates a significant threat to auditor's independence
  - Chapters added on competence and CPE and quality control and peer review
  - Waste defined and guidance added
  - New format, many clarifications and expansions
  - Internal control guidance for performance audits has been updated



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## GAO – Technical Updates

U.S. GOVERNMENT ACCOUNTABILITY OFFICE: A Century of Non-Partisan Fact-Based Work

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### Updates

#### Limited Technical Updates

In April 2021, we:

- Made limited technical updates to the 2018 revision of the Yellow Book. A table detailing the updates is on pages i through ii of the updated Yellow Book. [View Yellow Book](#)
- Issued a discussion paper that provides illustrative examples of how auditors can assess effectiveness, efficiency, economy, ethics, and equity in performance audits. [View paper](#) (PDF, 6 pages)

### 2021 Technical Updates to the 2018 Revision of *Government Auditing Standards*

The following technical updates have been made to the 2018 revision of *Government Auditing Standards* (known as the Yellow Book). These technical updates to the 2018 revision of *Government Auditing Standards* are effective upon issuance.

2018 Revision of <i>Government Auditing Standards</i>	2021 Technical Updates
<b>1.02</b> The concept of accountability for use of public resources and government authority is key to our nation's governing processes. Management and officials entrusted with public resources are responsible for carrying out public functions and providing service to the public effectively, efficiently, economically, and ethically within the context of the statutory boundaries of the specific government program.	<b>1.02</b> The concept of accountability for use of public resources and government authority is key to our nation's governing processes. Management and officials entrusted with public resources are responsible for carrying out public functions and providing service to the public effectively, efficiently, economically, ethically, and equitably within the context of the statutory boundaries of the specific government program.

## Coronavirus Information – Yellow Book Alert and CPE

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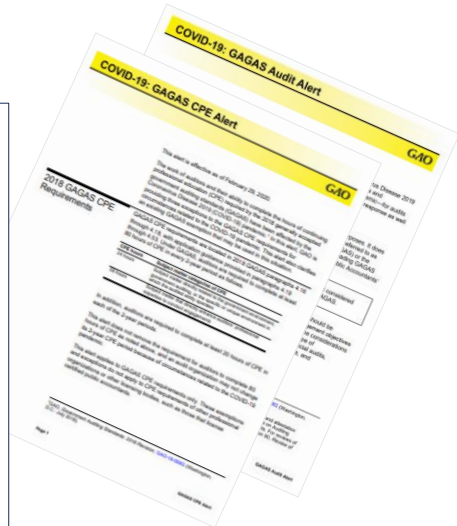
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### COVID-19 Updates:

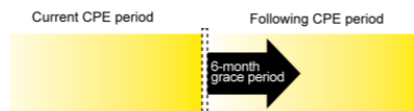
Audits have been affected by the COVID-19 pandemic. GAO has issued two alerts that highlight Yellow Book audit considerations given the circumstances related to the pandemic.

- **COVID-19 Alert on General Audit Considerations (August 2020):** Certain areas may need increased attention during audits due to the circumstances of the pandemic, such as identifying fraud risks. [View Alert](#) (PDF, 8 pages).
- **COVID-19 Alert on CPE Requirements for Auditors (February 2020):** GAO has taken steps to allow for more time and flexibility to complete continuing professional education (CPE) requirements during the pandemic. [View Alert](#) (PDF, 6 pages)

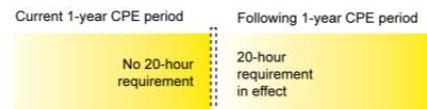


## Alert – Exceptions to CPE Requirements

1. 6-month grace period for completing CPE for 2-year CPE period that ends 2/29/2020 through 12/31/2020



2. Waives 20-hour annual CPE requirement for 1-year CPE period that ends 2/29/2020 through 12/31/2020



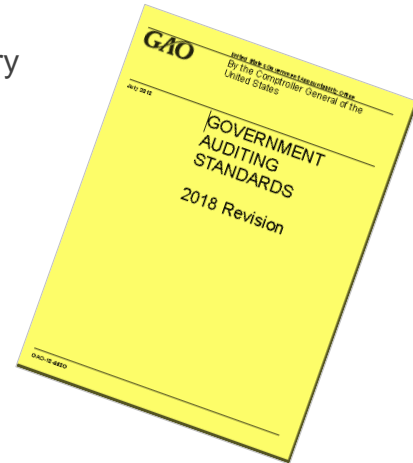
3. May carry over up to 40 hours of CPE in excess of 80 hour requirement





## Government Auditing Standards Applicable When Required By:

- Laws
- Regulations
- Contracts
- Grant agreements
- Policies
- Voluntary

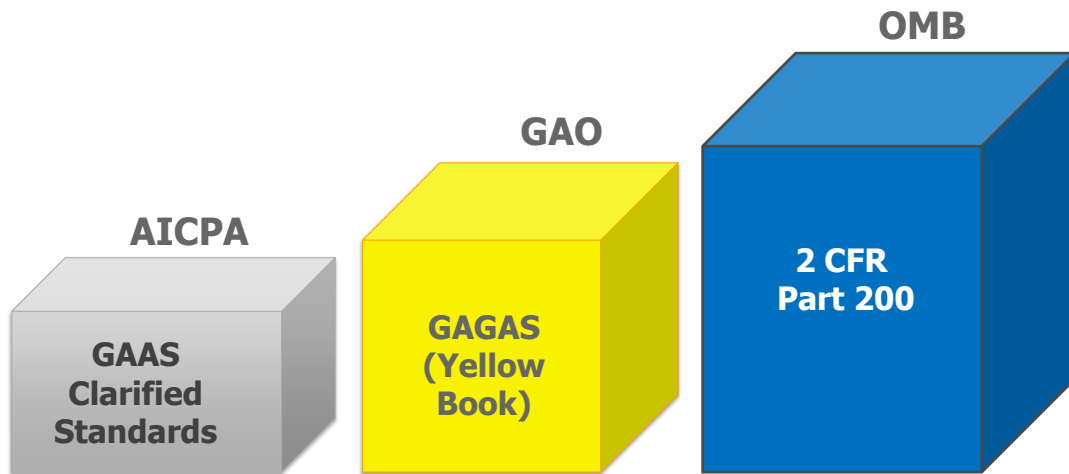


## Single Audit Legislation (1996)

- Broadly worded
- Requirements:
  - Definitions
  - Audit requirements
  - Federal agency responsibilities
  - Regulations
  - Monitoring



## Relationship of Standards

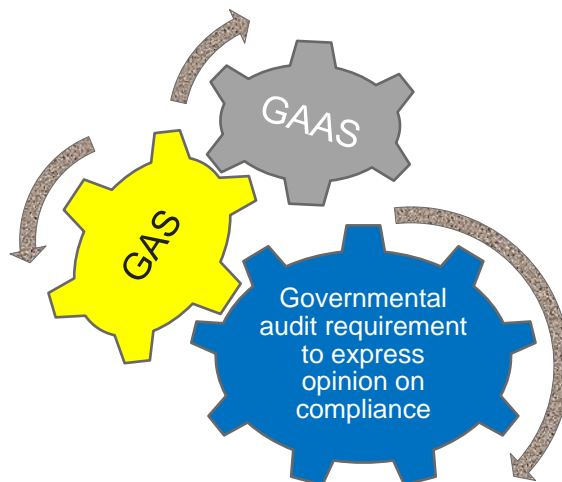


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## Compliance Audits (AU-C Section 935)

Applicable when **ALL** of following required:

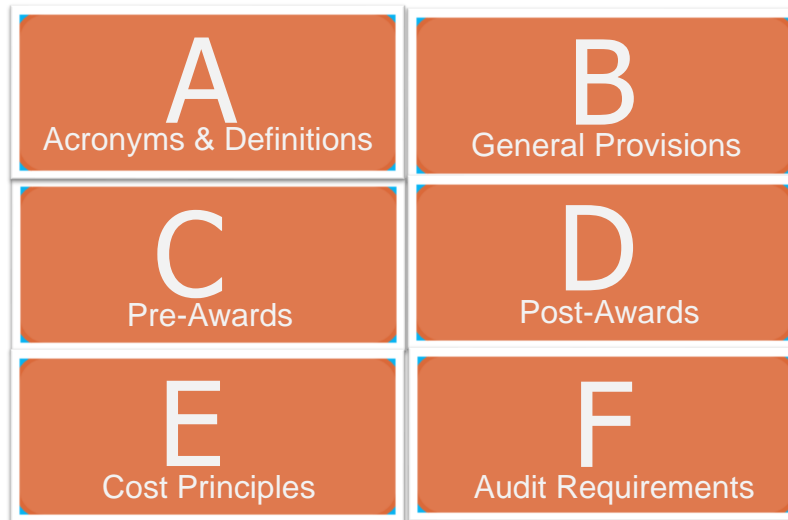


Includes applicability, objectives, definitions, requirements, reporting and other audit requirements

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## Uniform Guidance – Subparts



## Uniform Guidance – Appendices

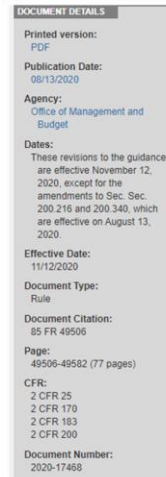
Appendix I to Part 200	Full Text of Notice of Funding Opportunity
Appendix II to Part 200	Contract Provisions for Non-Federal Entity Contracts Under Federal Awards
Appendix III to Part 200	Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
Appendix IV to Part 200	Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations
Appendix V to Part 200	State/Local Governmentwide Central Service Cost Allocation Plans
Appendix VI to Part 200	Public Assistance Cost Allocation Plans
Appendix VII to Part 200	States and Local Government and Indian Tribe Indirect Cost Proposals
Appendix VIII to Part 200	Nonprofit Organizations Exempted From Subpart E of Part 200
Appendix IX to Part 200	Hospital Cost Principles
Appendix X to Part 200	Data Collection Form (Form SF-SAC)
Appendix XI to Part 200	Compliance Supplement
Appendix XII to Part 200	Award Term and Condition for Recipient Integrity and Performance Matters



## 2020 Revision to Uniform Guidance (Not All)

- Included meaning of “must” and “may” as these words pertain to requirements
- Federal agencies are encouraged to apply a risk-based, data-driven framework to reduce select compliance requirements for programs that demonstrate results
- Federal agencies may impose legally binding requirements only through an approve agency process
- Existing negotiated indirect cost rates will remain in place until expiration

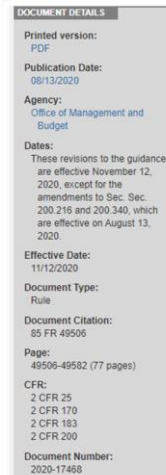
### Revisions 2 CFR 200 Subpart B



## 2020 Revision to Uniform Guidance (Not All)

- Federal awarding agencies must
  - Develop a program plan and design
  - Create, update and manage Assistance Listings
  - Design and execute a review merit process for applications
  - Include certain information in a federal award
- Recipients and subrecipients are prohibited from obligating or expending loan or grant funds from certain companies (or their subsidiaries or affiliates)

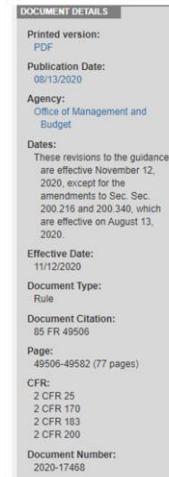
### Revisions 2 CFR 200 Subpart C



## 2020 Revision to Uniform Guidance (Not All)

- Pass-through entities are responsible for addressing only a subrecipient's audit findings that specifically relate to their subaward
- Pass-through entities are not responsible for resolving crosscutting findings
- Improved description on how period of performance can be modified
  - Extension
  - Termination
  - Renewal

### Revisions 2 CFR 200 Subpart D

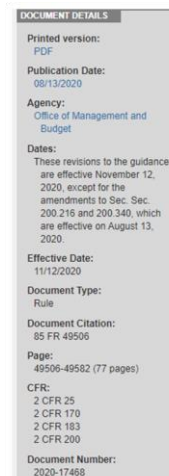


## Revisions to Uniform Guidance (Not All)

### Procurements

- Allows all Federal recipients the flexibility to request an increased micro-purchase threshold
- Groups procurements into 3 types (200.320)
  - Informal
  - Formal
  - Non-competitive
- Encourages Federal award recipient to maximize use of goods, products, and materials produced in U.S.

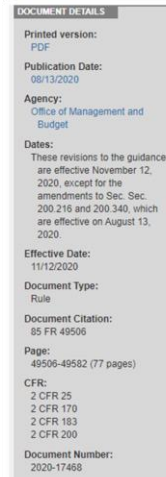
### Revisions 2 CFR 200 Subpart D



## 2020 Revision to Uniform Guidance (Not All)

- Cost must be incurred during the approved budget period
- Any non federal entity that DOES NOT have a current negotiated rate may elect to charge a *de minimis* rate of 10% of modified total direct costs (MTDC) which may be used indefinitely
- No documentation is required to justify 10% *de minimis* indirect cost rate
- Allowable pre-award costs must be charged to the initial budget period of the award or subaward, unless otherwise specified by the Federal awarding agency or PTE

### Revisions 2 CFR 200 Subpart E



## Uniform Guidance: Audit Required

Trigger

**Expend  
≥ \$750,000**

Non-federal entity's fiscal year



## Uniform Guidance

## Exemption

**Expend  
< \$750,000**

Non-federal entity's fiscal year



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## Cognizant Agency for Audit (200.513)

## How Cognizant Agency for Audit is Determined

- NFE expends > \$50 million a year in Federal awards
- Must provide predominant amount of direct funding per SEFA
- OMB can designate a specific cognizant agency
- Direct funding < 25% of total expenditures then federal agency with predominant total funding is designated cognizant agency for audit
- Predominant direct funding based on NFE FYE in 2019 and every 5<sup>th</sup> year thereafter
- Reassigned to another Federal awarding agency by cognizant agency for audit

**Cognizant Agency**



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## Cognizant Agency for Audit (200.513)

### Responsibilities of Cognizant Agency for Audit

- Provide technical audit advice and liaison assistance to auditee and auditor
- Conduct quality control reviews on selected audits
- Report significant problems or quality issues to appropriate state licensing agencies and professional bodies
- Coordinate certain audits/reviews, management decisions for cross-cutting audit findings, and audit work and reporting responsibilities among auditor
- Provide advice to auditees on handling changes in fiscal years

# Cognizant Agency



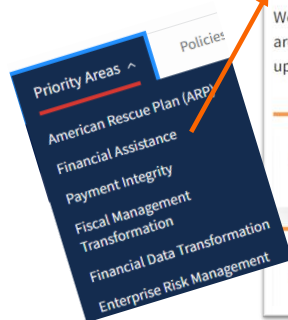
## Oversight Agency for Audit (200.513(b))

### How Oversight Agency for Audit is Determined

- NFE expends  $\leq$  \$50 million a year in Federal awards
- Provides predominant amount of funding directly per SEFA
- If no direct funding, the Federal awarding agency with predominant source of pass-through funding must assume oversight responsibilities
- OMB can designate a specific cognizant agency
- Duties can be reassigned to another Federal awarding agency

# Oversight Agency





## Financial Assistance Resources

Welcome to the Financial Assistance Policy & Guidance Catalog. This is a high-level overview of the topics our Council and community are currently focused on. Use the filters on the left to browse specific areas and types. This page is a living catalog that is consistently updated as policies and priorities evolve. Do you have questions? [Contact us!](#)

OMB Memoranda

Controller Alerts

Executive Orders

Compliance Supplement

Uniform Guidance

Innovation Exchanges

Resources

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Priority Areas ▾

Policies & Guidance

Knowledge Sharing

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## Knowledge Sharing and Best Practices

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## 2 CFR Frequently Asked Questions May 3, 2021

- Includes Q & A on topics such as:
  - Applicability, exceptions, effective dates
  - Fixed amount awards and subawards
  - Pre-award and post-award requirements
  - Cost principles
  - Administrative, indirect and facilities costs
  - Audit requirements
- [https://www.cfo.gov/assets/files/2CFR-FrequentlyAskedQuestions\\_2021050321.pdf](https://www.cfo.gov/assets/files/2CFR-FrequentlyAskedQuestions_2021050321.pdf)

### 2 CFR Frequently Asked Questions

Publication Date: May 03, 2021

This document is designed to address common questions regarding the Office of Management and Budget's (OMB) implementation of the Uniform Guidance. This document provides additional content and background behind the Uniform Guidance for Federal agencies and non-Federal entities seeking to understand the policy changes. In case of any discrepancy between this document and the Uniform Guidance in 2 CFR, the Uniform Guidance published in 2 CFR governs.

Recipients should consult with the Federal awarding agency regarding whether the Uniform Guidance applies to a particular Federal award. Subrecipients should consult with the pass-through entity.

Additional information about government-wide efforts to improve Federal financial assistance can be found at the U.S. Chief Financial Officers Council website: <https://www.cfo.gov/cfo-council>

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## Resources

### GAO

- 2018 Revision to Government Auditing Standards
  - April 2021 technical updates and 2020 alerts

### OMB

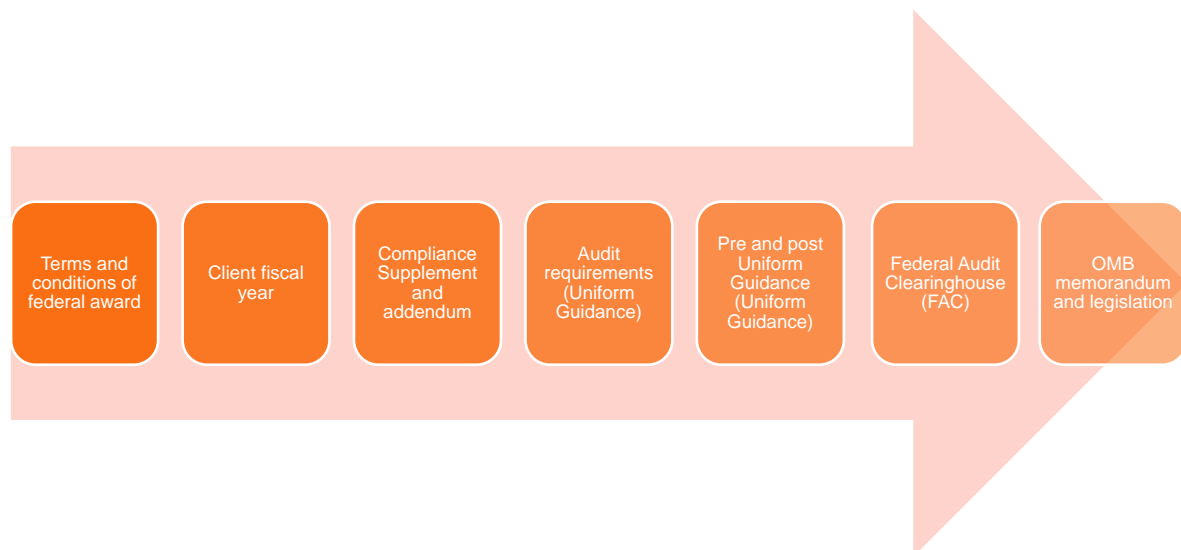
- Uniform Guidance
- Compliance supplement and addendum
- Memoranda

### AICPA

- Audit guide and audit risk alert
- Technical questions and answers
- AU-C sections (various)



## Different Dates Have Different Meanings



## Yellow Book

Question: The Uniform Guidance (200.514(a)) indicates the audit must be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).

Yes or No

## Module 2 Schedule of Expenditures of Federal Awards (SEFA)

## Learning Objectives

Upon completion of this module, participants should be able to—

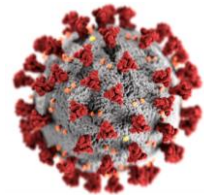
- Recognize required SEFA elements
- Describe auditee and auditor responsibilities
- Learn best practices relating to SEFA



# COMPLIANCE SUPPLEMENT

August 2020

Other Audit Advisories



## APPENDIX VII

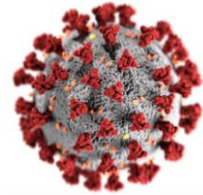
### OTHER AUDIT ADVISORIES

#### *Identification of COVID-19 related awards on the SEFA and SF-SAC*

SEFA - On a separate line by CFDA number with "COVID-19" as a prefix to the program name. Example:

- COVID-19 - Temporary Assistance for Needy Families – 93.558 - \$1,000,000
- Temporary Assistance for Needy Families – 93.558 - \$3,000,000
- Total - Temporary Assistance for Needy Families – 93.558 - \$4,000,000

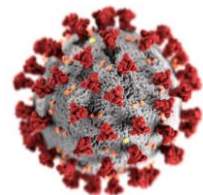
# COMPLIANCE SUPPLEMENT ADDENDUM



## Treatment of donated personal protective equipment (PPE) on the Schedule of Expenditures of Federal Awards (SEFA)

- Include footnote with SEFA of fair market value
- Do not count for determining
  - Single audit threshold
  - Type A or B threshold for major program

# COMPLIANCE SUPPLEMENT ADDENDUM



## SEFA reporting

- 84.425 Education Stabilization Fund under CARES Act
  - Includes various grant types or subprograms (84.425A to 84.425P)
  - Report each separate CFDA using the applicable alpha character (A-P)
- 93.498 Provider Relief Fund for various fiscal years
  - FYE on or before 12/31/2020,
  - FYE 12/31/2020 and FYEs ending in 2021 that is on or before 6/29/2021
  - FYE on or after 6/30/2021

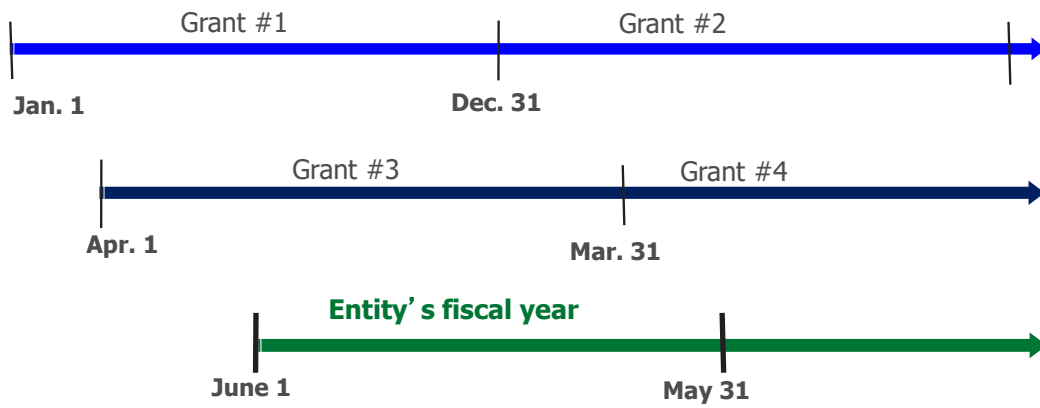
## What is the SEFA?

- Primary basis for auditor's major program determination
- Provides informative information such as
  - Source of federal award
  - Amount of expenditure of federal awards
  - Indicator of cash, noncash assistance or loans
  - Identifying number
  - Separate identification of COVID-19 relate awards
  - Other
- Derived from underlying accounting records

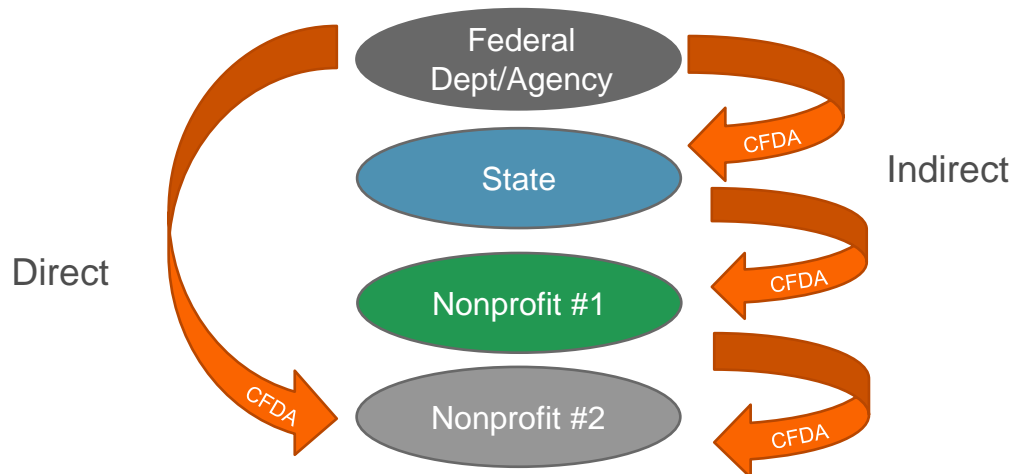
## SEFA Responsibilities

Auditee	Auditor	Federal Agencies/Pass Through Entities
<ul style="list-style-type: none"> <li>• Prepare financial statement and SEFA</li> <li>• Include SEFA in the reporting package submitted to FAC</li> </ul>	<ul style="list-style-type: none"> <li>• Issue opinion (or disclaimer) on whether SEFA is fairly stated in relation to the financial statements</li> <li>• Use the SEFA to determine major programs to audit</li> </ul>	<ul style="list-style-type: none"> <li>• Provide data about federal awards necessary to prepare an appropriate SEFA</li> <li>• Use SEFA for oversight and monitoring purposes</li> </ul>

## SEFA Period Covered



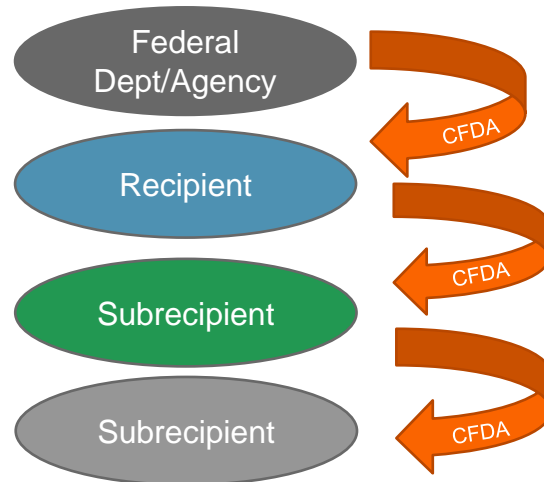
## Flows of Federal Awards





## Flows of Federal Awards—A Different View

Identify the pass-through entity...



## Distinguish the Difference

Subrecipient	Contractor	Pass-Through Entity
<ul style="list-style-type: none"> <li>Determines eligibility</li> <li>Performance measured in relation to objective of Federal program</li> <li>Makes programmatic decisions</li> <li>Complies with program requirements</li> <li>Per the agreement, carries out program purpose</li> </ul>	<ul style="list-style-type: none"> <li>Provides goods/services within normal operations</li> <li>Provides similar goods/services to different purchasers</li> <li>Normally operates in competitive environment</li> <li>Provides goods or services ancillary to operation of Federal program</li> <li>Not subject to program compliance requirements</li> </ul>	<ul style="list-style-type: none"> <li>Ensures subaward is clearly identified to subrecipient</li> <li>Evaluates subrecipient's risk of noncompliance</li> <li>Considers imposing specific subaward conditions upon a subrecipient</li> <li>Monitors the activities of subrecipient</li> <li>Verifies subrecipient is audited by Subpart F of UG</li> <li>Considers results of subrecipient audits/reviews/monitoring.</li> <li>Takes enforcement action against noncompliant subrecipient</li> </ul>

## Discussion

- Provide example of a situation when a nonprofit received federal funding from a pass-through entity.



## Federal Awards Expended

### Basis for determining (200.502)

- When activity related to Federal award occurs
- Disbursement of funds to subrecipients
- Use of loan proceeds
- Receipt of property or surplus property
- Distribution or use of food commodities
- Period when insurance is in force

## Federal Awards Expended

Federal Awards	Basis for Determining When Expended
Grants, cost reimbursement, cooperative agreements, direct appropriations	When the expenditure/expense transaction occurs
Amounts passed-through to subrecipients	When the disbursement is made to subrecipient
Loan and loan guarantees	Calculation beginning balance + new loan made/received during audit period + interest subsidy
Loan and loan guarantees (IHE)	When made to students
Donated or surplus property	When property is received
Food commodities	When distributed or used
Interest subsidies	When the amounts are disbursed entitling the entity to the subsidy
Insurance	When in force
Endowment funds	Balance of federally restricted amounts
Program income	When received or used

## SEFA – Minimum

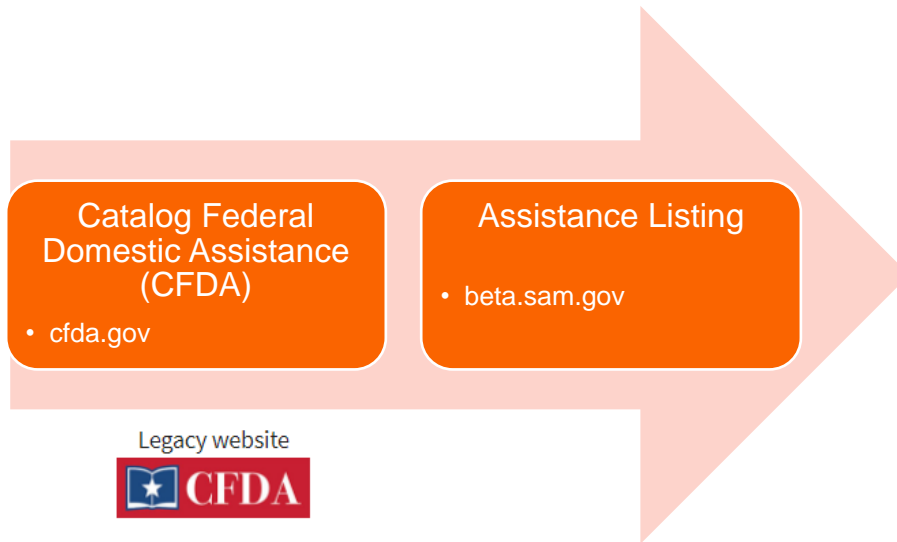
1. Individual Federal programs by Federal agency
2. Pass-through entity name and ID #
3. Assistance listings #
4. Total provided to subrecipients from each Federal program
5. Total
  - Federal awards expended
  - Each federal program
  - Each cluster
  - Loan or loan guarantee programs
6. Notes

Example Entity  
Schedule of Expenditures of Federal Awards<sup>1</sup>  
for the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number <sup>2</sup>	Provided Through to Subrecipients	Total Federal Expenditures <sup>3</sup>
Department of Agriculture Programs				
Food Distribution Cluster <sup>4</sup>				
Commodity Supplemental Food Program <sup>5</sup>	10.565			\$ 134,268
Total Department of Agriculture Programs <sup>6</sup>				\$ 134,268
Department of Housing and Urban Development Programs				
CDRG—Entitlement Grants Cluster				
Community Development Block Grants—Entitlement Grants	14.218		\$423,965	\$1,235,632
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871			800,534
Total Department of Housing and Urban Development Programs			\$423,965	\$2,036,166
Department of Education Programs				
Arts in Education	84.351			\$28,605
State Department of Education—Arts in Education	84.351	23-5741-5387		10,000
Total for Program <sup>7</sup>				38,605
Impact Aid	84.041			372,555
State Department of Education—Title Grants to Local Educational Agencies	84.010	23-8345-7612		1,239,398
Total Department of Education				\$1,650,608
<b>Total Expenditures of Federal Awards</b>			<b>\$423,965</b>	<b>\$3,021,042</b>

The accompanying notes are an integral part of this schedule.

## Transition from CFDA to Assistance Listing



## Minimum SEFA Requirements

- List individual federal programs by federal agency
  - If cluster of programs
    - Cluster name
    - List individual programs within cluster
    - Provide applicable federal agency name
    - Total for cluster
  - If research & development (R&D) the total federal awards expended
    - List individual awards OR
    - List by federal agency and major subdivision within federal agency

## Minimum SEFA Requirements

- For federal awards received as a subrecipient
  - Name of pass-through entity
  - Identifying number assigned by pass-through entity
- Total federal awards expended for each individual federal program and the identifying number (Assistance listing)
  - Use other identifying number when Assistance Listings information not available
  - Total for the cluster (if applicable)
- Total amount provided to subrecipients from each federal program

## Loans – Basis for Determining Federal Awards Expended ¶200.502(b)

<b>Audit period</b> <b>(continuing compliance requirements)</b>	<b>20x1</b>	<b>20x2</b>	<b>20x3</b>	<b>20x4</b>
Beginning loan program	-	1	1	-
New loan made or received	1	2	-	-
Payment to government	-	(2)	(1)	-
Ending loan program	1	1	-	-

**What is reported in SEFA notes?**

**What is reported on face of SEFA?**

## SEFA—Notes

- Significant accounting policies used in preparation
- For loan or loan guarantee programs, identify the balances outstanding at end of audit period (if applicable)
- Whether or not auditee elected to use 10% *de minimis* cost rate
- Choose to provide information requested
  - Federal awarding agencies and pass-through entities to make SEFA easier to use



### Example Entity Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 20X1

#### **Note 1. Basis of Presentation<sup>1</sup>**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Example Entity under programs of the federal government for the year ended June 30, 20X1. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Example Entity, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Example Entity.

#### **Note 2. Summary of Significant Accounting Policies<sup>2</sup>**

Expenditures reported on the Schedule are reported on the (*identify basis of accounting*) basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance,<sup>3</sup> wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **Note 3. Indirect Cost Rate<sup>4</sup>**

Example Entity has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## Auditor: Responsibilities

Decide whether the SEFA is fairly stated in all material respects in relation to the auditee's financial statements as a whole



## Auditor Responsibilities When Issuing an in-Relation-to Opinion on SEFA

- Auditor is not rendering an opinion on SEFA
- Auditor should determine
  - Info in SEFA was derived from underlying accounting or other records to prepare the financial statements
  - Info in SEFA is same period as financial statements
  - Auditor of financial statements and auditor reporting on SEFA are the same
  - Adverse opinion or disclaimer of opinion were not issued on financial statements
- Auditor should obtain an agreement that management acknowledges and understands their responsibility related to SEFA
- SEFA is primarily basis for auditor's major program determination

## Auditor Requirements – SEFA Considered Supplementary Information

- Inquire of management about criteria used to prepare SEFA
- Determine whether form and content complies with UG
- Understand the methods of preparing the SEFA, whether there were changes from those used previously and, if so, why
- Compare/reconcile the SEFA to the underlying accounting and other records used in preparing the FS or to the FS themselves
- Inquire about significant assumptions or interpretations underlying the measurement or presentation of the SEFA
- Evaluate the appropriateness and completeness of the information contained in the SEFA, considering your FS audit and knowledge
- Obtain written representation from management

## Accuracy and Completeness of SEFA

- Use evidence obtained during audit of financials
- Consider
  - Using evidence obtained from audit procedures of financials
  - Reviewing auditee-prepared reconciliation of amounts reported in SEFA
  - Sending confirmation to federal awarding agencies or pass-through entities
  - Internal control over the accuracy and completeness of expenditures reporting in SEFA
- Obtain additional representations from management
  - Management is responsible for SEFA preparation and understand their responsibilities
  - Management believes SEFA is fairly presented in accordance with UG
  - Methods of measurement or presentation have not changed from prior period
  - Any use of significant assumptions or interpretations
  - Make SEFA readily available to intended users when SEFA is not presented with audited financials



### Auditor: SEFA Challenges

- Verifying completeness and accuracy
- Using interim SEFA before final SEFA is provided
- Adjusting entries change SEFA expended amounts
- Using a different basis of accounting such as cash
- Prior year SEFA not correct



### What Happens IF—

- Auditee can't prepare accurate or complete SEFA.
- Preliminary SEFA omits a federal program. Auditee makes correction on final SEFA before auditor's determination of major programs.

- This impairs independence if auditor prepares and takes responsibility for SEFA preparation.
- Typically not a finding if auditee corrects SEFA.

## What Happens IF—

- Auditor prepares auditee portions of the data collection form (DCF).
- Can SKE for all nonaudit services be documented in one generic statement?

- This impairs independence
- No. Each nonaudit service and each of the client personnel and client processes must be evaluated separately

## Common SEFA Errors

- Incorrect or missing assistance listing number
- Sub-grant award numbers not included
- Missing:
  - Federal agency name
  - Pass-through entity name or contract number
  - Non-cash federal awards
  - Cluster information
  - Notes to SEFA
  - Loans subject to continuing compliance requirements
- Federal expenditures not totaled

## Questions

- What if a Federal loan (per UG) is paid off or forgiven during the fiscal year?
- Is the balance outstanding for a Federal loan required to be only on the face of the SEFA?
- If only one program within a cluster has incurred expenditures must the cluster be named on the SEFA?

- Federal government is only at risk for loans until the debt is repaid. UG includes calculation guideline for loans (200.502(b))
- On both the face of SEFA and SEFA notes
- Yes, the name of the cluster and the cluster total must be on the SEFA

## Questions

- If there are no subrecipients does the SEFA still need to include a subrecipient column that would include zeros?

- No, if there are no subrecipients, then the column is not required. An explanation can be included in SEFA footnotes, but it is not required.

### Exercise #1

XYZ Nonprofit received a \$1 million federal award in September which was the last month of their fiscal year. In September, XYZ Nonprofit also passed through \$900,000 of this federal award to a subrecipient. The subrecipient also had a September fiscal year end.

The subrecipient expended \$800,000 of the federal award in September (the month received). The remaining \$100,000 was expended their next fiscal year.

What amount should the SEFA report as expended for the initial period that ended in September by XYZ Nonprofit and the subrecipient?

### Exercise #2

A local governmental entity received \$2 million of donated surplus personal property (noncash assistance) from the U.S. General Services Administration. This Federal personal property is no longer required for Federal use but can be used to carry out or promote a public purpose.

What amount should be reported as expended in the SEFA?

### Exercise #3

A local governmental entity was awarded a \$5 million direct loan during the calendar year from the U.S. Department of Agriculture for water and waste disposal systems for rural communities.

\$3 million of the loan proceeds were used/loaned in their calendar year. The remaining \$2 million will be used/loaned in the subsequent calendar year.

What amount should be reported as expended in the SEFA in both calendar years?

### Exercise #4

The individual sources of federal awards are not separately identifiable because of commingled assistance from different levels of government; therefore, it is not possible to determine the amount expended that is federal, state or local.

Should these commingled amounts be reported in the SEFA? If yes, how would you report these amounts?

## Who is Responsible

Question: The Uniform Guidance indicates the auditee must prepare the financial statements and the Schedule of Expenditures of Federal Awards. Is this statement correct?

Yes or No

## De Minimis Cost Rate

Question: The notes to Schedule of Expenditure of Federal Awards (SEFA) should indicate whether or not auditee elected to use the 10% *de minimis* cost rate.

True or False

## Module 3

### Major Program Determination



77 Performing Effective and Efficient Single Audits



### Learning Objectives

Upon completion of this module, participants should be able to—

- Perform risk-based approach to determine major programs



78 Performing Effective and Efficient Single Audits



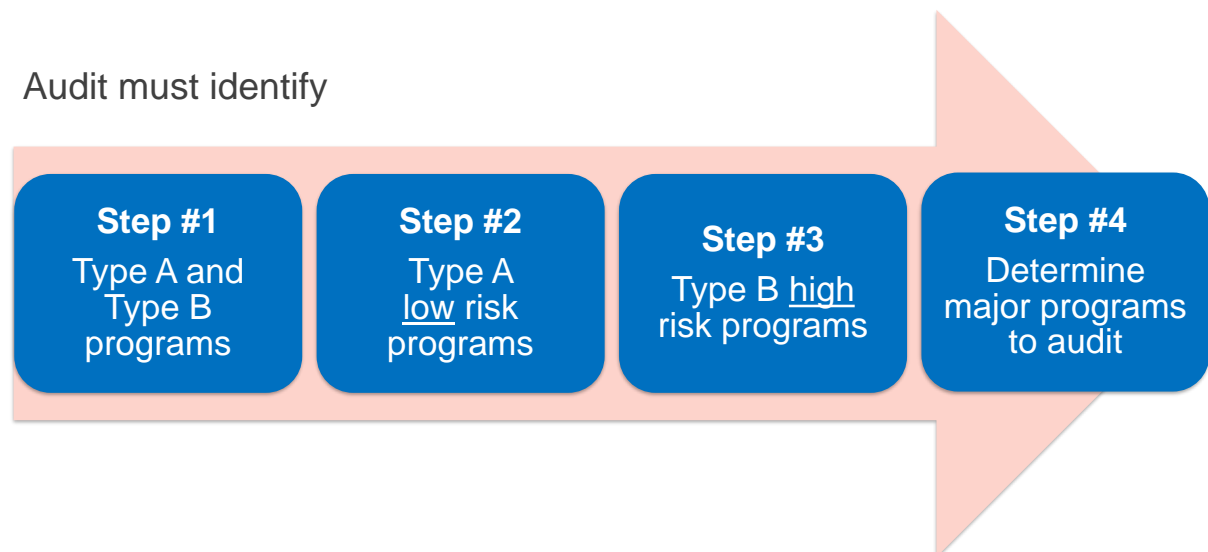
## What is a Major Program?

- Federal program determined by the auditor or identified as a major program by a Federal awarding agency or pass-through entity
- Auditor will test major programs in accordance with UG
- Compliance auditing performed by the auditor is based on major programs
  - Compliance requirements that may have a direct and material effect on EACH major program
  - Concept of materiality judgments to each major program
- Auditor considers relevant internal control over compliance requirements subject to audit that is direct and material for each major program
- Auditor expresses an opinion on each major program

*Major program* means a Federal program determined by the auditor to be a major program in accordance with § 200.518 or a program identified as a major program by a Federal awarding agency or pass-through entity in accordance with § 200.503(e).

## Major Program Determination

Audit must identify





## Approach Used to Determine Major Programs

Question: In accordance with the Uniform Guidance, the auditor DOES NOT use a risk-based approach to determine which Federal awards are major programs.

**True or False**

## Step 1—Identify Type A and B



Consider Federal  
programs providing loans



## Step 1—Identify Type A and B

Threshold table:

Total Federal awards expended	Type A/B threshold
$\geq \$750,000 \leq \$25 \text{ million}$	\$750,000
$> \$25 \text{ million} \leq \$100 \text{ million}$	Total Federal awards expended time .03 (3%)
$> \$100 \text{ million} \leq \$1 \text{ billion}$	\$3 million
Etc.	Etc.

## Step 1 – Large Loans

- Large loan (SEFA) must not result in exclusion of other Type A programs
- Loan program that exceed **four** times largest non-loan program is considered large
- Recalculate Type A programs **after** removing total of all large loan programs



### Step 1 – Large Loans

- A Federal programs providing loans is when the value of Federal awards expended for loans within the program  $\geq 50\%$  total Federal awards expended for the program

**$\geq 50\%$**

### Large Loan and Loan Guarantees

Question: The inclusion of large loan and loan guarantees must not result in the exclusion of other programs as Type A programs.

Yes or No

## Step 2—Identify Type A Low-Risk Program

May indicate higher risk

- 1 Oversight exercised by Federal agency or pass-through entity.  
Federal agency may identify as higher risk with OMB approval (CS).
- 2 Results of audit follow-up or changes in personnel or systems.

## Step 2—Identify Type A Low-Risk Program

Low risk if:

- 1 Audited as major program in one of two most recent audit periods
- 2 Most recent audit period, no high risk audit finding for a major program identified\*

**\* No material weaknesses in internal control or modified opinion on internal control in auditor's report on programs. No known or likely questioned costs > 5% of total Federal awards expended for the program.**

### Question #1 – Type A

Type A program had a noncompliance finding in the prior year, can it be a low-risk program this year?

- It depends!
  - If the noncompliance so severe as to cause a modification to the opinion, the program can't be low-risk.
  - Or, if the finding resulted in known or likely questioned costs > 5% of expenditures for the Type A program, the program can't be low-risk.
  - If neither of these scenarios, low-risk assessment is ok.

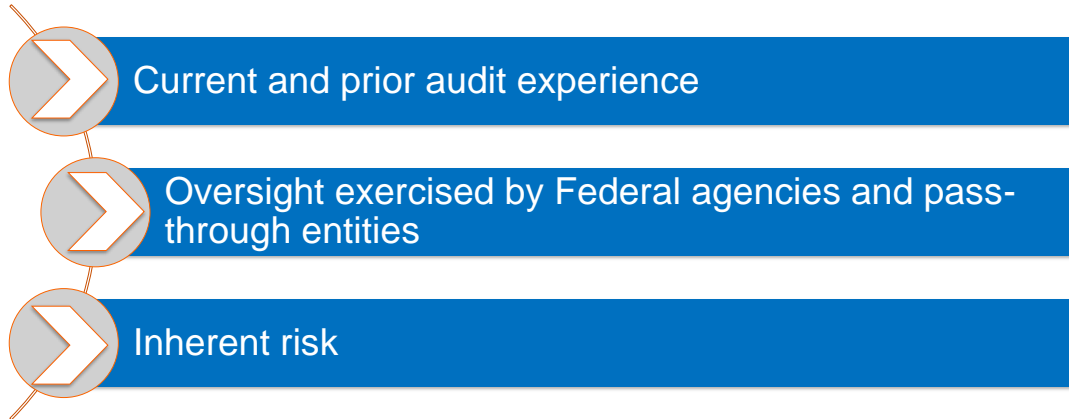
### Question #2 – Type A

What type of change in personnel or systems would have to occur to cause a Type A program to be a high-risk?

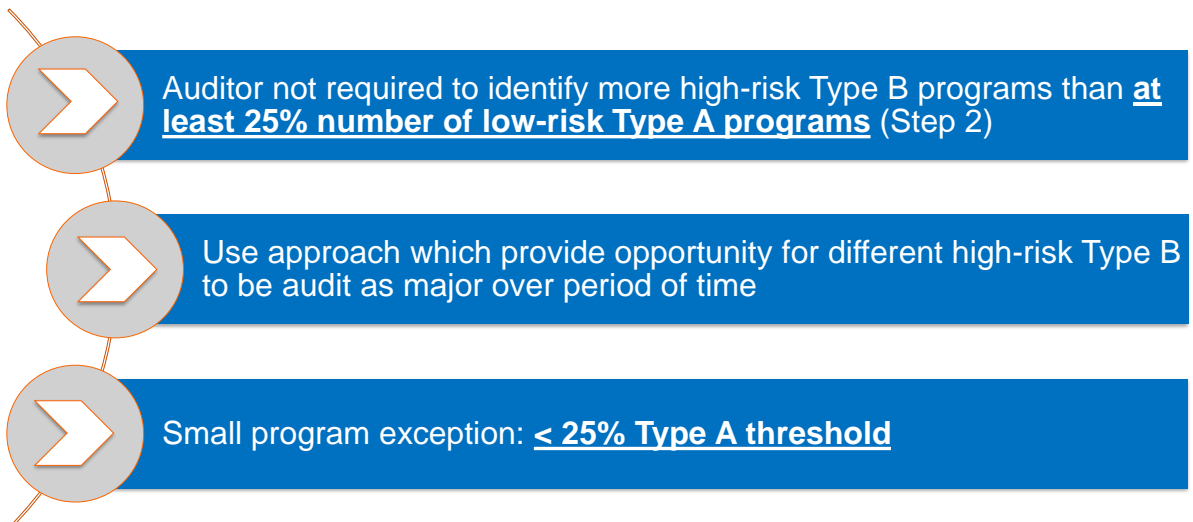
- It depends!
  - Consider changes in key positions.
  - Be careful that documentation in this area supports the judgment made.

### Step 3—Identify Type B High-Risk Programs

Use professional judgment and criteria for federal program risk:



### Step 3—Identify Type B High-Risk Programs



### Step 3—Identify Type B High-Risk

- If there are no low-risk Type A programs
  - Skip to Step 4 in major program determination process
  - Risk assessment of Type B programs is not required if there are no low-risk Type A programs

**Tip**

### Step 3—Identify Type B High-Risk

- The auditor is not expected to perform risk assessments on relatively small federal programs
  - Auditor only required to perform risk assessments on Type B programs that exceed twenty-five percent (0.25) of the Type A threshold determined in Step 1.
  - For example, if Type A threshold is \$750,000, auditor would not have to perform risk assessments on Type B programs of \$187,500 or less.

**Tip**

### Step 3—Identify Type B High-Risk

- Perform risk assessments on Type B program until high-risk Type B programs have been identified up to at least 1/4 of the number of low-risk A programs.
  - If you assess risk and find more high-risk Type B programs, than you are required to select them as a major program. Plan carefully since high-risk Type B programs will have to be audited.

**Tip**

### Question #3 – Type B

If there is only one low-risk Type A program, but many Type B programs, what is the required number of Type B programs that need to be assessed for risk?

- You have to assess Type B programs until you identify one high risk Type B program. If there is only one low-risk Type A, then you are required to audit at least one Type B program if it is high-risk.

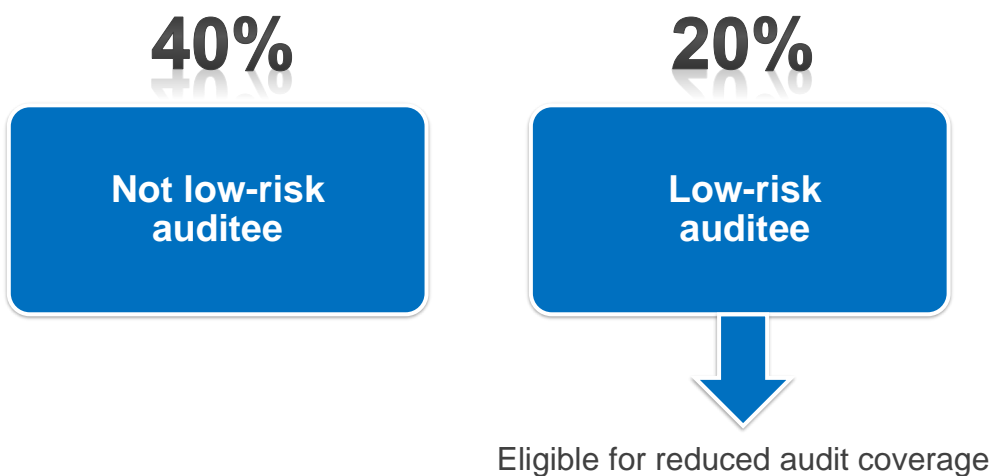


### Step 4—Determine Major Programs to Audit

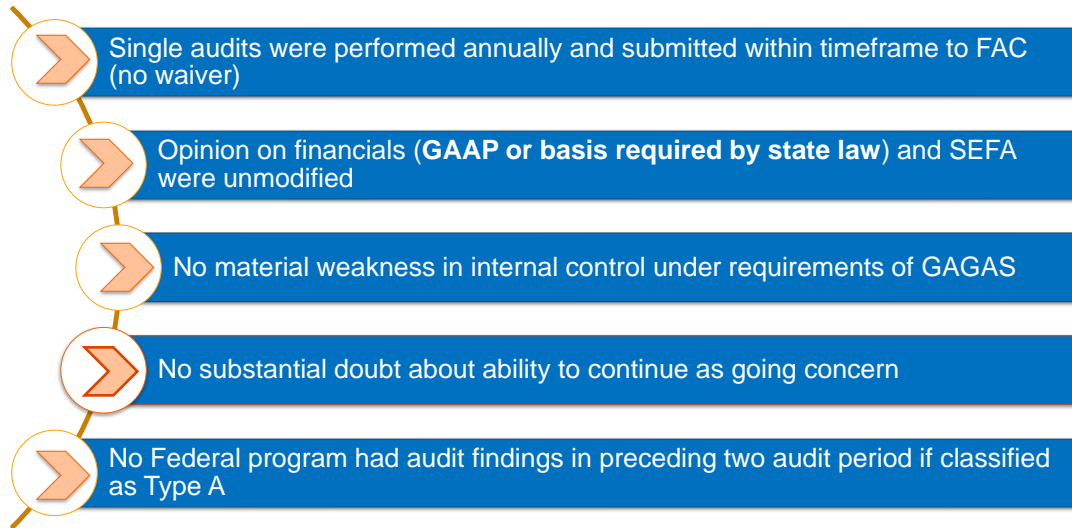
At minimum, auditor must audit all of following as major programs:

- 1 All Type A programs not identified as low risk (Step 2)
- 2 All Type B programs identified as high-risk (Step 3)
- 3 Additional programs as necessary to comply with % of coverage rule

### Step 4 – Percentage of Coverage



## Low-Risk Auditee (2 Prior Years)



## Questions

1. The auditor identifies two low-risk Type A programs. The auditor performs a risk assessment on all Type B programs (not “small”) and determines none are high risk. What should the auditor do?
2. An auditee typically has more than \$750K in federal expenditures each year, but has no Type A programs and multiple Type B programs. Does the auditor need to rotate the Type B programs audited as major each year?
3. If you audit Type B programs that are under the “small” Type B criteria to reach needed percentage of coverage, do you have to document a risk assessment on the small Type B programs selected as major programs?

### Determine Major Programs – Auditee is Low-Risk

Programs	Type	Risk Classification	Federal Expenditures
1	A	Low	\$ 4,025,000
2	A	High	1,000,000
3	A	High	1,000,000
4	A	Low	1,300,000
5	B	Low	275,000
6	B	n/a	160,000
7	B	n/a	130,000
8	B	n/a	<u>110,000</u>
			\$ 8,000,000

### Determine Major Programs – Auditee is Not Low-Risk

Programs	Type	Risk Classification	Federal Expenditures
1	A	Low	\$ 4,025,000
2	A	High	1,000,000
3	A	High	1,000,000
4	A	Low	1,300,000
5	B	Low	275,000
6	B	n/a	160,000
7	B	n/a	130,000
8	B	n/a	<u>110,000</u>
			\$ 8,000,000

### Common Deficiencies—Major Program Determination

- Required risk analyses (Type A and B programs) was not documented
- Basis for the assessments of risk (Type A and B programs) was not documented
- Risk assessment not performed properly:
  - Not considering all programs
  - Improperly clustering programs
  - Not clustering programs
  - Mistakenly categorizing a program as Type A or Type B
- Risk assessment inconsistent with information in the audit documentation

### Common Deficiencies—Major Program Determination

- Low-risk auditee determination not documented or was incorrect
- Minimum percentage of coverage requirement not met
- Error in threshold distinguishing Type A or Type B programs
- Grouping of awards without assistance listing/CFDA numbers into major programs not clear
- Failure to consider loans in a major program assessment
- Failure to reconcile amounts presented in the financial statements to related amounts in the SEFA

## Federal Award Agency

Question: A federal agency may identify a Federal program as higher risk, however, they need the approval of the OMB. In addition, the federal agency **MUST** notify the recipient and the auditor (if known) at least 180 calendar days prior to the end of the fiscal year to be audited.

Yes or No

## Module 4 Internal Control and Compliance

## Learning Objectives

Upon completion of this module, participants should be able to—

- Describe auditor's responsibilities
- Identify audit objectives for testing internal controls over compliance and compliance testing
- Identify compliance requirements that have a direct and material effect
- Design effective tests of controls over compliance and compliance tests



## Auditor's Responsibilities

### Internal Control

- Perform procedures to understand IC
- Plan testing to support low assessed level of control risk for each major program
- Perform testing as planned (if IC effective)

### Compliance

- Determine compliance with Federal statutes, regulations, and terms/conditions of Federal awards that may have direct and material effect on EACH major program

## Compliance Requirements

- Activities allowed or unallowed
- Allowable costs/cost principles
- Cash management
- Eligibility
- Equipment and real property management
- Matching, level of effort, earmarking

## Compliance Requirements

- Period of performance
- Procurement, suspension and debarment
- Program income
- Reporting
- Subrecipient monitoring
- Special tests and provisions

## Where Do You Look?

Question: The specific requirements for matching, level of effort, and earmarking are not unique to each Federal program and are found in the statutes, regulations, and terms and conditions of the award that pertain to the program.

**True or False**

## Discussion

Describe the compliance requirement that is the most challenging to audit?  
How did you overcome this challenge?





### Summarized Trial Balance of Each Major Program (in thousands)

	1	2	3	4	5	6
<b>Payroll</b>	800	100	150	100		
<b>Child care providers</b>			700			
<b>Contract services</b>			100			
<b>Misc expenses</b>	150	20	100	100		
<b>Capital project / construction</b>			100	800		
<b>Capital assets</b>			110		800	
<b>Indirect costs</b>	50	80	140			80
<b>Direct client assistance</b>		800				
<b>Subrecipient</b>						920
<b>Total expenditures</b>	<b>1,000</b>	<b>1,000</b>	<b>1,400</b>	<b>1,000</b>	<b>800</b>	<b>1,000</b>

### Compliance Requirements Table

	1	2	3	4	5	6
<b>Activities allowed or unallowed</b>						
<b>Allowable costs / cost principles</b>						
<b>Cash management</b>						
<b>Eligibility</b>						
<b>Equipment/real property mgmt</b>						
<b>Matching, level of effort, earmarking</b>						
<b>Period of performance</b>						
<b>Procurement and suspension and debarment</b>						
<b>Program income</b>						
<b>Reporting</b>						
<b>Subrecipient monitoring</b>						
<b>Special tests and provisions</b>						

## Materiality

- Auditor evaluation of materiality
  - Scope of audit
  - Audit reporting and audit finding(s)
  - Major program determination
  - Criteria for Federal program risk and low-risk auditee
- Audit risk of noncompliance and materiality needs to be considered together for each major program being tested
- Apply concept to each major program
- Affected by:
  - Nature of compliance requirement
  - Nature and frequency of noncompliance identified
  - Qualitative considerations



## Compliance Requirements

Required considerations:

- Programs not in *Compliance Supplement* (Part 7)
  - Largest and/or riskiest Federal programs in supplement
- Additional provisions may be needed
  - Ineffective internal control
  - Ensure compliance
- Clusters of programs (Part 5)



## Direct and Material Effect on a Federal Program

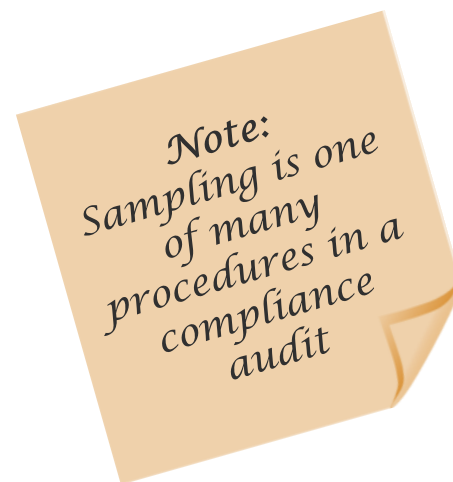
- Consider the Compliance Supplement (CS) and referenced laws, regulations, and Uniform Guidance when determining the compliance requirements subject to audit
- Use professional judgment in making determination from compliance requirements that are direct and material in CS matrix
- Assess risk, obtain sufficient appropriate audit evidence and form an opinion



## Compliance Requirements

Various audit procedures:

- Inquiry and observation
- Analytical procedures
- Use judgement to determine and test individually important items
- Audit sampling



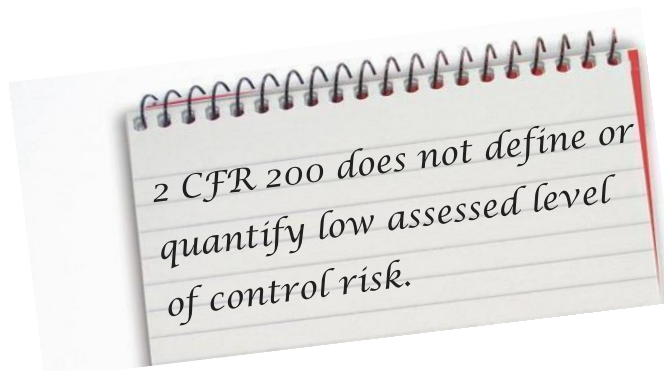
## Risk of Material Noncompliance



$$\begin{array}{rcl}
 \text{Inherent risk of noncompliance} & & \\
 \times & & \\
 \text{Control risk of noncompliance} & & \\
 = & & \\
 \text{Risk of material noncompliance} & & 
 \end{array}$$

## Low Assessed Level of Control Risk

- Professional judgment needed
- Consider purpose of requirement and other factors
- Does not require the auditor to achieve a low assessed level of control risk of noncompliance



## Internal Control Considerations

- NFE receiving federal awards is required to establish and maintain internal control over federal awards
- NFE may use either COSO internal control integrated framework or Green Book
- Obtain understanding sufficient to plan the audit to support a low assessed level of control risk of noncompliance for major programs
- Plan testing of internal control over major programs to support a low level of control risk for assertions relevant to the compliance requirements for each major program
- Perform testing of internal control as planned



## Control Effect on Compliance

- When controls over some or all compliance requirements for a major program are likely to be ineffective in preventing or detecting noncompliance, the auditor must—

**Report significant  
deficiency or material  
weakness**

**Assess control risk  
at maximum**

**Consider whether  
additional  
compliance tests are  
required**

### Compliance Testing – If Material or Risk of Noncompliance

- Transactions processed at the beginning or end of a grant award period
- Transactions processed at odd times in a cycle, such as new beneficiaries brought into a program in spring when eligibility is usually granted only once a year during an enrollment period in the fall
- Program beneficiaries that are near a qualifying age for benefits or beneficiaries who have received multiple sources of funding
- A federal close-out report, as compared to routine financial or progress reports
- A type of transaction for which there have been findings in the past.

### Compliance Testing – If Material or Risk of Noncompliance

- Transactions related to subrecipients that are awarded unusually high dollar amounts of pass-through funds compared with prior periods or other subrecipients in the same program
- Transactions related to subrecipients that are new to the grantee, especially newly formed entities that have a relatively immature infrastructure to support compliance
- Transactions that tests of internal control over compliance have indicated are either not subject to controls or are not being processed appropriately
- Transactions related to a specific step within the OMB Compliance Supplement. For example, large transfers of funds from program accounts which may have been used to fund unallowable activities

## Module 5

### Audit Sampling in a Compliance Audit

125 Performing Effective and Efficient Single Audits



### Learning Objectives

Upon completion of this module, participants should be able to—

- Design audit approach to achieve sampling audit objectives for both compliance and internal control over compliance
- Evaluate sample results



126 Performing Effective and Efficient Single Audits

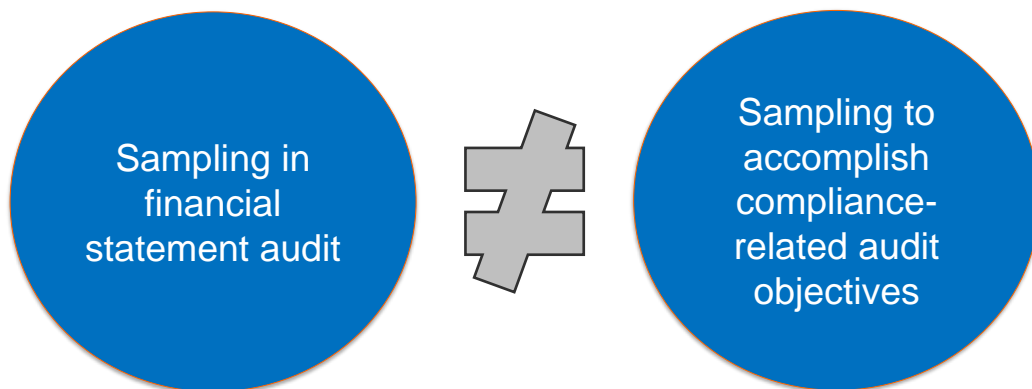


## Audit Sampling: Uniform Guidance

- AICPA Audit Guide: *Government Auditing Standards and Single Audits*
- Single audit finding – Report whether sample was statistically valid (if applicable)

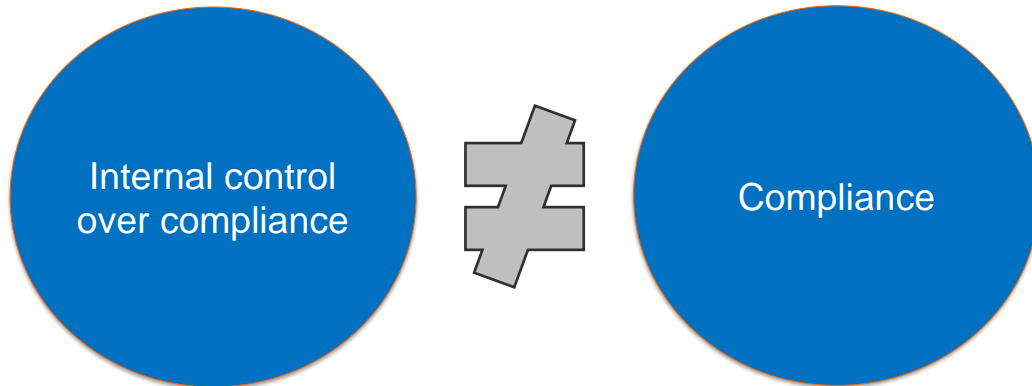


## Sampling Audit Environment





## Audit Objective Comparison



129 Performing Effective and Efficient Single Audits

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## Audit Sampling Guidance

### AICPA

- AU-C section 530 *Audit Sampling*
- AU-C section 935 *Compliance Audits*
- Audit Guide *Audit Sampling*
- AAG *Government Auditing Standards and Single Audits*

### OMB

- Compliance Supplement
  - Appendix VII *Other Audit Advisories*



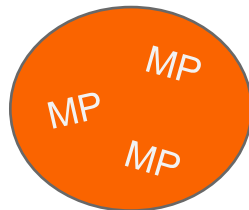
130 Performing Effective and Efficient Single Audits

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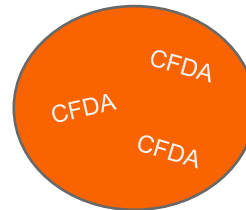
## What is the Population?

- Multiple major programs
- Clusters of programs
- Multiple organization units
- Dual purpose sampling
- Sampling unit

## Many Situations May Exist



Multiple major programs



Cluster(s) of programs

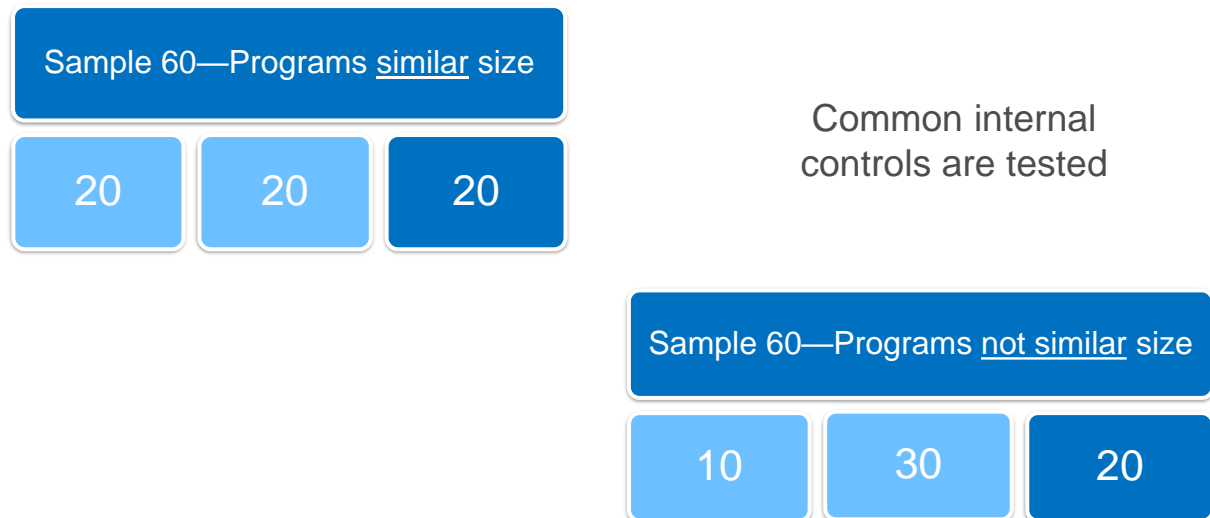


Different locations



Dual purpose sampling

## Multiple Major Programs



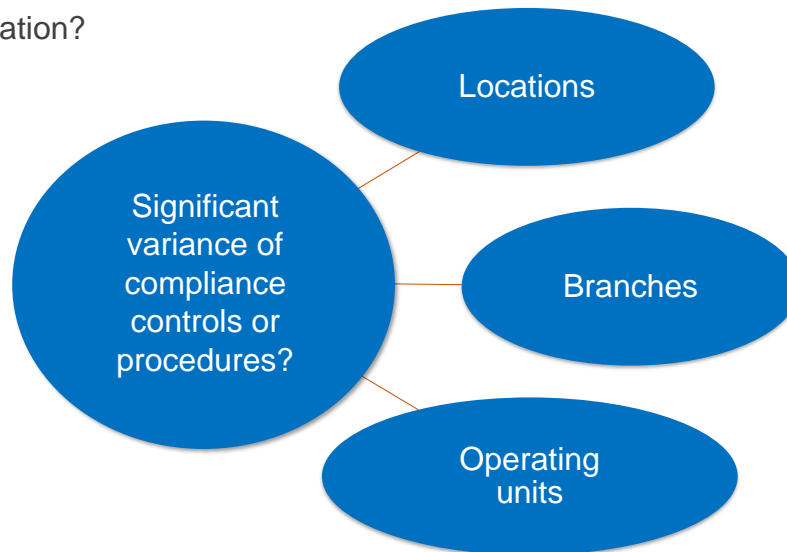
## Clusters of Programs

- Opinion based on cluster of programs as a whole
- Considered if sufficient appropriate audit evidence has been gathered relating to clustered programs as a whole
  - Types of compliance requirements
  - Direct and material
  - Auditor' judgment
- Random haphazard selection of sample items from cluster generally would provide a representative sample



## Multiple Organizational Units

Separate population?

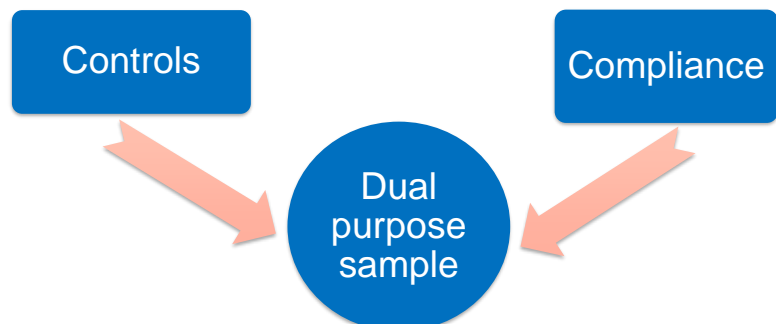


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## Dual Purpose Sampling

- Align test objective to sampling unit and population
- Determine that population from which sample is selected is appropriate
- Evaluate audit findings separately
- Distinction in documentation



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## Sampling Unit

- Any individual element of population (one item)
- Depends on audit objective and nature of audit procedures
  - Cash disbursement
  - Student file
  - Refund paid
- Depends on how records are maintained



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## Sample Selection

- Representative of sampling population
- Nonstatistical selection methods:
  - Random
  - Haphazard
  - Systematic with random start



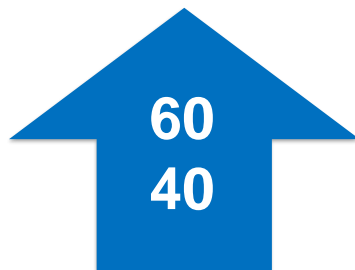
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Control Testing Sample Size Table  $\geq 250$ 

Compliance Requirement		Minimum Sample Size
Significance of Control	Inherent Risk	0 deviations expected
Very	Higher	60
Very Moderately	Limited Higher	40
Moderately	Limited	25

## Control—Significance

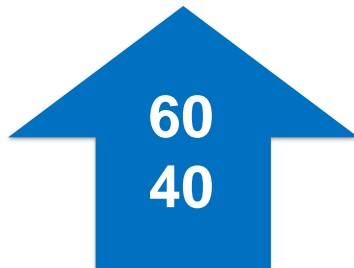
Very

More pervasive risk

Moderately

Existence of other complementary, compensating or redundant controls

## Control—Inherent Risk of Noncompliance



Higher inherent risk:

- ▶ New program
- ▶ Complex processing
- ▶ Past deficiencies
- ▶ Very high volume of activity



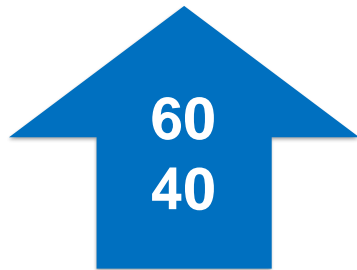
Limited inherent risk:

- ▶ Opposite of above

## Compliance Testing—Sample Size Table $\geq 250$

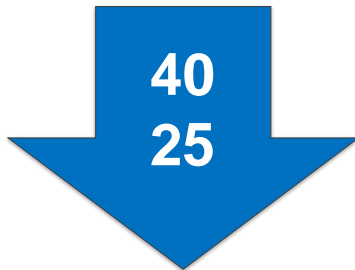
Desired Level of Assurance (Remaining Risk of Material Noncompliance)	Minimum Sample Size
	<u>0 exceptions expected</u>
High	60
Moderate	40
Low	25

### Compliance—Sample Size



Higher risk

- ▶ Larger the sample size
- ▶ Higher the assurance



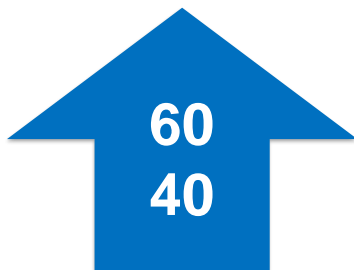
Lower risk

- ▶ Smaller the sample
- ▶ Lower the assurance

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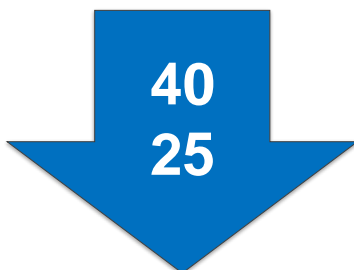


### Compliance—Desired Level of Assurance



Weaknesses identified in tests of controls

Noncompliance identified in other audit procedures



Effective controls over compliance

No noncompliance identified in other audit procedures

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### Small Population Sample Size Table ≤ 52

Frequency and Population Size	Sample Size
Quarterly (4)	2
Monthly (12)	2–4
Semimonthly (24)	3–8
Weekly (52)	5–9

- Size of population has little or no effect on determination of sample size, except in relatively small populations of 250 items or fewer.

### Population Between 52 and 250 Items

- Test a sample size of approximately 10% of population, but the size is subject to professional judgment, which would include specific engagement risk assessment considerations.

10%

## Control Deviations and Compliance Exceptions

Auditor ***has not*** met the planned audit objectives when more control deviations or compliance exceptions are encountered than planned.



**A Word of Caution**

## Control Deviations and Compliance Exceptions

Factors to consider when evaluating deviations and exceptions:

- Pattern relative to past history
- Systematic nature
- Intentional (fraud)

## Auditor Compliance Testing

Question: To the extent that each compliance test has a different objective, should samples be separately considered.

Yes or No

## Documentation of Sampling

- AICPA
  - AU-C 935, *Compliance Audits*
  - AU-C 230, *Audit Documentation*
  - AU-C 530, *Audit Sampling*
  - AAG GAS and Single Audits
- OMB
  - UG 200.517, *Audit documentation*
  - UG 200.516, *Audit findings*
  - Compliance supplement



## Learning Objectives

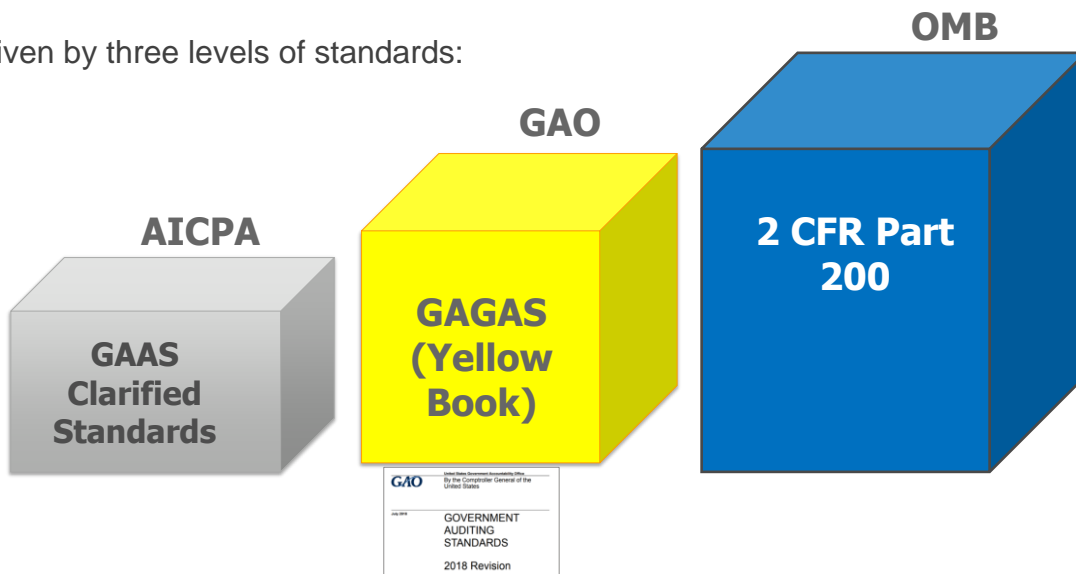
Upon completion of this module, participants should be able to—

- Understand auditor's reporting responsibilities
- Develop and report meaningful findings

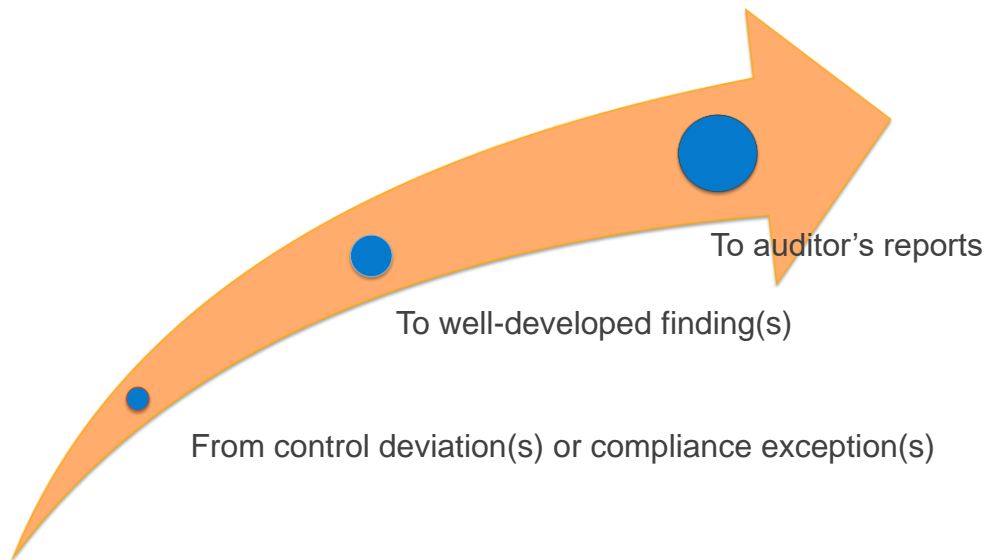


## Reporting Responsibilities

Driven by three levels of standards:



## From: Finding → To: Appropriate Reports



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## Single Audit Reports

Reports	FS Level		Uniform Guidance
	GAAS	GAGAS	
Opinion (or disclaimer of opinion) on FS and supplementary SEFA	X	X	X
Report on internal control over financial reporting and on compliance and other matters based on an audit of FS		X	X
Report on compliance and internal control over compliance applicable to <b>each</b> major program			X
Schedule of findings and questioned costs			X

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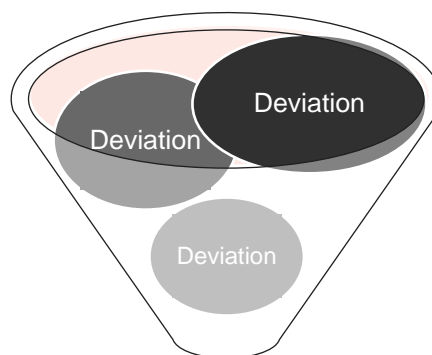


### Question

Is the report on internal control over financial reporting and compliance required (per Uniform Guidance) to include the scope of testing of internal control and compliance and the results of the tests?

Yes or No?

### Control Deviation(s)



Significant deficiency or material weakness  
at major program level?

## Evaluating Results of Tests of Controls

- Determination of whether a control deficiency is a significant deficiency or material weakness for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program
- The severity of a deficiency depends on:
  - The magnitude of potential noncompliance resulting from the deficiency or deficiencies; and
  - Whether there is a reasonable possibility that the entity's controls will fail to prevent, or detect and correct, noncompliance with a type of compliance requirement

**Tips**

## Evaluating Results of Tests of Controls

- The significance of a deficiency in internal control over compliance depends on the potential for noncompliance, not on whether noncompliance actually has occurred
  - Nature of the compliance requirement
  - Susceptibility to fraud
  - Subjectivity and complexity involved
  - Interaction among deficiencies
  - Possible future consequences of the deficiency
- The absence of identified noncompliance does not provide evidence that identified deficiencies in internal control over compliance are not significant deficiencies or material weaknesses

**Tips**

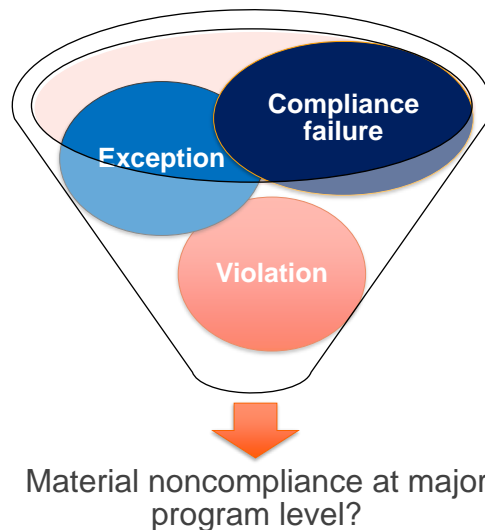
## Evaluating Results of Tests of Controls

### Material weaknesses in internal controls over compliance:

- identification of fraud in the major program of any magnitude on the part of senior program management
- identification by the auditor of material noncompliance in circumstances that indicate that the noncompliance would not have been detected and corrected by the entity's internal control
- ineffective oversight by management, or those charged with governance, over compliance with program requirements where the activity is subject to a type of compliance requirement
- See AICPA Audit Guide for other examples

**Tips**

## Compliance Exceptions





## Evaluating Tests of Compliance

- The auditor should not assume that an instance of fraud or error is an isolated occurrence and, therefore, should consider how the detection of such noncompliance affects the assessed risks of material noncompliance
- There are differing thresholds for evaluating noncompliance
  - Overall program or cluster
  - Type of compliance requirement
  - Financial statement materiality
- Assessing materiality at all three levels is critical to the proper evaluation of findings

**Tips**

## Questioned Costs

- In evaluating the effect of questioned costs on the compliance opinion, the auditor considers the best estimate of the total costs questioned for each major program (likely questioned costs), not just the questioned costs specifically identified (known questioned costs).
- Likely questioned costs are developed by extrapolating from audit evidence obtained
  - For example, projecting known questioned costs identified in an audit sample to the entire population from which the sample was drawn
- Known questioned costs may not be considered material, but the likely questioned costs are considered material
  - The auditor should consider the noncompliance to be material (and report a finding) or may expand the scope of the audit and apply additional audit procedures to further establish the likely questioned costs

**Tips**

## Question

When the audit of an auditee's compliance with requirements applicable to a major program detects material instances of noncompliance with those requirements, the auditor should express a qualified or adverse opinion on compliance in the report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance.

**True or false?**



## Finding Not Straightforward

When the decision regarding reporting a finding is not straightforward, the auditor may consider reporting deviations and exceptions as audit findings and letting the appropriate officials of the federal awarding agency or pass-through entity investigate further.

—AICPA AAG GAS and Single Audits,  
Chapter 11, para 11.107

## Views of Auditee

- Views of responsible officials of auditee is short statement summarizing the auditees view on the finding
- The Corrective Action Plan is a separate document from the auditor's findings
  - Auditee prepares

# Tips

**Instructions for Form SF-SAC**  
Reporting on Audits of States, Local Governments, Indian Tribes,  
Institutions of Higher Education and Nonprofit Organizations  
for Fiscal Period Ending Dates in  
2019, 2020, or 2021

**APPENDIX IA**  
Reporting on Federal Agency Title 42 CFR to List  
Compliance Goals

**Section 1**  
1. Auditee Information  
2. Auditor Information  
3. Auditor Information  
4. Auditor Information  
5. Auditor Information  
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100. Auditor Information

## Auditor Compliance Testing

Question: To the extent that each compliance test has a different objective, should samples be separately considered.

Yes or No

## Federal Audit Clearinghouse

### Important Announcements

- On March 19, 2021, OMB issued [M-21-20](#) providing that respondents who had not yet filed their single audits with the Federal Audit Clearinghouse as of the date of the memo (Mar 19, 2021), and that had fiscal years ending on or before June 30, 2021, could delay the submission of their single audit to the Federal Audit Clearinghouse up to six months beyond their normal due date. Please reference the fullmemo for complete details.
- OMB issued a corrected 2019 Compliance Supplement dated August 2019 which replaces the previous edition dated June 2019. For Single Audits subject to the 2019 Supplement, auditors are permitted to use either the June 2019 or August 2019 edition for reports **dated on or before October 31, 2019**. Please document the version used. For reports **dated after October 31, 2019**, auditors are required to perform the audit using the August 2019 edition. The August edition of the Supplement can be accessed [here](#). For questions, please contact the relevant agency National Single Audit Coordinator using the contact information found in Appendix III of the Supplement.

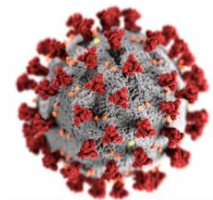


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## COMPLIANCE SUPPLEMENT

August 2020	Other Audit Advisories
<p style="text-align: center;"><b>APPENDIX VII</b></p> <p style="text-align: center;"><b>OTHER AUDIT ADVISORIES</b></p>	



### *Identification of COVID-19 related awards on the SEFA and SF-SAC*

SF-SAC - On a separate row by CFDA number with "COVID-19" as the first characters in Part II, Item 1c, Additional Award Information. Example:



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Budget

<https://www.whitehouse.gov/omb/information-for-agencies/memoranda/>

## Memoranda 2021

- [M-21-25 Integrating Planning for A Safe Increased Return of Federal Employees and Contractors to Physical Workplaces with Post-Reentry Personnel Policies and Work Environment](#) (June 10, 2021) (20 Pages, 1,017 KB)
- [M-21-24 Promoting Public Trust in the Federal Government and Effective Policy Implementation through Interagency Review and Coordination of the American Rescue Plan Act](#) (April 26, 2021) (3 Pages, 164 KB)
- [M-21-23 Revocation of OMB Memorandum M-21-01, "Budget and Management Guidance on Updates to the Regulations Implementing the Procedural Provisions of the National Environmental Policy Act"](#) (April 26, 2021) (1 Page, 162 KB)
- [M-21-22 Update to Implementation of Performance Management Statutes](#) (March 24, 2021) (2 Pages, 182 KB)
- [M-21-21 Testimony before Congress and public statements on the Fiscal Year 2022 Budget](#) (March 23, 2021) (1 Page, 111 KB)
- [M-21-20 Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources](#) (March 19, 2021) (11 Pages, 373 KB)
- [M-21-19 Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement](#) (March 05, 2021) (79 Pages, 1,566 KB)
- [M-21-18 Legislative Coordination and Clearance](#) (March 04, 2021) (06 Pages, 136 KB)
- [M-21-17 Revocation of Executive Order 13950, M-20-37, and M-20-34](#) (March 04, 2021) (04 Pages, 122 KB)

## Memoranda 2020

- [M-20-37 Ending Employee Trainings that Use Divisive Propaganda to Undermine the Principle of Fair and Equal Treatment for All](#) (September 28, 2020) (4 pages, 4,370 KB)
- [M-20-36 Implementation of Section 2 of Memorandum on Reviewing Funding to State and Local Government Recipients of Federal Funds That Are Permitting Anarchy, Violence, and Destruction in American Cities](#) (September 21, 2020) (2 pages, 1,740 KB)
- [M-20-35 Guidance on Implementing Payroll Tax Deferral for Federal Employees](#) (September 11, 2020) (1 page, 1,186 KB)
- [M-20-34 Training in the Federal Government](#) (September 4, 2020) (2 pages, 2917 KB)
- [M-20-33 Guidance on Presidential Transition Preparations](#) (September 4, 2020) (3 pages, 2,679 KB)
- [M-20-32 Improving Vulnerability Identification, Management, and Remediation](#) (September 2, 2020) (6 pages, 4,472 KB)
- [M-20-31 Implementation of Section 6 of Executive Order 13294](#) (August 31, 2020) (5 pages, 1.58 MB)
- [M-20-30 Data Call – Buy-American Preference for Infrastructure Projects due Tuesday September 1, 2020](#) (August 27, 2020) (12



Office of Management and  
Budget

**M-21-20**



### EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

March 19, 2021

M-21-20

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Robert Fairweather  
Acting Director

*Robert Fairweather*

SUBJECT: Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources



Office of Management and  
Budget

M-21-20

### Appendix 3 - Disaster Relief Flexibilities to Reduce Burden for Financial Assistance

**IX. Extension of Single Audit submission:** Awarding agencies, in their capacity as cognizant or oversight agencies for audit, should allow recipients and subrecipients that have not yet filed their single audits with the Federal Audit Clearinghouse as of the date of the issuance of this memorandum that have fiscal year-ends through June 30, 2021, to delay the completion and submission of the Single Audit reporting package, as required under Subpart F of 2 CFR § 200.501 to six months beyond the normal due date. No further action by awarding agencies is required to enact this extension. This extension does not require individual recipients and subrecipients to seek approval for the extension by the cognizant or oversight agency for audit; however, recipients and subrecipients should maintain documentation of the reason for the delayed filing. Recipients and subrecipients taking advantage of this extension would still qualify as a "low-risk auditee" under the criteria of 2 CFR § 200.520(a). (2 CFR § 200.501)



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M-21-20

#### Recipients and subrecipients

- Can delay their single audit completion and submission to six months beyond normal due date
- Apply to entities with single audits NOT filed with FAC at March 19, 2021 and have FYEs through June 30, 2021
- Do not need to seek approval for the extension by cognizant or oversight agency for audit
- Should maintain documentation of reason for the delayed filing
- Qualify as "low-risk auditee" under §200.520

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## Audit Findings

Question: Audit findings must be presented in sufficient detail for the auditee to prepare a corrective action plan AND take corrective action AND for the appropriate federal agency and pass-through entity to arrive at a management decision..

Yes or No

## Module 7

### Uniform Guidance: Overview Auditee



## Learning Objectives

Upon completion of this module, participants should be able to—

- Understand the single audit from the perspective of auditee



## Auditee Responsibilities

- Procure audit per UG including selection of auditor
- Prepare financial statements and SEFA
- Promptly follow up and take corrective action on audit findings
- Provide auditor with access to information needed to perform audit
  - Personnel
  - Accounts, book, records
  - Supporting documentation and other information

## Auditee: Procurement of Auditor



### Factors to consider:

- Responsiveness to RFP
- Relevant experience
- Availability of staff with qualifications and technical abilities
- Result of peer and external quality control reviews
- Price
- Make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises

## General Procurement Standards

- Use documented procurement procedures
- Maintain oversight to ensure contractors perform per contract or purchase order
- Avoid acquisition of unnecessary or duplicative items
- Encouraged to enter into state and local intergovernmental or inter-entity agreements
- Encouraged to use Federal excess and surplus property
- Award contracts only to responsible contractors
- Maintain records sufficient to detail the history of procurement
- Use value engineering clauses in contracts for construction projects
- Other procurement standards (200.318)

### Compensation – Personal Services (Not All)

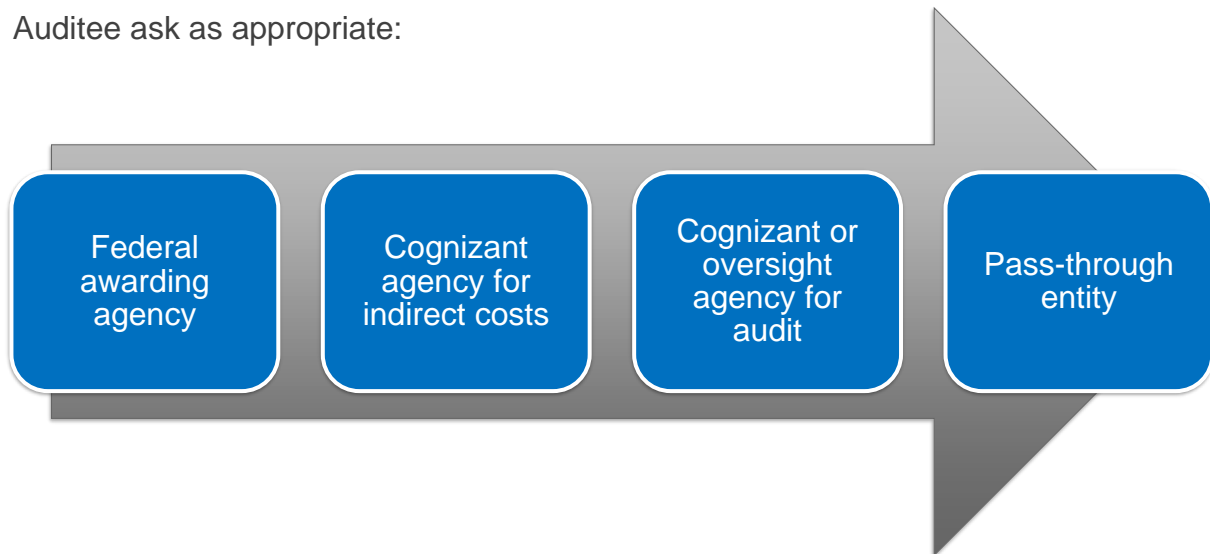
- Includes compensation for personal services paid currently or accrued for services of employees rendered during the period of performance under the Federal award
- Allowable if reasonable for services rendered
- Conforms to established written policy consistently applied to both Federal and non-federal activities
- Records accurately reflect work performed
- Contains standards for special considerations, unallowable costs, incentive compensation and documentation

### Required Financial Management

- Identify all federal awards received and expended and federal programs under which received
- Accurate, current, and complete disclosure of results of each federal award or program
- Source and application of funds for federally-funded activities
- Effective control of funds, property, assets
- Comparison of expenditures to budget for each federal award
- Written procedures to implement requirements of federal payments
- Written procedures for determining allowability of costs

## Questions About Uniform Guidance?

Auditee ask as appropriate:



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## Auditee Report Submission

- Audit completion, data collection form, and reporting package must be submitted within earlier of 30 calendar days after receipt of the auditor's report or nine months after end of audit period (normal due date)
- If due date is Saturday, Sunday or Federal holiday the reporting package is due next business day
- Electronical submission of data collection form and reporting package to Federal Audit Clearinghouse (FAC)



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## Auditee Must...

- Disclose in writing any potential conflict of interests to Federal awarding agency or pass-through entity in accordance with federal awarding agency policy
- Disclose in writing all violations of Federal criminal law potentially affecting Federal awards to Federal awarding agency or pass-through entity
  - Fraud, bribery, or gratuity violations



## Audit Findings Follow-Up

### Summary Schedule of Prior Audit Findings

- Report status of all audit findings
- Include audit findings reported in prior summary schedule (excludes findings corrected)
- Describe reasons for findings not corrected or partially corrected

### Corrective Action Plan

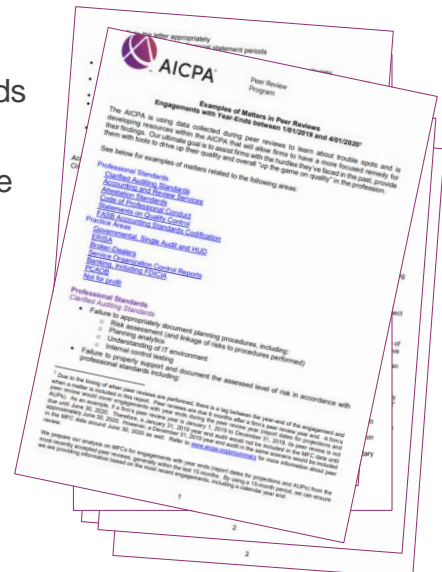
- Provide name of contact person(s) responsible for corrective action, corrective action planned, and anticipated completion date
- Explanation and specific reasons when auditee is not in agreement with audit findings or believes corrective action is not required

## Module 8

### Uniform Guidance Peer Review and Violations

### Peer Reviews – What You Can Improve

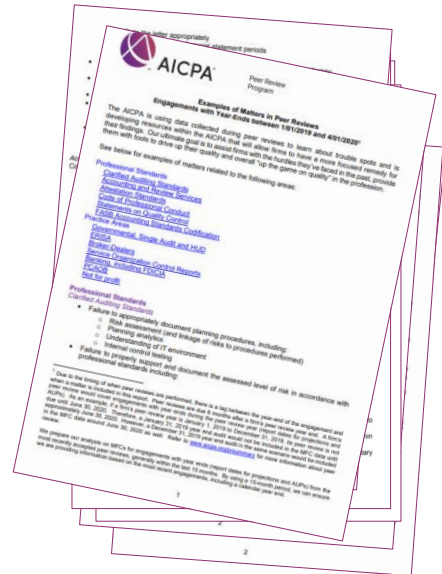
- Examples of trouble spots identified in peer reviews (performed by AICPA) of engagements with year-ends between 1/1/2019 and 4/1/2020
- Includes various professional standards and practice areas such as
  - Clarified auditing standards
  - FASB ASC
  - Governmental, single audit and not-for-profit
- Single audits are considered high-risk and a peer-review focus



## Problem Areas Found in Peer Reviews of Single Audits

Failure to:

- Identify and test enough major programs
- Identify and test appropriate major programs
- Cluster federal programs
- Perform type A and B program risk assessment
- Group programs with the same CFDA #
- Determine auditee's risk for appropriate coverage
- Conclude properly (compliance or noncompliance) on applicable compliance requirement(s)



## Problem Areas Found in Peer Reviews of Single Audits

Failure to document/lack of documentation:

- Understanding of internal control over compliance of federal awards
- Planning adequate sample size for tests of controls over compliance to achieve a low level of control risk
- Testing of internal controls and compliance for the relevant assertions related to each applicable compliance requirement
- Assessing risk of material noncompliance for major program's compliance requirement occurring due to fraud



## Problem Areas Found in Peer Reviews of Single Audits

Lack of documentation of auditor's assessment relating to SEFA:

- Total amount provided to subrecipients
- Name of federal agency or pass-through entity
- Identifying # assigned by pass-through entity
- Total federal expenditures for each federal program
- Clustering
- Disclosure whether or not auditee elected to use 10% *de minimis* indirect cost rate



## Problem Areas Found in Peer Reviews of Single Audits

Lack of documentation:

- Internal controls over preparation of SEFA
- Procedures to determine if SEFA is fairly presented in all material respects
- Reconciliation of SEFA to amounts in the financials
- Consideration of subsequent events related to major federal programs and its compliance requirements





## PRP Section 22,100—Part A—UG

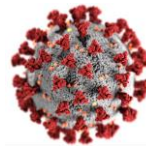
### *Supplemental Checklist for Review of Single Audit Engagements*

(For engagements performed in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards [Uniform Guidance])

## PRP Section 22,100—Part B—UG

### *Supplemental Checklist for Review of Single Audit Engagements*

(For engagements performed in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards [Uniform Guidance])



Includes information about extension and single audit

- During pandemic uncertainty
- Federal programs in 2020 CS
- Journal of Accountancy articles
- Tips, quizzes, and web events

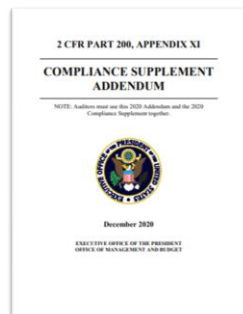
## Reviewer alert

The Spring 2021 Reviewer Alert contains the following articles:

- [May Peer Review Board meeting update](#)
- [SEC Registered Broker-Dealers removed from the scope of Peer Review](#)
- [What's new in the Peer Review Program Manual \(PRPM\) – June 2021 update](#)
- [FREE WEBCAST: Single audits and new QM \(QC\) standards – Get ready and prepare for change!](#)
- [Are your peer review clients performing new single audit services?](#)
- [Six-month single audit submission extension](#)
- [Peer Review implications for surprise examinations for investment advisors](#)
- [What to consider when reviewing engagements with digital assets](#)
- [Resources from the Enhancing Audit Quality initiative \(EAQ\)](#)
- [Quick hits](#)



## Compliance Supplement



## Compliance Supplement

- Auditors must consider the supplement and referenced laws, regulations and OMB Circulars/Uniform Guidance when determining compliance requirements subject to audit.
- Use of supplement is mandatory
- Federal agencies are responsible for informing OMB of updates to the supplement
- Laws and regulations change periodically and delays will occur since supplement is published annually



## Compliance Supplement



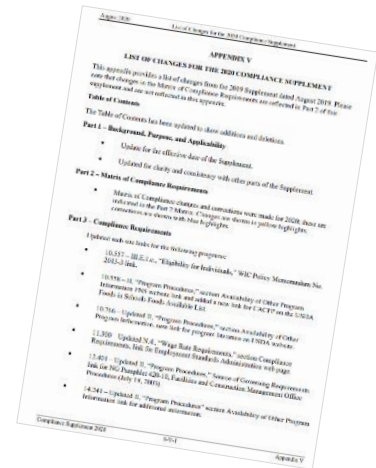
Question: The use of the Compliance Supplement is mandatory.

Yes or No

## Compliance Supplement

August  
2020

- What changed (August 2020)
  - Table of Contents
  - Background, Purpose, and Applicability (Part 1)
  - Matrix (Part 2)
  - Compliance Requirements (Part 3)
  - Agency Program Requirements (Part 4)
  - Clusters of Programs (Part 5)
  - Appendices
- Appendix VII has major discussion on COVID-19
- Effective for audits of fiscal years beginning after June 30, 2019
  - Superseded August 2019 Compliance Supplement



## Table of Contents

August  
2020

Section	Page
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## Matrix of Compliance Requirements – Part 2

August  
2020

- Requirements that were changed and corrections are highlighted and/or shown in bold
- Identifies the compliance requirements that Federal government has determined are subject to the audit for programs included in compliance supplement
  - “Y” and “N” indicator for each type of compliance requirement
- Auditor uses to identify the types of compliance requirements that have been identified as subject to audit
  - Parts 4 and 5 have comparable info

## Matrix of Compliance Requirements – Part 2

August  
2020

- Auditors are not expected to test requirements with an “N”
- Matrix reflects the Federal agency’s limit of compliance requirements (“Y”) to six
- Two requirements are treated as one
  - Activities Allowed and Unallowed
  - Allowable Costs/Cost Principles
- “Y” may not apply to a particular non-federal entity or is immaterial
  - Exercise professional judgment

Activities Allowed or Unallowed	A
Allowable Costs/Cost Principles	B

## Clusters of Programs – Part 5

August  
2020

- Identifies federal programs that are considered to be clusters
  - Research and development programs
  - Student financial assistance
  - Other clusters
- A cluster of programs is a grouping of closely related programs that share common compliance requirements
- A state may designate “other clusters” that state provides to subrecipients
  - Must identify the federal awards included in the cluster
  - Must advise subrecipients of applicable compliance requirements
  - CS does not identify any state-designated clusters

Agency	CFDA No.	Cluster Name
USDA	10.550	Food and Nutrition Assistance Programs
USDA	10.551	SNAP Cluster
USDA	10.552	School Nutrition Cluster
USDA	10.553	Child Nutrition Cluster
USDA	10.554	Food Distribution Cluster
USDA	10.555	Emergency Food Assistance Cluster
USDA	10.556	Community Facilities Loans and Grants Cluster
USDA	10.557	Community Facilities Loans and Grants Cluster
USDA	10.558	Community Facilities Loans and Grants Cluster
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USDA	10.560	Community Facilities Loans and Grants Cluster
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## Internal Control (Part 6)

August  
2020

- Focus is on internal control over compliance requirements for Federal awards intended for NFE and auditors
- NFE that receive federal awards are required to establish and maintain internal controls over federal awards
- Recommend use of either *Standards for Internal Control in the Federal Government (Green Book)* or *Internal Control Integrated Framework* (issued by COSO)
  - Five components
  - 17 principles related to the five components
- Appendices include two illustrations
  - Entity-wide controls over compliance (Four control components)
  - Specific controls over compliance for control activities

Component	Description
1. Control Environment	The control environment is the foundation of an organization's internal control system. It includes the organization's commitment to competence, integrity, and ethical values, and the role of the board of directors or equivalent body in overseeing the internal control system.
2. Risk Assessment	The risk assessment process is the first step in the internal control system. It involves identifying and analyzing the risks that could prevent the organization from achieving its objectives, and determining the likelihood and potential impact of those risks.
3. Control Activities	Control activities are the policies and procedures that help ensure that management's directives are carried out. They include a variety of activities, such as approvals, authorizations, verifications, reconciliations, reviews, and monitoring.
4. Information and Communication	Information and communication are essential for the internal control system to function effectively. They involve the timely and accurate collection, processing, and communication of information that is relevant to the organization's internal control system.
5. Monitoring	Monitoring is the process of assessing the effectiveness of the internal control system over time. It involves ongoing monitoring, separate evaluations, or a combination of the two.

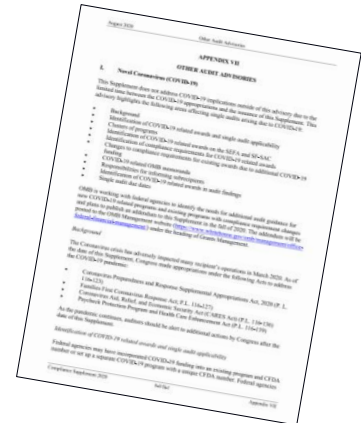


## Appendix VII – Other Audit Advisories



August  
2020

- Novel Coronavirus
  - Time lag between COVID-19 appropriations and CS
  - Includes highlights of many areas affecting single audits due to COVID-19
  - OMB is working with federal agencies for additional audit guidance
  - Addendum was posted to OMB Management website in December 2020 that is provided in addition to Appendix VII “Other Audit Advisories”
- Effect of changes to compliance requirements and other clusters if there was an audit finding in prior year
  - Continue to report
- Due date for submission and low-risk auditee criteria
  - Includes suggested steps for report submission to FAC

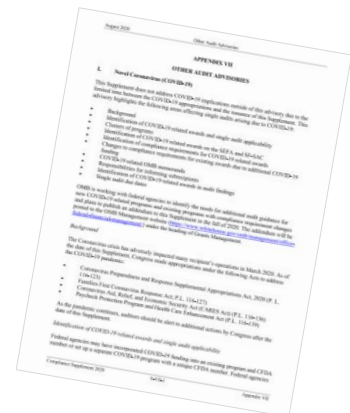


## Appendix VII – Other Audit Advisories



August  
2020

- Treatment of awards issued by National Science Foundation and National Institutes of Health
- Exceptions to guidance in Uniform Guidance
  - OMB does not maintain a complete list
  - Direct questions to Federal agency key management liaisons
- National Defense Authorization Acts of 2017 and 2018
  - Purchase threshold changes, effective date and audit findings
- Audit sampling
  - Some audit procedures in CS appear appropriate for audit sampling
  - Follow requirements and guidance of AU-C section 530, Audit Sampling and AICPA Audit Guide, Government Auditing Standards and Single Audits

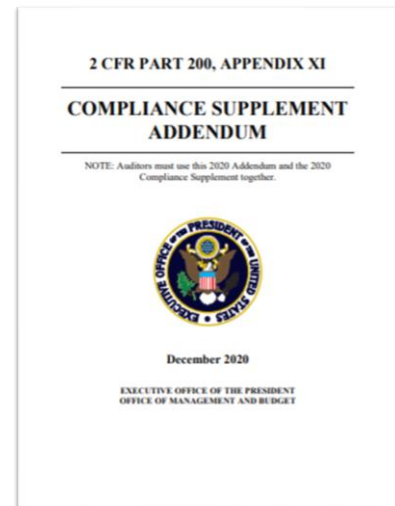


## Overview of Compliance Supplement Addendum



### Compliance Supplement Addendum – December 2020

- Use addendum with 2020 Compliance Supplement
- Provides additional guidance for federal program expenditures of COVID-19 awards that auditor determines are major programs
- Guidance applies to program-specific audits per sections 200.510(c) and 200.507 of Uniform Guidance even if a program-specific audit guide is available
- Effective for audits of fiscal years beginning after June 30, 2019

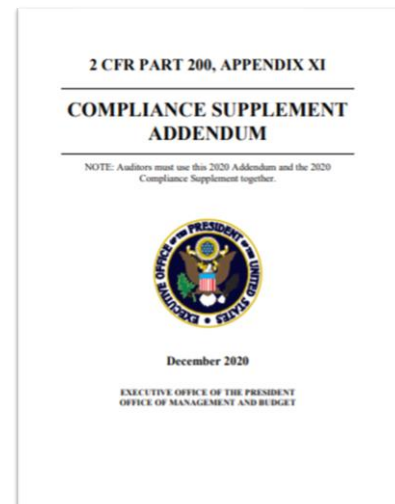


## Overview of Compliance Supplement Addendum (Continued)



### Compliance Supplement Addendum – December 2020

- Includes addendum table of contents
- Modifies matrix that includes additions and one deletion (Part 2)
- Adds cross-cutting provisions for reporting (Part 3)
- Adds compliance requirements for new or existing federal programs (Part 4)
- Highlights single audit areas affected due to COVID-19 in Appendix VII “Other Audit Advisories” (Part 8)





## Effective Date of Compliance Supplement and Addendum

Question: The 2020 compliance supplement and the addendum are both effective for audits of fiscal years that...

Begin **AFTER** or begin **BEFORE** June 30, 2019

## Addendum – Modifications of Federal Programs



Compliance Supplement  
Addendum – December 2020



Added

- 14 (COVID-19 funded)
- 1 (non-COVID-19)

Deleted (correction)

- 1 (CFDA 20.000)





X = in December 2020 addendum to CS

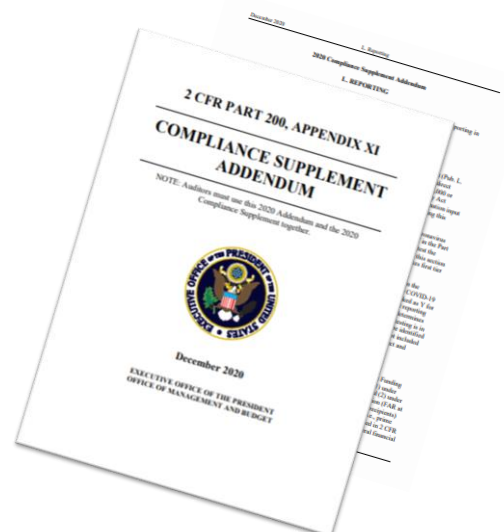
	CFDA # (COVID-19 funded)	Federal Agency	Table of Contents	Part 2 – Matrix	Part 4 – Agency Program Requirements
1	10.001 (specific guidance on multiple programs)	USDA	X	X	X
2	14.862	HUD	X	X	X
3	16.034	DOJ	X	X	X
4	20.218 (non COVID-19)	DOT	X	X	X
5	21.019	Dept of Treasury	X	X	X
6	32.006	FCC	X	X	X
7	84.425-EST	ED	X	X	X
8	84.425-HEERF	HHS	X	X	X
9	93.153	HHS	X	X	X
10	93.461	HHS	X	X	X
11	93.498	HHS	X	X	X
12	93.914	HHS	X	X	X
13	93.917	HHS	X	X	X
14	93.918	HHS	X	X	X
15	SFA cluster (Part 5)	DOE	X	X	–

### Addendum – Reporting (Part 3)

- Cross-cutting provision on Federal Funding Accountability and Transparency Act (FFATA) is new
- Reporting requirements of August 2020 compliance supplement were not repeated
- FFATA is codified in 2 CFR Part 170
- Registering in FFATA Subaward Reporting System is required for 1st tier subawards of  $\geq$  \$25,000
- Auditor must test the compliance reporting requirement of 2 CFR Part 170 using guidance in addendum



### Compliance Supplement Addendum – December 2020



## Addendum – Reporting (Part 3) Requirements of FFATA

Compliance Supplement  
Addendum – December 2020

**Auditors must test compliance reporting requirements of 2 CFR Part 170**

**All COVID-19 programs in addendum**

Matrix (Part 2) indicates Y for reporting requirement

Reporting is direct and material

Recipient makes 1<sup>st</sup> tier awards

Exception Coronavirus Relief Fund (21.019)

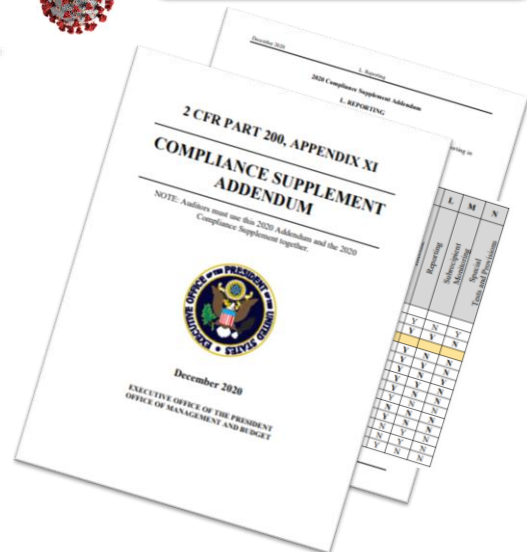
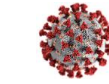
**Audits of FYE after 9/30/2020**

All major programs regardless of COVID-19 funding

Matrix (Part 2) indicates Y for reporting requirement

Reporting is direct and material

Recipient makes 1<sup>st</sup> tier subaward(s)



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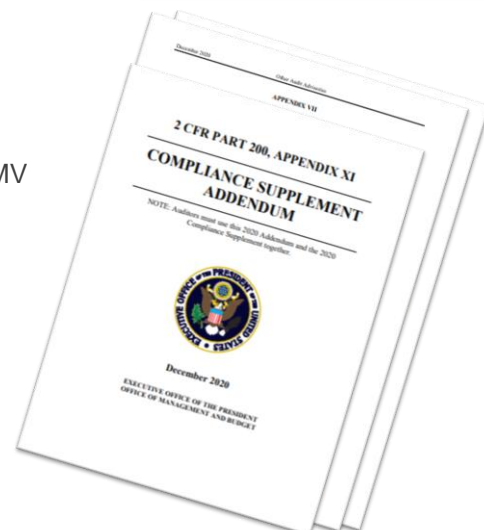
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## Addendum – Appendix VII Donated PPE

Compliance Supplement  
Addendum – December 2020

- Federal agencies and recipients were allowed (OMB M-20-20) to donate personal protective equipment (PPE) purchased with federal assistance funds
  - If applicable, a footnote to SEFA should indicate the FMV at time of receipt
- Donated PPE does not affect the threshold for determining the single audit requirement or determining type A/B threshold for major programs

*Donated Personal Protective Equipment (PPE)*



214 Performing Effective and Efficient Single Audits

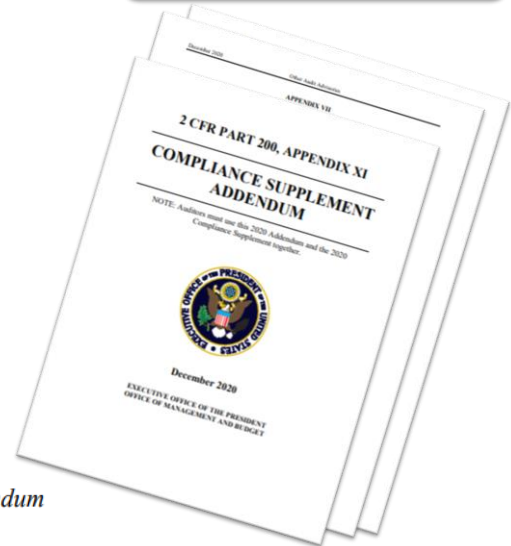
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## Addendum – Appendix VII Agency Guidance Document References

- Implementing guidance relating to COVID-19 may have been issued by federal agencies that evolves over time
  - Updates, FAQs, memos
  - Changes or deletions
- Consider compliance based on implementing guidance in effect at time of activity or transaction
  - Statutory and regulatory requirements
  - Terms and conditions of federal awards
  - Federal program guidance
- Include audit finding detail pursuant to the Uniform Guidance (200.516(b)(2))



Compliance Supplement  
Addendum – December 2020



*Agency Guidance Document References for Programs in the Addendum*

## Q&A

We will be happy to take questions at this time.

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Wednesday, August 18, 2021	The Virtual Firm	10:00am – 12:00pm
Tuesday, August 24, 2021	Helping Clients Though Challenging Times	9:00am – 5:00pm
Friday, September 10, 2021	Practice Development and Management	9:00am – 5:00pm

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