



PREPARING FOR A **SINGLE AUDIT**

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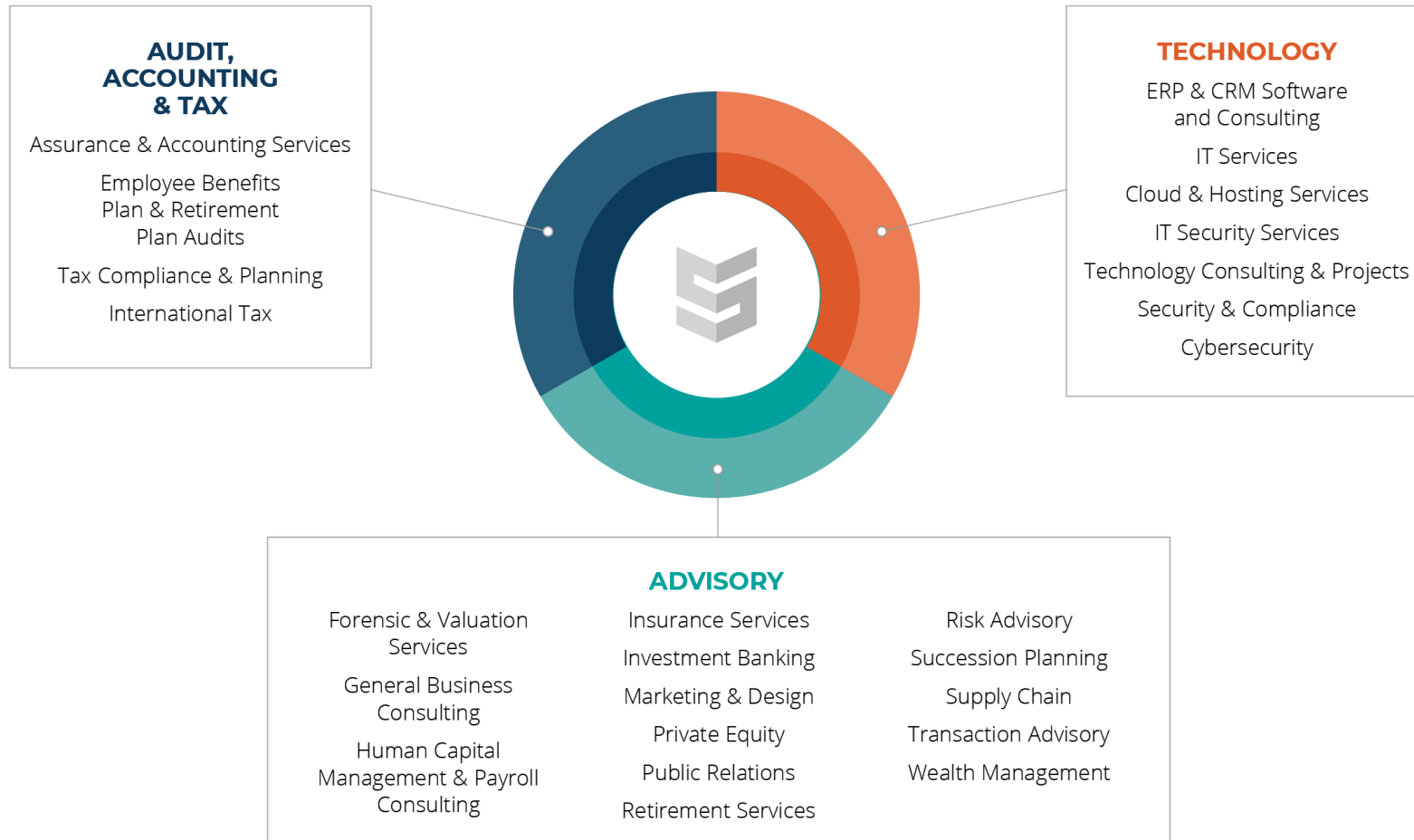


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SINGLE AUDIT **UNDER UNIFORM GUIDANCE OUTLINE**

- ✓ Single Audit History
- ✓ Uniform Guidance key areas
- ✓ Single Audit Planning
- ✓ Single Audit Compliance
- ✓ Single Audit Reporting Under Uniform Guidance

SINGLE AUDIT HISTORY

- Federal Register Notice Dated June 27, 2003
 - Increased expenditure threshold from \$300,000 to \$500,000 effective for years ending after December 31, 2003.
 - Expected to reduce number of Single Audits from 42,000 to 37,000, but only 1 percent of total expenditures (currently about 99 percent).
- Federal Register Notice Dated December 26, 2013
 - Increased expenditure threshold from \$500,000 to \$750,000 effective for years beginning after December 26, 2014.

UNIFORM GUIDANCE

- Uniform Guidance is contained in six subparts of 2 CFR Part 200:
 - **Subpart A**, “Acronyms and Definitions” contains acronyms and definitions used throughout the Uniform Guidance.
 - **Subpart B**, “General Provisions,” discusses general provisions including the purpose of the Uniform Guidance, its applicability and effective date.
 - **Subpart C**, “Pre-Federal Award Requirements and Contents of Federal Awards” covers the administrative requirements directed primarily at federal agencies.
 - **Subpart D**, “Post Federal Award Requirements” covers administrative requirements including procurement, internal control and subrecipient monitoring.
 - **Subpart E**, “Cost Principles,” includes uniform cost principles for federal awards.
 - **Subpart F**, “Audit Requirements,” includes the Single Audit requirements.

UNIFORM GUIDANCE – CONT.

- Section 200.112 – Conflict of Interest
 - Non-federal entity must disclose in writing any potential conflict of interest to the federal awarding agency or pass-through entity.
 - Program managers should be aware of contracts entered into under their program(s). This person should be assigned.
 - Responsible for notifying the proper staff and/or governing body (i.e., the key decision makers) about these contracts and soliciting written responses regarding conflicts of interest.
 - The same may be true for program participants. Relationships between those determining eligibility and program applicants should be disclosed.

UNIFORM GUIDANCE - CONT

- Section 200.113 – Mandatory Disclosures
 - A non-federal entity must disclose in a timely manner, in writing, to the federal awarding agency or pass-through entity all violations federal criminal law involving fraud, bribery and gratuity violations that could affect the federal award.

UNIFORM GUIDANCE – CONT.

Section 200.210 – Information Contained in a Federal Award from Pass-Through:

- Recipient name (must match name registered in Dun & Bradstreet (D-U-N-S))
- Recipient D-U-N-S number
- Unique Federal Award Identification Number (FAIN)
- Federal award date
- Period of Performance of Grant, including starting and ending date
- Amount of federal funds obligated and awarded
- General terms and conditions of grant
- Budget approved by federal awarding agency
- Approved cost sharing or matching (if applicable)
- Federal award project description
- Name of federal awarding agency
- Catalog of Federal Domestic Assistance (CFDA) number and name
- Identification on whether award is research and development (R&D)
- Indirect cost rate (if applicable) or if the de minimis rate of 10 percent is charged

UNIFORM GUIDANCE - CONT.

- Section 200.302 – Financial Management
 - Financial management system of the recipient of grant award must provide the following:
 - Identification of all federal awards by CFDA.
 - Accurate financial results of each federal award.
 - Records that identify the source and application of federal funds.
 - Effective control over all assets acquired with federal funds.
 - Comparison of expenditure and budgeted amount for each federal award.
 - Written procedures for determining allowability of costs.
 - CPA firm can not prepare the SEFA since according to Section 200.302 it is management's responsibility

UNIFORM GUIDANCE - CONT.

- Section 200.313 – Equipment
 - Minimum management requirements for equipment purchased with federal funds greater than \$5,000:
 - Property records must include description of property, serial number (if applicable), source of federal funds, entity name of who holds title, acquisition date and cost of equipment.
 - Physical inventory of federal property at least once every two years
 - Control system to safeguard asset from damage or theft
 - Adequate maintenance procedures
 - Sales or disposition procedures
 - Non-federal entity may deduct \$500 or 10 percent of proceeds (whichever is less) as a cost to sell the equipment.

UNIFORM GUIDANCE - CONT.

- Section 200.318 – General Procurement Standards
 - Must maintain written standards of conduct covering conflicts of interest.
 - Must avoid acquisition of unnecessary or duplicate items and considering consolidating procurements for more economical purchasing.
 - Encouragement to enter into intergovernmental agreements.
 - Use of surplus property before purchasing new equipment.
 - Must award contracts to only responsible contractors who possess the ability to perform the contract with integrity.
 - Must maintain records for the procurement history including rationale for selection of contractor and basis for contract price.

UNIFORM GUIDANCE - CONT.

- Section 200.320 – Methods of Procurement to be Followed
 - Micro-purchase Threshold
 - Micro-purchases of supplies and services have increased from \$3,500 to \$10,000 effective August 31, 2020. These purchases do NOT require quotes to be received and effort should be made to evenly distribute these purchases to qualified suppliers.
 - Simplified Acquisition Threshold
 - Small purchases from supplies and services between \$10,000 and \$250,000 do require quotes from qualified suppliers, but NO competitive bidding. This threshold was raised from \$150,000 to \$250,000 and is also effective August 31, 2020.
 - Sealed bids are required for purchases of \$250,000 or more and require public solicitation, firm fixed price contract is awarded and must include at least two responsible bidders. Bids will be opened publicly, and award is usually to lowest bidder (based on fixed price).

UNIFORM GUIDANCE - CONT.

- Section 200.320 – Methods of Procurement to be Followed (continued)
 - Sole source purchases are appropriate only under the circumstances listed below. These circumstances must be adequately documented.
 1. The item procured is only available from a single source,
 2. The purchase is in response to a public emergency that will not permit a delay resulting from the competitive process,
 3. The purchase is expressly authorized by awarding or pass-through agency in response to written request from auditee, or after soliciting a number of sources competition is deemed inadequate. Process must be adequately documented.

UNIFORM GUIDANCE - CONT.

- Section 200.325 – Bonding Requirements
 - Construction or facility improvements over \$150,000 must have the following:
 - Bid guarantee from each bidder equal to 5 percent of the bid price.
 - Bid bond or certified check are preferred
 - Performance bond on the part of the contractor for 100 percent of contract price.
 - Payment bond on the part of the contractor for 100 percent of the contract price.

UNIFORM GUIDANCE - CONT.

- Section 200.331 – Requirements for Pass-Through Entities
 - Ensure that subawards are clearly identified to subrecipient by including all the required federal award identification (CFDA, amount, term, etc.).
 - Monitoring the subrecipient includes:
 - Ensuring that the subaward is being used or authorized purposes.
 - Reviewing financial and programmatic reports.
 - Following-up on deficiencies noted in prior reviews.
 - Verifying that audit is conducted (and Single Audit if applicable) on subrecipient.
 - Considering agreed upon procedures, if necessary.

UNIFORM GUIDANCE - CONT.

- Section 200.414 – Indirect Costs
 - Organizations with federal negotiated indirect cost rates can apply for one-time extension of four years.
 - Entities without negotiated cost rates can use the de minimis rate of 10 percent of the modified total direct costs and can be used indefinitely until entity chooses to negotiate a rate.
 - Must be consistent with charging costs as direct and indirect
 - Need to check grant agreement for CARES Act grants to see if indirect cost allocations are permitted

UNIFORM GUIDANCE – CONT.

- Section 200.430 – Compensation: Personal Services
 - OMB concluded that the standards for documentation were unnecessarily burdensome and outdated in comparison to the current technology.
 - OMB is also concerned that findings in this area focus on incorrect documentation rather than internal control weaknesses or instances of fraud.
 - OMB does NOT require:
 - Semi-annual certifications for employees that spend 100 percent of their time on a single federal program.
 - Signed timesheets for non exempt employees or exempt employees that spend less than 100 percent of their time on a single federal program.
 - Now requires that records are:
 - Supported by system of internal controls that provides reasonable assurance that the charges are accurate, allowable and properly allocated.
 - Reasonably reflect the **total** activity for which the employee is compensated (both grant-related and non-grant-related).

UNIFORM GUIDANCE – CONT.

- Section 200.430 – Compensation: Personal Services
 - If the entity does not comply with new internal control standards, the old documentation rules will apply.
 - Budget estimates – do not qualify as support, but may be used on an interim basis
 - System of internal controls must include processes to review the after-the-fact interim charges and make all necessary adjustments such that the final amount charged is accurate.
 - Salaries used in meeting matching requirements are subject to the same rules.

UNIFORM GUIDANCE – CONT.

- **Implementation Tip –**

- The decision to change your current system is voluntary. New standards do not disallow the use of signed timesheets and semi-annual certifications. If this is working for you, no change is necessary, provided you meet the requirements of A-21/87/122 for documentation of personal service charges.

- **Implementation Tip –**

- For those employees that spend all or a portion of their time on federally funded programs, the decision to eliminate paper should include a system of verifiable approvals for all employees' time that is both charged to grants and not charged to grants. Segregation of duties and review/approval processes must be designed into the recordkeeping system.

UNIFORM GUIDANCE – CONT.

- Section 200.508 Auditee Responsibilities
 - Procure or arrange for audits required under Uniform Guidance and ensure they are submitted when due
 - Prepare appropriate financial statements including the Schedule of Expenditures of Federal Awards (SEFA)
 - Promptly follow up and take corrective action on audit findings
 - Provide auditor with access to personnel, books, records and supporting documentation

UNIFORM GUIDANCE – CONT.

- Section 200.509 Auditor Selection
 - Factors to be considered in evaluation of proposals include:
 - Responsiveness to requests for proposals
 - Relevant experience
 - Availability of staff with professional qualifications and technical abilities
 - Results of peer and external quality control reviews
 - Price
 - It is now required to request “most recent external peer review” from audit firm (previously only a best practice).

SINGLE AUDIT **PLANNING PROCEDURES**

- First step for the auditee is take an inventory of all grants received both federal and state
 - Important to verify each year that grant is state funded as some grants change classification so you can't assume if it was a state grant last year that it will always be a state grant
 - Need to remember this list must include grants where auditee is a direct recipient, a pass-through recipient, or a subrecipient since the total of ALL federal grants must be reported
 - Auditor will request to see all grant agreements so if they can be saved electronically and then sent to auditors it will save making copies of paper documents

SINGLE AUDIT **PLANNING PROCEDURES – CONT.**

- From the general ledger detailed expenditures on all grants must be analyzed since Single Audit is expenditure based and not when grants are received from outside party (Cost reimbursement basis)
 - For example, City ABC received notice that a \$1,000,000 grant was awarded to them on November 15, 2020 but the City only spent \$100,000 by the end of their calendar year ended December 31, 2020. Only \$100,000 would need to be reported the Schedule of Federal Expenditures as Single Audit expenditures.
 - Grant award periods are often not the same as fiscal periods of auditees but auditees only report what was expended during the fiscal period

SINGLE AUDIT **PLANNING PROCEDURES – CONT.**

- Subrecipients vs. Vendors
 - Characteristics of a subrecipient:
 - Determines who is eligible.
 - Is responsible for programmatic decision making.
 - Is responsible to ensure that applicable federal program compliance requirements are met.

SINGLE AUDIT **PLANNING PROCEDURES – CONT.**

- **Determining Federal Awards Expended**
 - Expenditures of funds and NOT the receipts of federal funds
 - Timing of expenditures could determine if Single Audit is required
 - Expenditure or expense transaction associated with grants
 - The disbursement of funds passed through to subrecipients
 - The use of loan proceeds under loan and loan guarantee programs for loans with continuing compliance requirements
 - Loss revenue is considered an expenditure for many American Rescue Plan Act of 2021 grants

SINGLE AUDIT **PLANNING PROCEDURES – CONT.**

- Uniform Guidance prescribes the following auditee responsibilities with regard to internal control
 - Establish and maintain effective internal control over federal awards so they are in compliance with federal statutes, regulations, and terms and conditions of federal awards
 - Evaluate and monitor their compliance with federal statutes, regulations, and terms and conditions of federal awards
 - Take prompt action when instances of noncompliance are identified
 - **Take reasonable measures to safeguard protected personally identifiable and other sensitive information**

SINGLE AUDIT **PLANNING PROCEDURES – CONT.**

- **Determining Federal Awards Expended (cont'd)**
 - The receipt of property
 - HUD donating property for a facility
 - Must be valued at FMV at the time of the receipt
 - The receipt and use of program income
 - The distribution or consumption of food commodities
 - Federal School Lunch Program, WIC Program
 - The period when insurance is in force
 - HUD provides insurance coverage on project

SINGLE AUDIT **PLANNING PROCEDURES – CONT.**

- Characteristics of a vendor:
 - Vendor provides goods and services within the normal course of business.
 - Vendor provides similar goods to many different purchasers.
 - Vendors operate in a competitive environment.
 - Vendors are not subject to compliance requirements of the federal programs.
 - An auditee may simultaneously be a recipient, a subrecipient and a contractor on the substance of its agreements with federal awarding agencies and pass-through agencies.
 - When auditee engages a contractor to perform work related to compliance with federal awards, the auditee retains its responsibility for ensuring compliance

SINGLE AUDIT **PLANNING PROCEDURES – CONT.**

- Catalog of Federal Domestic Assistance
 - Website – <https://beta.sam.gov> (formerly www.cfda.gov)
 - There are approximately 2,000 current Federal Programs
 - Federal Departments or Agencies
 - First two digits represent the Federal Agency
 - There could be federal grants without CFDA number. If this the case, you should use the first two digits of federal agency and then “.000”
 - For example, a HUD grant could be “14.000”
 - Last three digits identify specific program
 - Department of Education
 - 84.033 Federal Work Study
 - 84.063 Federal Pell Grant
 - If CFDA is not known, you should report two digit federal prefix followed by “UNKNOWN”

SINGLE AUDIT **PLANNING PROCEDURES – CONT.**

- Program Cluster – A group of closely related programs that share common compliance requirements.
 - Types of Clusters
 - Student Financial Aid Cluster (Pell Grant, Stafford Loans, Federal Work-Study)
 - Research and Development Cluster (all R&D grants are part of this one cluster)
 - Other
 - OMB in the Uniform Guidance Compliance Supplement determines all clusters (Part 5 of Compliance Supplement)
 - Cluster may include federal programs from multiple federal awarding agencies

OTHER SINGLE AUDIT **PLANNING PROCEDURES**

- Overall Auditee Risk Determination
- Major Program Determination

OVERALL AUDITEE RISK DETERMINATION

- Criteria for a Low-Risk Auditee:
 - Criteria must be examined for the **PRIOR TWO YEARS**
 - Single Audits must have been performed the previous two years.
 - **Data Collection Form submitted by the due date, which is the earlier of 30 days after receipt of the final report or nine months after year-end.**
 - Unmodified opinions on the financial statements and financial statements prepared in accordance with U.S. GAAP. (For example, a cash basis auditee can NOT be considered a low-risk auditee)
 - Auditor's in-relation to opinion on the schedule of expenditures of federal awards was unmodified.
 - No deficiencies in internal control over financial reporting identified as a ***material weakness*** under the requirements of *Government Auditing Standards*.
 - **The auditor did not report a substantial doubt about the auditee's ability to continue as a going concern.** (new under Uniform Guidance)

OVERALL AUDITEE RISK DETERMINATION – CONT.

- Criteria for a Low-Risk Auditee (continued):
 - Internal control deficiencies that were identified as *material weaknesses* in the auditor’s report on internal control for major programs.
 - A modified opinion on a major program in the auditor’s report on major programs.
 - Known or likely questioned costs exceeding 5 percent of the total federal awards expended for a Type A program during the audit period.
- Overall major program coverage is 40 percent for a high-risk auditee and 20 percent for a low-risk auditee (*change from 50 percent and 25 percent under previous guidance*).

MAJOR PROGRAM DETERMINATION

- Schedule of Federal Expenditures is the foundation for major program determination for the auditor. VERY IMPORTANT TO FOLLOW STEPS
- Step 1 in selecting major programs is to classify programs as Type A or Type B
 - Type A programs > \$750,000 or 3 percent of total federal expenditures over \$25M
 - Between \$25M and \$100M it is total times 3 percent
 - Between \$100M and \$1B, the Type A amount is \$3M
 - Safe harbor for large loan and loan guarantee programs
 - Note that Type B programs less than \$187,500 (25 percent of \$750,000) are NOT required to be assessed for high-risk

MAJOR PROGRAM DETERMINATION – CONT.

- Identification of Low-Risk Type A Programs
 - Formerly there was more judgment by the auditor surrounding the “inherent risk” of the Type A program. Much of this auditor judgment has been eliminated but it is still a risk-based approach
 - Criteria for a Type A program to be considered “low-risk”
 - Must have been audited as major in at least one of the previous two most recent audit periods. (Must test Type A programs every 3 years)
 - In the **most recent audit period** the program must NOT have:
 - Internal control deficiencies which were identified as ***material weaknesses*** on internal control for major programs.
 - Modified opinion on the program in the auditor’s report on major programs.
 - Known or likely questioned costs that exceed 5 percent of federal awards for that program.

MAJOR PROGRAM DETERMINATION – CONT.

- Identification of Low-Risk Type A Programs
 - Increased risk criteria that would preclude a Type A program from being low-risk
 - Oversight exercised by federal agencies or pass-through agencies from recent monitoring.
 - Results of audit follow-up (auditors determine corrective action plan from prior year was not addressed).
 - Any changes in personnel or systems affecting the program.
 - Note that if a new federal program is added to an existing cluster of programs this cluster must be chosen as major even if this cluster was audited as major last year
 - Exception: If new program added to cluster is LESS THAN \$187,500 (25% of \$750,000 Type A threshold) you do NOT need to audit program cluster if it is otherwise Low Risk

MAJOR PROGRAM **DETERMINATION – CONT.**

- Identification of High-Risk Type B Programs
 - Current and Prior Audit Experience:
 - Weaknesses in internal control over federal programs
 - Auditor considers control environment such as the competence and experience of personnel who administer the program.
 - If there are multiple internal control structures, is weakness isolated in one operating unit?
 - Extent federal funds are passed through to subrecipients affect risk.
 - Prior Audit Findings
 - Significant prior year findings, or prior year findings that have not been corrected, would indicate higher risk.
 - Federal programs not recently audited as major.

MAJOR PROGRAM **DETERMINATION** – CONT.

- Oversight Exercised by Federal Agencies and Pass-Through Entities
 - Results of audits or monitoring performed by other agencies
- Inherent Risk of Noncompliance of the Federal Program
 - Complexity, new federal programs, new program to agency

MAJOR PROGRAM DETERMINATION – CONT.

- All Type A programs *not identified* as Low Risk must be chosen
- No assessment of programs is required if there are no Type A programs.
- Must select High-Risk Type B programs in the amount of: one-fourth of the Low-Risk Type A programs. (It is required to “round up” if there are not at least four Low-Risk Type A programs)
- Always assess Type A programs first since if you have NO Low-Risk Type A programs you do NOT have to assess ANY Type B programs.
- In Summary, expect MORE Low-Risk Type A programs but NOT necessarily more High-Risk Type B programs.
- For an entity who is undergoing their first Single Audit, all Type A programs must be chosen as major (Since they could not have been tested in either of the two previous years)

MAJOR PROGRAM **DETERMINATION** – CONT.

- Common Major Program Determination Deficiencies
 - A federal program providing loans is considered a loan program if the loans expended are equal or exceed 50% of the total amount of program or cluster
 - Common with audits of Higher Education institutions – Student Financial Aid Cluster
 - SEE EXAMPLE ON NEXT SLIDE

MAJOR PROGRAM DETERMINATION- EXAMPLE

Anytown College

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

TRIO Cluster

84.042 Student Support Services	\$	700,000
84.047 Upward Bound		800,000
Total TRIO Cluster		1,500,000

Student Financial Aid Cluster

84.007 SEOG		150,000
84.033 Federal Work Study		200,000
84.063 PELL		15,000,000
84.268 Direct Loans		35,000,000
Total Student Financial Aid Cluster		50,350,000
Total Federal Expenditures	\$	51,850,000

Step

- 1 Is federal program providing loans (84.268 - \$35,000,000) more than 50% of total federal program cluster? YES. Go to Step 2
- 2 Is the total federal program cluster greater than FOUR TIMES the largest non-loan program or cluster? YES. Total Student Financial Aid Cluster to be backed out to determine Type A threshold

Type A Determination as Follows

Total Federal Expenditures	51,850,000
Subtract out "large loans"	(50,350,000)
Remaining federal expenditures	1,500,000

If under \$25,000,000 Type A threshold is \$750,000

If large loan was NOT backed out, auditor would have incorrectly calculated the Type A threshold to be \$1,555,500 (\$51,850,000 x .03)

TESTS OF CONTROLS

- Understanding design of control vs. testing of effectiveness of control
 - Understand design of control – ***“What did the entity do to ensure compliance?”***
 - Inquiries of personnel –both in finance and the grant function
 - Walkthrough of control
 - Conclude that design is proper
 - Test effectiveness of control – ***“Did entity comply?”***
 - Inspection of documentation and other audit evidence
 - Observation of the application of a specific control
 - Testing of individual transactions (payroll and non-payroll)
- During testing of internal controls, auditors are primarily concerned about the rates of deviation from a prescribed control

TESTS OF CONTROLS – CONT.

- Internal controls will be tested for all relevant compliance requirements for each major program selected
- Auditors can not just perform walkthroughs of control which is typically done in a financial audit
- Auditee will assist auditor with documenting controls but auditor must then test those controls
- Internal control testing must be adequate to express opinion on internal control in Single Audit report

TESTS OF CONTROLS – CONT.

- Five components of internal control
 - Control environment
 - Risk assessment
 - Control activities
 - Information and communication
 - Monitoring activities

SINGLE AUDIT **COMPLIANCE PROCEDURES**

- OMB Compliance Supplement
 - Audit objectives for a major program found in the Compliance Supplement should be considered during planning and performing the Single Audit
 - Supplement highlights all new or discontinued programs
 - New mandate given to federal agencies to limit the number of compliance requirements for each program to 6 (out of 12) but Activities Allowed and Unallowed and B. Allowable Costs and Cost Principles are treated as one requirement
 - Part 5 of the Compliance Supplement lists all the Program Clusters

SINGLE AUDIT COMPLIANCE

- Twelve Compliance Requirements (formerly fourteen)
 - A - Activities Allowed or Unallowed
 - B - Allowable Costs / Costs Principles
 - C - Cash Management
 - **D - not in use (formerly Davis Bacon Act)**
 - E - Eligibility
 - F - Equipment and Real Property Management
 - G - Matching, Level of Effort, Earmarking

SINGLE AUDIT COMPLIANCE – CONT.

- Twelve Compliance Requirements (cont'd)
 - H - Period of Performance (renamed from Period of Availability of Federal Funds)
 - I - Procurement and Suspension and Debarment
 - J - Program Income
 - K - **not in use (formerly Real Property Acquisition and Relocation Assistance)**
 - L - Reporting
 - M - Subrecipient Monitoring
 - N - Special Tests and Provisions

- Two compliance requirements no longer included in compliance supplement, but MAY be included in “Special Tests and Provisions:”
 - Davis-Bacon Act
 - Real Property Acquisition and Relocation Assistance

REPORTING UNDER UNIFORM GUIDANCE

- Reporting Package should include:
 - Financial statements with audit reports
 - Schedule of Expenditures of Federal Awards
 - Schedule of Findings and Questioned Costs
 - Summary schedule of prior audit findings

REPORTING UNDER UNIFORM GUIDANCE – CONT.

■ Single Audit Reports

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Federal Expenditures of Federal Awards Required by the Uniform Guidance
- Opinion on Schedule of Federal Expenditures

REPORTING UNDER UNIFORM GUIDANCE – CONT.

- List individual federal programs by federal agency
- Schedule of Federal Expenditures (SEFA) should be for same period as financial statements
- Provide total of federal awards expended for each CFDA number

REPORTING UNDER UNIFORM GUIDANCE- CONT.

- Other
 - Identify major program(s)
 - Identify program clusters (use Compliance Supplement part 5 for list of clusters)
 - Identify grant year if expending occurs in more than one grant year
 - List grantor pass-through numbers if applicable
 - Indicate amount provided to subrecipients in a separate column to show amount passed through by each CFDA#
 - Loans and loan guarantees must be included on face of SEFA (OMB A-133 permitted showing on face or in the notes)
 - Non-cash assistance must be included on included on face of SEFA (OMB A-133 permitted showing on face or in the notes)
 - COVID-19 must be a “prefix” on all Coronavirus related grant programs

REPORTING UNDER UNIFORM GUIDANCE – CONT.

- Notes on Schedule
 - Include in notes the significant accounting policies used in preparing schedule which includes the basis of accounting used to prepare schedule of federal expenditures
 - Value of federal awards expended for non-cash assistance
 - Amount of insurance in effect during the year
 - Amount of loans or loan guarantees outstanding at year-end (loans expended to be reported on face of SEFA)
 - Notes need to mention if the entity used the de minimis indirect cost rate

REPORTING UNDER UNIFORM GUIDANCE – CONT.

- Schedule of Findings and Questioned Costs
 - Summary of Auditor's Results
 - Financial Statement Findings
 - Federal Award Findings and Questioned Costs
 - Prior Year Findings and Questioned Costs

REPORTING UNDER UNIFORM GUIDANCE – CONT.

- Findings include:
 - Control deficiencies, significant deficiencies and material weaknesses in internal control over major programs.
 - Material noncompliance with the provisions of laws, regulations, contracts or grant agreements related to a major program.
 - Schedule of Prior Audit Findings contains material misrepresentations on the status of a prior finding.

REPORTING UNDER UNIFORM GUIDANCE – CONT.

- Elements of a Finding:
 - Criteria – What should have occurred?
 - Condition – What did occur?
 - Context – What work was performed that identified the finding?
 - Effect – What are the consequences or potential consequences from the finding?
Cause – What caused the finding to happen?
 - Auditor recommendations – What would we recommend to correct the finding currently and in the future?
 - Views of Responsible Officials – Does mgmt. agree with finding?
 - Corrective Action Plan – What the client plans to do to resolve the finding?
 - For Major Program Findings (Section III) include CFDA number

REPORTING UNDER UNIFORM GUIDANCE – CONT.

- Corrective Action Plan

- Plan must come from client on auditee's letterhead. Auditors must review it, however, auditors do NOT issue an opinion on the plan.
- Auditor is required to follow-up to note that prior year findings have been corrected or these findings may be repeated in current year.
- Important to note who is responsible to correct the finding and when will the corrective action occur.

REPORTING UNDER UNIFORM GUIDANCE – CONT.

- Prior Year Findings and Questioned Costs
 - Uniform Guidance requires findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and prior year federal award findings to be included in the summary schedule of prior audit findings

REPORTING UNDER UNIFORM GUIDANCE – CONT.

- Data Collection Form (Federal Audit Clearinghouse reporting)
 - Online Preparation
 - Website – <http://harvester.census.gov/fac>
 - Due the **earlier** of 30 days after final Single Audit Report is received by the client **OR** nine months after the fiscal year end.
 - Late submission of Data Collection Form results in Auditee being considered a HIGH RISK AUDITEE the following year
 - Single Audit reports available at Federal Audit Clearinghouse.
 - Under the Uniform Guidance, auditee must make copies of data collection form and reporting package available for public inspection.

THANK YOU



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