



2017 Single Audit Update

July 25, 2017
Webinar

Presented in association with



Presented by:



Stephen W. Blann, CPA, CGFM, CGMA
Director of Governmental Audit Quality
Rehmann

Outline

- Components of a Single Audit
- The Uniform Grant Guidance
 - Major changes/challenges
 - 2017 Compliance Supplement

Components of a Single Audit

- Financial statement audit (GAAS)
- Conducted in accordance with *Government Auditing Standards* (GAGAS or the “Yellow Book”)
- Compliance audit of federal awards expended (Uniform Guidance/2 CFR 200)

Components of a Single Audit

Financial Statement Audit

- Results in an opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles

Components of a Single Audit

Government Auditing Standards

- Builds on the foundation of GAAS
 - Adds requirements for auditor independence and continuing professional education
- Results in a report (not an opinion) on matters related to internal control over financial reporting that came to the auditors' attention during the audit

Components of a Single Audit

Compliance Audit of Federal Awards

- Builds on the foundation of GAAS and GAGAS
 - Adds compliance testing for “major federal programs”
- Results in:
 - An opinion on major program compliance
 - A report (not an opinion) on matters related to internal control over compliance that came to the auditors’ attention during the audit
 - An opinion on the Schedule of Expenditures of Federal Awards (SEFA) in-relation-to the financial statements

Uniform Guidance (2 CFR 200)

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Combined all related OMB guidance into one location
 - Administrative requirements (A-102, A-110)
 - Federal cost principles (A-21, A-87, A-122)
 - Single audit (A-133, A-89, parts of A-50)

Uniform Guidance (2 CFR 200)

- A. Acronyms and Definitions
- B. General Provisions
- C. Pre-Award Requirements and Contents of Federal Awards
- D. Post-Award Requirements
- E. Cost Principles
- F. Audit Requirements

Uniform Guidance: Appendices

- I. Notice of funding opportunity
- II. Contract provisions
- III. Indirect costs – Higher Ed
- IV. Indirect costs – Nonprofits
- V. SLG-wide central service cost allocation plans
- VI. Public assistance cost allocation plans
- VII. SLG indirect cost proposals
- VIII. Nonprofits exempted from federal cost principles
- IX. Hospital cost principles
- X. Data Collection Form (SF-SAC)
- XI. Compliance Supplement

Uniform Guidance (2 CFR 200)

Major Changes / Challenges

- The Uniform Guidance has been phasing in since 2015
- Some of the changes were easy... some less so

Uniform Guidance (2 CFR 200)

Major Changes

- Required information in award documents:
 - General information:
 - Recipient name/DUNS number
 - Federal Award Identification Number (FAIN)
 - Award date/period of performance
 - CFDA number/name
 - Total award amount/budget
 - Indirect cost rate
 - Terms and conditions (general/specific)
 - Performance goals

Uniform Guidance (2 CFR 200)

Major Changes

- General vs. Specific conditions
 - Based on the risk assessment, federal agencies may impose specific requirements
 - Must notify the applicant of the special conditions, the reason they were imposed, and the action required to remove them
 - Must “promptly remove” special conditions once the underlying issue is corrected

Uniform Guidance (2 CFR 200)

Major Changes

- Written procedures:
 - Recommended for all compliance areas
 - Required for implementing:
 - §200.305 Payments
 - §200.318 Procurement (including conflict of interest)
 - Allowability of costs (Subpart E, Cost Principles)
 - §200.430-431 Compensation (personnel & benefits)
 - §200.474 Travel costs

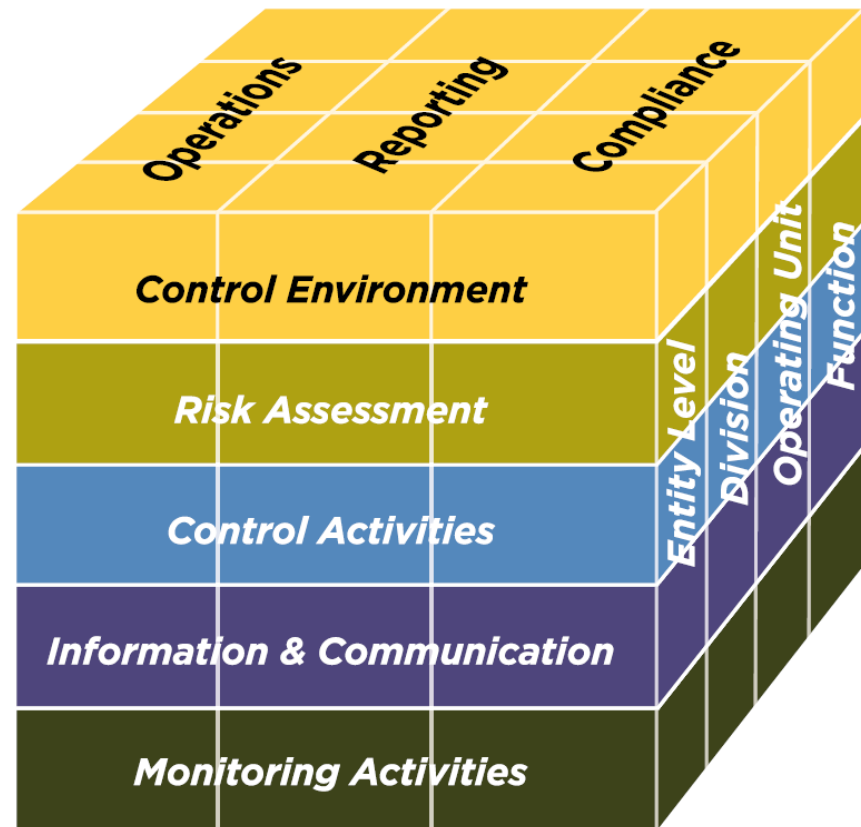
Uniform Guidance (2 CFR 200)

Major Changes

- Internal controls:
 - Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award
 - “Should” be consistent with COSO (see CS Part 6)

COSO: Internal Control

- 3 Objectives
- 5 Components
- 17 Principles
 - Applicable to each level of an organization



Control Environment

- The set of standards, processes, and structures that provide the basis for carrying out internal control across the organization
 - Principle 1: Demonstrates Commitment to Integrity and Ethical Values
 - Principle 2: Exercises Oversight Responsibility
 - Principle 3: Establishes Structure, Authority, and Responsibility
 - Principle 4: Demonstrates Commitment to Competence
 - Principle 5: Enforces Accountability

Risk Assessment

- A dynamic and iterative process for identifying and assessing the possibility that an event will occur and adversely affect the achievement of objectives
 - Principle 6: Specifies Suitable Objectives
 - Principle 7: Identifies and Analyzes Risk
 - Principle 8: Assesses Fraud Risk
 - Principle 9: Identifies and Analyzes Significant Change

Control Activities

- The actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out
 - Principle 10: Selects/Develops Control Activities
 - Principle 11: Selects and Develops General Controls over Technology
 - Principle 12: Deploys Policies and Procedures

Information and Communication

- The continual, iterative process of providing, sharing, and obtaining necessary information to carry out internal control responsibilities to support the achievement of the entity's objectives
 - Principle 13: Uses Relevant Information
 - Principle 14: Communicates Internally
 - Principle 15: Communicates Externally

Monitoring Activities

- Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to effect the principles within each component, is present and functioning
 - Principle 16: Conducts Ongoing / Separate Evaluations
 - Principle 17: Evaluates and Communicates Deficiencies

CPE Prompt 1 of 4

- Which of these statements about internal controls over federal programs is FALSE:
 - A. Grantees should have written policies and procedures
 - B. Policies and procedures should conform to COSO
 - C. Existing policies should be reviewed and updated, as necessary
 - D. All grantees should adopt the uniform policies provided by the OMB

Uniform Guidance (2 CFR 200)

Major Changes

- Payments:
 - States are governed by separate agreements
 - All others:
 - Advances are required if procedures exist to minimize time between receiving and disbursing federal funds
 - Reimbursement is preferred if this requirement cannot be met or if required by specific conditions
 - Working capital advances may be provided as needed

Uniform Guidance (2 CFR 200)

Major Changes

- Budget revisions requiring prior approval:
 - Change in scope/objective of program
 - Change in key personnel listed in the application
 - Disengagement from project for more than 3 months
 - Inclusion of costs requiring prior approval
 - Transfer of “participant support costs” to other lines
 - Issuing subawards not in the application
 - Changes to cost-sharing/matching provided

Uniform Guidance (2 CFR 200)

Major Changes

- Procurement standards:
 - States may follow their own policies and procedures
 - All others must follow the general procurement standards
 - Use documented procurement procedures
 - No conflicts of interest
 - Consider most economical purchase option
 - *Grace period of ~~one~~ ~~two~~ three fiscal years*

Uniform Guidance (2 CFR 200)

Major Changes

- Procurement standards:
 - All procurement transactions must be conducted in a manner providing full and open competition
 - Methods:
 - Micro purchases < \$3,500* (need only be “reasonable”)
 - Small purchases < \$150,000 (obtain price quotes)
 - Over \$150,000:
 - Sealed bids/formal advertising
 - Competitive proposals
 - Noncompetitive proposals (sole source)

Uniform Guidance (2 CFR 200)

Major Changes

- Federal cost principles:
 - Applying these cost principles “should require no significant changes to sound internal accounting policies/procedures”
 - The “total cost” of a Federal award is the sum of the **allowable** direct and **allocable** indirect costs less any **applicable credits**

Uniform Guidance (2 CFR 200)

Major Changes

- Federal cost principles:
 - “Allowable” costs:
 - Necessary and **reasonable** for the performance of the Federal award
 - Conform to any limitations or exclusions set forth in these principles
 - Consistent with **policies and procedures** that **apply uniformly** to both federally-financed and other activities of the non-Federal entity

Uniform Guidance (2 CFR 200)

Major Changes

- Federal cost principles:
 - “Allowable” costs:
 - Accorded consistent treatment (direct vs. indirect)
 - Determined in accordance with generally accepted accounting principles
 - Not included as a cost or used to meet cost sharing or matching requirements of any other federally financed program
 - Adequately documented

Uniform Guidance (2 CFR 200)

Major Changes

- Federal cost principles:
 - Compensation—personal services
 - Allowable if:
 - Reasonable for services rendered
 - Follows local hiring policies
 - Determined and supported in accordance with “Standards for Documentation” of Personnel Expenses

Uniform Guidance (2 CFR 200)

Major Changes

- Federal cost principles:
 - Compensation—personal services
 - Records that accurately reflect the work performed
 - Supported by a system of internal control
 - Incorporated into the official records of the non-Federal entity
 - Reasonably reflect the total compensated activity (100%)
 - Encompass both federal and non-federal activity
 - Comply with established accounting policies/practices
 - Support the distribution of salaries/wages among activities

Uniform Guidance (2 CFR 200)

Major Changes

- Federal cost principles:
 - Compensation—personal services
 - Budget estimates (before the fact) alone are not sufficient, unless:
 - The system for budgeting produces a reasonable estimate
 - Significant changes in actual work are identified and corrected
 - Short-term fluctuations may be excluded, if the budget is reasonable over the longer term
 - Internal controls include an after-the-fact review of budgeted charges, and makes corrections as necessary

Uniform Guidance (2 CFR 200)

Major Changes

- Federal cost principles:

- Compensation—personal services

- New guidance is much more principles-based

The focus in this final guidance on overall internal controls mitigates the risk that a non-Federal entity or their auditor will focus solely on prescribed procedures such as reports, certifications, or certification time periods which alone may be ineffective in assuring full accountability.

Uniform Guidance (2 CFR 200)

Major Changes

- Single audit thresholds:
 - Threshold for a single audit
 - Increased from \$500k to \$750k
 - Type A/B Threshold
 - Increased from \$300k to \$750k

Uniform Guidance (2 CFR 200)

Major Changes

- Single audit thresholds:
 - Type B programs
 - Large Type B threshold changed from \$100k to 25% of Type A threshold
 - Only required to test $\frac{1}{4}$ of high-risk Type B programs (instead of $\frac{1}{2}$)
 - Percent of coverage
 - Coverage reduced from 50% to 40%
 - Low-risk coverage reduced from 25% to 20%

Uniform Guidance (2 CFR 200)

Major Changes

- Other single audit changes:
 - SEFA
 - Must include the total amount provided to subrecipients on the face
 - Corrective Action Plan
 - Separate document from the auditor's findings
 - Provide the name(s) of the contact person(s) responsible for corrective action the corrective action planned, and the anticipated completion date

CPE Prompt 2 of 4

- When charging personnel costs to a federal grant, a grantee should:
 - A. Follow its own documented personnel policies
 - B. Allocate costs between programs on a reasonable basis
 - C. Conform to the standards of documentation found in the Uniform Guidance
 - D. All of the above

Uniform Guidance (2 CFR 200)

Major Challenges

- Effective/applicability date:
 - Technically:
 - Federal agencies by 12/26/2014
 - New grants awarded after 12/26/2014
 - Audits of years beginning on or after 12/26/2014
 - Practically:
 - 01/01/2015 for grants management
 - 12/31/2015 for single audits

Uniform Guidance (2 CFR 200)

Major Challenges

- Effective/applicability date:
 - Grants
 - Based on when funds were awarded
 - Old: Follow OMB Circulars (A-102/110 & A-21/87/122)
 - New: Follow Uniform Guidance
 - Single Audits
 - Based on fiscal year end being audited
 - Old: Follow OMB Circular A-133
 - New: Follow Uniform Guidance

Uniform Guidance (2 CFR 200)

Major Challenges

- Effective/applicability date:
 - GAQC warns that not all federal agencies have updated their checklists for the change
 - Auditors have received letters advising them to revise the reports to reference the old A-133 (don't do that!)

Uniform Guidance (2 CFR 200)

Major Challenges

- Effective/applicability date:
 - Early implementation
 - Administrative requirements and cost principles may be applied to all grants effective 12/26/2014 without penalty
- (source: COFAR FAQ .110-12 and .110-13)*
- If this option is not selected, auditees are required to separately identify which federal awards are following the old cost circulars and which are under the UG

Uniform Guidance (2 CFR 200)

Major Challenges

- Subrecipient monitoring:
 - Requirements moved from the CS to Subpart D
 - Increased thresholds mean fewer subrecipient audit reports to rely on
 - Subrecipient audit reports are only one part of a comprehensive subrecipient monitoring process
 - Documented risk assessment
 - Monitoring, as appropriate

Major Challenges

- Indirect costs and the *de minimis* rate:
 - Indirect (F&A) costs:
 - Classified as “facilities” (space costs) or “administration” (overhead costs)
 - Cannot be identified specifically with a particular final cost objective

Uniform Guidance (2 CFR 200)

Major Challenges

- Indirect costs and the *de minimis* rate:
 - Indirect (F&A) costs:
 - If there is a federally “negotiated rate”, it must be accepted by all federal agencies
 - Otherwise, use a 10% MTDC *de minimus* rate
 - Pass-through entities may, but are not required to, negotiate a rate with a proposed subrecipient who asks to do so (FAQ .331-6)

Uniform Guidance (2 CFR 200)

Major Challenges

- Indirect costs and the *de minimis* rate:
 - Modified Total Direct Costs (MTDC):
 - Includes:
 - Salaries and wages
 - Fringe benefits
 - Materials and supplies
 - Services
 - Travel
 - Subgrants and subcontracts up to the first \$25,000 of each subaward

Uniform Guidance (2 CFR 200)

Major Challenges

- Indirect costs and the *de minimis* rate:
 - Modified Total Direct Costs (MTDC):
 - Excludes:
 - Equipment and capital expenditures
 - Rental costs
 - Charges for patient care
 - Tuition remission, scholarships, and fellowships
 - Participant support costs
 - Portion of each subaward and subcontract in excess of \$25,000

Uniform Guidance (2 CFR 200)

Major Challenges

- Major program selection:
 - Consider by CFDA number or cluster
 - Divide programs into Type A and B
 - Cut-off starts at \$750,000 and goes up to \$3,000,000 as federal expenditures range from \$25M-\$100M
 - Assess risk of Type A programs
 - Type A programs that are not low-risk are major
 - Type A programs that are low-risk (previously audited with no MW) are temporarily set aside, but may still be major

Uniform Guidance (2 CFR 200)

Major Challenges

- Major program selection:
 - If necessary, identify high-risk Type B programs
 - Only required if there is a low-risk Type A program
 - Limited to “larger” Type B programs (>25% of the Type A threshold)
 - Only **required to assess** one high-risk Type B program for every four low-risk Type A programs (25% of the low-risk Type A programs)
 - All Type B programs assessed as high-risk are major

Uniform Guidance (2 CFR 200)

Major Challenges

- Major program selection:
 - Determine if percentage of coverage is met
 - Required to test 40% of SEFA
 - For low-risk auditees, only test 20% of SEFA
 - Clean single audit for two years (no material findings)
 - Filed on time* with the Clearinghouse
 - Select additional programs (auditor's choice) until coverage is met

Uniform Guidance (2 CFR 200)

Major Challenges

- Controls/compliance testing:
 - Auditors are required to **separately document**:
 - Direct/material compliance requirements
 - Whether the auditee actually complied
 - Internal controls over compliance
 - Consider COSO components / principles
 - Results of testing internal controls over compliance
 - Sufficient to support a low assessed level of control risk

Uniform Guidance (2 CFR 200)

Major Challenges

- Data Collection Form
 - Preparation of the auditee-sections of the DCF is a nonaudit service
 - Document threats/safeguards
 - Federal Audit Clearinghouse has been offline a lot lately
 - Still considered “timely” filed, if submitted within the extended deadlines

2 CFR 200, Appendix XI

2017 Compliance Supplement

- Issued annually to assist auditors conducting single audits and identify auditee responsibilities
- The 2017 update is “in final clearance at OMB” (with no ETA), but a draft is available at:
 - <http://www.aicpa.org/InterestAreas/GovernmentalAuditQuality/Resources/SingleAudit/UniformGuidanceforFederalRewards/Pages/OMBDraft2017CS.aspx>
- Almost 1,600 pages long, but still not all-inclusive

2 CFR 200, Appendix XI

2017 Compliance Supplement

- Part 1 – Background, Purpose, and Applicability
- Part 2 – Matrix of Compliance Requirements
- Part 3 – Compliance Requirements
- Part 4 – Agency Program Requirements
- Part 5 – Clusters of Programs
- Part 6 – Internal Control
- Part 7 – Guidance For Auditing Programs Not Included in this Compliance Supplement
- Appendices

Part 1

Background, Purpose, and Applicability

- Effective for June 30, 2017 FYE audits and later
- Safe Harbor Status:
 - The CS is updated annually, but laws change periodically, and delays are normal
 - Auditors should perform reasonable procedures to ensure compliance requirements are current
 - “Suggested audit procedures” are, as the name implies, only suggested – apply auditor judgment to achieve stated objectives

Part 2

Matrix of Compliance Requirements

- Lists all programs included in the Supplement and which compliance areas may apply to each
- Areas marked as applicable (“Y”) may not apply at a particular entity (or not be direct and material)
- Areas marked as not applicable (“N”) may infrequently still have a direct and material effect on a major program

Part 2

Matrix of Compliance Requirements

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this Federal program, the auditor **must** determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements apply, and then determine which of the applicable requirements is likely to have a direct and material effect on the Federal program at the auditee. For each such requirement, the auditor **must** use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit.

<i>A.</i>	<i>B.</i>	<i>C.</i>	<i>E.</i>	<i>F.</i>	<i>G.</i>	<i>H.</i>	<i>I.</i>	<i>J.</i>	<i>L.</i>	<i>M.</i>
<i>Activities covered or allowed</i>	<i>Allowable Costs/Cost Principles</i>	<i>Cash Management</i>	<i>Eligibility</i>	<i>Equipment and Real Property Management</i>	<i>Matching, Level of Effort, Earmarking</i>	<i>Period of Performance</i>	<i>Procurement and Suspension and Debarment</i>	<i>Program Income</i>	<i>Reporting</i>	<i>Subrecipient Monitoring</i>
Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y

CPE Prompt 3 of 4

- Auditors are expected to:
 - A. Perform only those tests specifically included in the compliance supplement
 - B. Apply professional judgment in determining what tests to perform
 - C. Request instructions from the grantor agency for programs not included in the CS
 - D. Only select programs for testing that are included in the CS

Part 3

Compliance Requirements

- Contains general guidance that applies to all programs (not repeated in Parts 4 and 5)
- Transitional guidance
 - Part 3.1 – OMB Circulars
 - Part 3.2 – Uniform Guidance

Part 3

Compliance Requirements

We would anticipate that for many of the changes, non-Federal entities with both old and new awards may make changes to their entity-wide policies (for example payroll or procurement systems).

Practically speaking, these changes would impact their existing/older awards. Non-Federal entities wishing to implement entity-wide system changes to comply with the Uniform Guidance after the effective date of December 26, 2014 will not be penalized for doing so.

COFAR FAQ .110-13

Part 3 - Compliance Requirements

A. Activities Allowed or Unallowed

- Generally unique to each Federal program
(refer to Parts 4 and 5)

Part 3 - Compliance Requirements

B. Allowable Costs/Cost Principles

- Federal cost principles:
 - OMB Circulars A-87, A-21, and A-122
 - 2 CFR 200, Subpart E
- Basic guidelines:
 - Reasonable/necessary
 - Allocable to the federal award
 - Adequately documented

Part 3 - Compliance Requirements

C. Cash Management

- Part 3.1:
 - Reimbursement based grants – program costs paid for by entity funds before reimbursement is requested
 - Advance payment grants – minimize the time elapsing between transfer of funds from the US Treasury and disbursement
 - 31 CFR part 205 (Cash Management Improvement Act of 1990) generally limits advances to 3 days

Part 3 - Compliance Requirements

C. Cash Management

- Part 3.2:
 - Advance payment
 - Preferred when written procedures exist for minimizing the time elapsing between transfer of funds from the US Treasury and disbursement
 - Reimbursement method
 - Used when no written policies exist, when required by specific conditions, or upon request of the grantee

Part 3 - Compliance Requirements

D. [Reserved]

- Formerly used for Davis-Bacon Act compliance
- Moved to 20.001 Wage Rate Determination cross-cutting section

Part 3 - Compliance Requirements

E. Eligibility

- Generally unique to each Federal program (refer to Parts 4 and 5)
- May apply to:
 - Individuals
 - Groups / areas of service delivery
 - Subrecipients

Part 3 - Compliance Requirements

F. Equipment/Real Property Mgmt

- Title to equipment (>\$5,000) purchased with federal funds rests with the non-federal entity
 - Property records must be maintained
 - Inventory taken every 2 years
 - Proceeds from sale may be reinvested or returned to the federal government

Part 3 - Compliance Requirements

G. Matching, Level of Effort, Earmarking

- Generally unique to each Federal program (refer to Parts 4 and 5)
 - *Matching* – local/in-kind contributions
 - *Level of Effort* – supplement vs. supplant
 - *Earmarking* - % of funding used for specific purposes

Part 3 - Compliance Requirements

H. Period of Performance

- Federal funds may only be expended during the time specified in the grant agreement
- Unpaid obligations must generally be liquidated within 90 days of the end of the funding period

Part 3 - Compliance Requirements

I. Procurement, Suspension/Debarment

- Part 3.1:
 - Procurement – follow local practices
 - Federal awarding agency approval may be required for procurements over \$100,000 (unless notified in writing by the grantor that the amount was raised)
 - Also applies if a non-Federal entity elects to delay implementation of the new procurement standards of the Uniform Guidance (permitted for one year)

Part 3 - Compliance Requirements

I. Procurement, Suspension/Debarment

- Part 3.2:
 - Procurement – follow local practices
 - Micro-purchase < \$3,500* (need only be “reasonable”)
 - Small purchase < \$150,000 (obtain price quotes)
 - Over \$150,000:
 - Sealed bids
 - Competitive proposals
 - Noncompetitive proposals
 - Grace period of ~~one~~ ~~two~~ three years

Part 3 - Compliance Requirements

I. Procurement, Suspension/Debarment

- Suspension and debarment
 - No “covered transactions” with federally blacklisted parties
 - Procurement contracts for goods or services expected to exceed \$25,000
 - All non-procurement transactions (subawards)
 - See www.sam.gov for the list of excluded parties

Part 3 - Compliance Requirements

J. Program Income

- Gross income directly generated by a federally funded project
 - Fees
 - Interest
 - Refunds / proceeds from sales
- May be deducted from program costs, added to the budget, or used to meet matching requirements

Part 3 - Compliance Requirements

K. [Reserved]

- Formerly Real Property Acquisition/Relocation Assistance

Part 3 - Compliance Requirements

L. Reporting

- Use of standard OMB forms (SF-270 & SF-425)
- Federal Funding Accountability and Transparency Act (FFATA) requirements have been removed from the compliance supplement

Part 3 - Compliance Requirements

M. Subrecipient Monitoring

- Part 3.1:
 - Responsibilities of pass-through entities:
 - Determining Subrecipient Eligibility
 - ARRA - Central Contractor Registration (CCR)
 - Award Identification
 - During-the-Award Monitoring
 - Subrecipient Audits
 - Ensuring Accountability of For-Profit Subrecipients
 - Pass-Through Entity Impact

Part 3 - Compliance Requirements

M. Subrecipient Monitoring

- Part 3.2:
 - Responsibilities of pass-through entities:
 - Identify the Award and Applicable Requirements
 - Evaluate Risk
 - Monitor
 - Ensure Accountability of For-Profit Subrecipients

Part 3 - Compliance Requirements

N. Special Tests and Provisions

- Generally unique to each Federal program (refer to Parts 4 and 5)
- Part 3.1 ARRA Special Tests and Provisions:
 - Separate accountability for ARRA funding
 - Presentation on SEFA and Data Collection Form
 - Subrecipient monitoring

CPE Prompt 4 of 4

- Which of the following statements are true?
 - A. Auditors only test compliance requirements that are applicable to a particular program
 - B. Auditors only test requirements that could have a direct and material effect on compliance
 - C. Grant recipients may still be subject to compliance requirements, even if the auditor doesn't elect to test them during an audit
 - D. All of the above

Part 4

Agency Program Requirements

- Lists specific compliance requirements, audit objectives, and suggested audit procedures for approximately 200 individual programs
 - There are approximately 1,600 active CFDA numbers per www.cfda.gov
- Certain federal agencies have cross-cutting sections that apply to multiple grants

Part 5

Clusters of Programs

- Clusters are groupings of CFDA numbers that are treated as if they are a single program for purposes of the single audit
 - Research and Development (R&D)
 - Student Financial Assistance (SFA)
 - Other clusters (approx. 35)

Part 6

Internal Control

- Includes the 5 components and 17 principles of COSO previously discussed

Part 7

Programs Not Included in the CS

- Provides guidance on identifying applicable compliance requirements, and determining appropriate audit procedures

Appendix I

Federal Programs Excluded

- A (very) few federal programs are not subject to the Uniform Grant Guidance or

Appendix II

Federal Agency Codification

- Gives the location in the Federal Register for each agency's codification of the Uniform Guidance
 - Some agencies may have made changes to the general rule

Appendix III

Federal Agency Single Audit Contacts

- Contact information for each federal agency
 - Includes names, phone numbers, and email addresses

Appendix IV

Internal Reference Tables

- List of programs with the location of any “other information” provided
 - Testing
 - SEFA presentation
 - Other

Appendix V

List of Changes in the 2017 CS

- *Be sure to review this section once the 2017 Compliance Supplement is released to ensure that all relevant changes have been noted*

Appendix VI

Program-Specific Audit Guides

- Lists separately published program-specific audit guides available
 - Includes the HUD Consolidated Audit Guide

Appendix VII

Other Advisories

- Reminder that audits submitted to the FAC within the *extended* deadlines are still considered to be timely completed and filed
- Various other items of limited applicability

Appendix VIII

Examinations of EBT Service Orgs

- Applicable to States that administer electronic benefit transfers (EBT) through service organizations
 - No significant changes from 2016

Appendix IX

Compliance Supplement Core Team

- List of team members who participated in updating the Compliance Supplement

SF-SAC

Data Collection Form

- Required for all Single Audits
- Due 9 months after fiscal year end, or 30 days after receipt of the audit report
- Submitted electronically, including a text-searchable PDF of the financial statements (will be publicly available)
- Certified by the auditor and auditee

SF-SAC

Data Collection Form

- The website is not yet accepting 2017 FYE submissions
- Expect another blanket extension if not resolved soon

Online Resources

- <https://obamawhitehouse.archives.gov/omb/grants>
- <https://cfo.gov/cofar/>
- harvester.census.gov/facides

Questions?



For more information...



CPAs & Consultants • Wealth Advisors • Corporate Investigator



Stephen W. Blann, CPA, CGFM, CGMA
Director of Governmental Audit Quality
Rehmann

stephen.blann@rehmann.com

www.rehmann.com/government