DAVE YOST
Ohio Auditor of State

Changes to Federal Programs & Single Audits

New OMB Uniform Guidance Highlights

Presented by: Kelly Berger-Davis

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Presenters

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Quality Assurance & Technical Specialists
Center for Audit Excellence
State of Ohio Auditor's Office

Federal Grant Specialists

Agenda

- Background of UG & Effective Dates
- Exceptions Granted & Roadmap of UG
- Administrative Req. Change Highlights
- Cost Principle Change Highlights
- Audit Requirement Change Highlights
- OMB CS UG Change Highlights
- Sources & Other UG Trainings

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Background & Effective Dates

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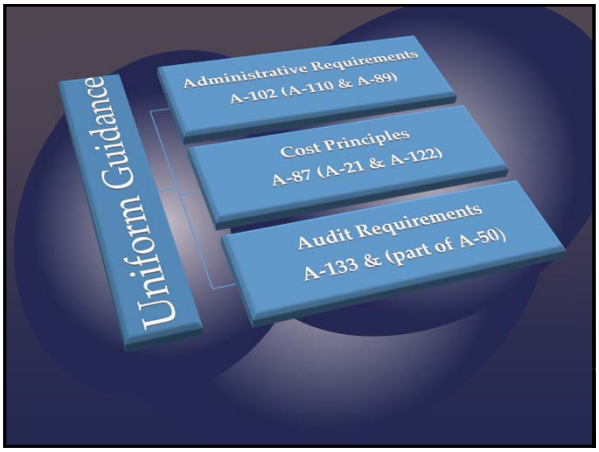


Circulars Rolled Into UG Per Entity

State & Local Gov's & Indian Tribes A-102, A-87 & A-133	Non-Profit Org's A-110, A-122 & A-133
Colleges & Universities A-110, A-21 & A-133	Hospitals A-110, old cost principles retained, A-133

Uniform Guidance

"Advance Notice of Grants Reform"

- Issued Feb. 2012

"Proposed OMB Uniform Guidance"

- Issued Jan. 2013

Final "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"

- Issued Dec. 26, 2013

Uniform Guidance

Frequently Asked Questions

- Issued 2/12/14
- Updated 8/29/14
- Updated 11/2014
- Updated 9/10/15

Joint Interim Final Rule "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"

- Published by each federal agency
- Published 12/19/14
- Effective 12/26/14
- Technical corrections
- 60 day comment period

Uniform Guidance

7/22/2015 – Duncan Hunter Act Section 872

Appendix XII added

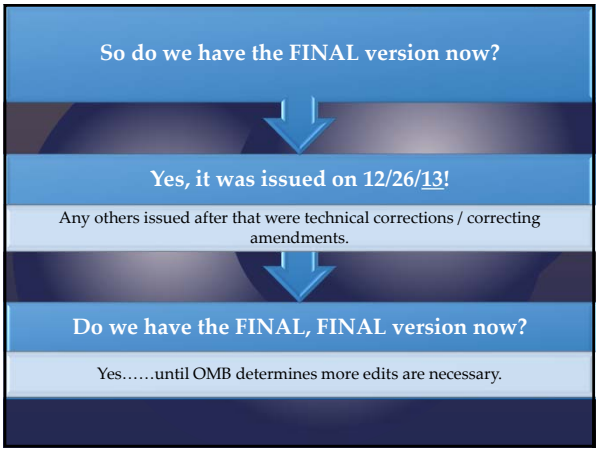
Other sections amended

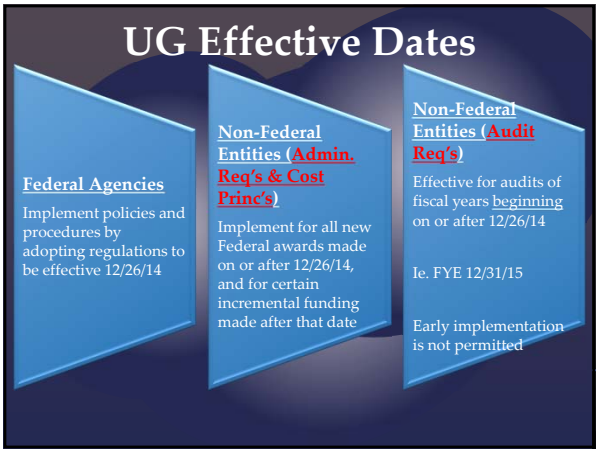
Joint Interim Final Rule "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"

Correcting amendments issued on 9/10/15

- Effective immediately

What is this called?
Grants Reform
Uniform Guidance (UG)
Super-Circular
Omni-Circular
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
2 CFR Chapter II, Part 200
Uniform Grants Guidance (UGG)


So do we have the FINAL version now?
Yes, it was issued on 12/26/13!
Any others issued after that were technical corrections / correcting amendments.
Do we have the FINAL, FINAL version now?
Yes……until OMB determines more edits are necessary.


UG Effective Dates
Federal Agencies
Implement policies and procedures by adopting regulations to be effective 12/26/14
Non-Federal Entities (Admin. Req's & Cost Princ's)
Implement for all new Federal awards made on or after 12/26/14, and for certain incremental funding made after that date
Non-Federal Entities (Audit Req's)
Effective for audits of fiscal years beginning on or after 12/26/14
Ie. FYE 12/31/15
Early implementation is not permitted

Effective Dates

12/26/14 cut-off, as compared to what?

- ~~Date on pass-through agreement?~~
- ~~Date my entity received the money?~~
- ~~Date my fiscal officer signed the award?~~
- ~~Date my entity applied for the award?~~

Effective Dates

12/26/14 cut-off, as compared to what?

Administrative Requirements	• The date the federal award was signed by the Federal awarding agency
Cost Principles	• The date the federal award was signed by the Federal awarding agency
Audit Requirements	• Doesn't matter what date the feds signed the award • Effective beginning with 12/31/15 audit periods – no matter what!

Effective Dates - Example

USDE signs & awards a new $1 million grant to Ohio Dept. of Edu. on 12/1/14

Ohio Dept. of Edu. subsequently awards:

$300,000 to certain Local SD's on 12/23/14	$700,000 to other Local SD's on 12/28/14

Administrative Requirements & Cost Principles: All of the Local SD's receiving the subawards will be following the old A-102 & A-87 because the federal agency signed the grant prior to 12/26/14.

Audit Requirements: $ spent in FYE 6/30/15 would follow A-133

$ spent in FYE 6/30/16 would follow UG

Effective Dates

- Be alert for language in the terms & conditions of a Federal award made *prior* to 12/26/14 stating that the award *will be subject to regulations 'as may be amended'* – such language likely means the grant made prior to 12/26/14 must follow the amended regulations (the new UG) beginning 12/26/14.

- HUD *occasionally used this language in grants such as:* CDBG, HOME Investment Partnerships, Emergency Solutions, etc.
- See HUD Notice CPD-16-04, issued 4/13/16 for more information
- See GAQC Alert #309
- Language could be used by other federal agencies as well, but not currently aware of any

Effective Dates
Incremental Funding

- Recall that Admin. Requirements & Cost Princ's are effective for all new Federal awards made on or after 12/26/14, and for certain ***incremental funding*** made after that date

- Not defined in 2 CFR 200

- If modified terms & conditions are received via an incremental funding action, an award made prior to 12/26/14 can have the remaining unobligated amount changed to UG

Effective Dates
Incremental Funding - Example

- Original grant was signed by the federal awarding agency prior to 12/26/14
- Original grant did not contain language that the award was subject to regulations 'as may be amended'

- Incremental funding action, signed on 2/1/15
- Incremental funding action did not include any changes to the terms & conditions (no mention of 2 CFR 200, Uniform Guidance, the CFR section where the federal agency codified 2 CFR 200, etc.).

- No other documents related to this grant were received by the grantee indicating the UG applied to it
- Is this incremental funding action subject to the old OMB circulars (A-87 & A-102) or to the new UG?

Effective Dates - Exceptions

Procurement Grace Period

2 full fiscal years after effective date

to implement procurement standards

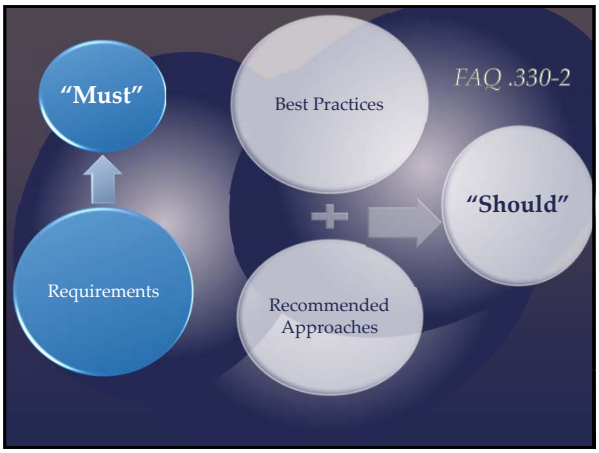
Existing Negotiated Indirect Cost Rates

Remain in place until due for re-negotiation

Applicability

- Several exceptions to parts of the UG are listed in 200.101 for certain entitlement, formula and block grant programs
- Certain programs are only required to follow some of the UG provisions, including pre-award provisions
- Summarized table .101 on next slide

	Applicable	Not Applicable
Administrative Req's	Grant agreements	Loans, loan guarantees
	Cooperative agreements	Interest Subsidy
		Insurance
		Cost-reimbursement contracts under the FAR
Internal Controls & Subrecipient Monitoring	ALL	
Cost Principles	Grant agreements	Food commodities
	Cooperative agreements	Fixed amount awards
	Cost-reimbursement contracts under the FAR	Loans, loan guarantees Interest subsidy
		Insurance
Audit	ALL except →	Fixed price contracts and subcontracts under FAR


"Must"
Best Practices
FAQ .330-2
"Should"
Requirements
Recommended Approaches

Federal Agencies
Local Governments
Audit Firms
Impacted by Uniform Guidance
Higher Education
States
Indian Tribes
Not-for-Profits

Office of Executive Councils, Chief Financial Officers Council
Exceptions Granted
&
Roadmap to the UG
CFO COUNCIL
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Exceptions Granted

- OMB adopted the UG in 2 CFR Part 200 - http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- Each Federal Agency adopted the UG in their own section of code
- OMB granted exceptions to certain federal agencies to change parts of the UG in their own section of code – list available at https://cfo.gov/cofar/ - but as of 12/2014 – see OMB CS Appendix VII.
- Appendix II of the OMB CS reflects where each federal agency adopted the UG – then look up each section on www.ecfr.gov

Federal Agency Codification

APPENDIX II
FEDERAL AGENCY CODIFICATION OF GOVERNMENTWIDE REQUIREMENTS AND GUIDANCE FOR GRANTS AND COOPERATIVE AGREEMENTS

Agency (departments then agencies[1])	A-102 Common Rule (State & local governments)	OMB Circular A-110 (2 CFR part 215) (universities & non-profit organizations)[2]	2 CFR part 200[3]	Nonprocurement Suspension & Debarment[4] (2 CFR part 180 or predecessor common rule)
Agriculture	7 CFR 3016	7 CFR 3019	2 CFR 400, 415, 416	2 CFR 417
Commerce	15 CFR 24	15 CFR 14	2 CFR 1327	2 CFR 1326
Defense	32 CFR 33	32 CFR 32	2 CFR 1103 (interim implementation)	2 CFR 1125
Education	34 CFR 80	34 CFR 74	2 CFR 3474	2 CFR 3485
Energy	10 CFR 600	10 CFR 600	2 CFR 910	2 CFR 901
Health & Human Services	45 CFR 92	45 CFR 74	2 CFR 300/45 CFR 75 (implementation)	2 CFR 376
Homeland Security	44 CFR 13 (FEMA)	----	2 CFR 3002	2 CFR 3000
Housing & Urban Development	24 CFR 85	24 CFR 84	2 CFR 2400	2 CFR 2424
Interior	43 CFR 12	43 CFR 12	2 CFR 1402	2 CFR 1400
Justice	28 CFR 66	28 CFR 70	2 CFR 2800	2 CFR 2867
Labor	29 CFR 97	29 CFR 95	2 CFR 2900	29 CFR 98
State	22 CFR 135	22 CFR 145	2 CFR 600	2 CFR 601
Transportation	49 CFR 18	49 CFR 19	2 CFR 1201	2 CFR 1200
Treasury	----	----	2 CFR 1000	31 CFR 19
Veterans Affairs	38 CFR 43	38 CFR 49	2 CFR 802	2 CFR 801
ADF	----	----	----	22 CFR 1508

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USDA Exceptions Granted

- Codified – 2 CFR 400 and supplemented by 415.1 & 416.1
- Numbering – Different from 2 CFR 200
- 2 CFR 415.1 – Competition in the awarding of discretionary grants and cooperative agreements
- 2 CFR 416.1 – Special Procurement Provisions

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HUD Exceptions Granted

- Codified – 2 CFR 2400
- Numbering – Same as 2 CFR 200
- Exceptions – None

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DOL Exceptions Granted

- Codified – 2 CFR 2900 and supplemented
- Numbering – Different from 2 CFR 200
- Exceptions - Many

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DOT Exceptions Granted

- Codified – 2 CFR 1201
- Numbering – Same as 2 CFR 200
- Exceptions – Program Income, Standard Application Req's, Equipment, Procurements by States, & Financial Reporting

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USDE Exceptions Granted

- Codified – 2 CFR 3474 and supplemented
- Numbering – Different from 2 CFR 200
- 3474.10 Clarification regarding 2 CFR 200.207
  USDE or pass-through entity can designate a non-federal entity as high-risk, and designate high-risk conditions
- 3474.15 – Contracting with faith-based organizations and nondiscrimination

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HHS Exceptions Granted

- Codified - 2 CFR 300 with HHS specific amendments in 45 CFR 75
- Numbering – Some same, some different from 2 CFR 200
- Exceptions – Many!

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Roadmap – Uniform Guidance

Subpart A	Subpart B	Subparts C & D
Acronyms & Definitions	General Provisions	Admin. Req's
200.0 – 200.99	200.100 – 200.113	200.200 – 200.345

Subpart E	Subpart F
Cost Principles	Audit Requirements
200.400 – 200.475	200.500 – 200.521

Roadmap – Uniform Guidance

- Most items were rolled into the UG with the same guidance as they were before (A-133 info into Subpart F, etc.), however, some examples where info previously in A-133 Audit Requirements was rolled in with the Administrative Requirements in Subpart D of the UG (previously A-102 info):

200.303	Internal Controls
200.330	Subrecipient and contractor determinations
200.331	Requirements for pass-through entities

These sections became effective with the UG Administrative Requirements – not with the Subpart F Audit Requirements

Roadmap – Uniform Guidance

Appendix I Full Text of Notice of Funding Opportunity	**Appendix II** Contract Provisions for Non-Federal Entity Contracts Under Federal Awards	**Appendix III** Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs
Appendix IV Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations	**Appendix V** State/Local Governmentwide Central Service Cost Allocation Plans	**Appendix VI** Public Assistance Cost Allocation Plans

Roadmap – Uniform Guidance

Appendix VII States and Local Government and Indian Tribe Indirect Cost Proposals	**Appendix VIII** Nonprofit Organizations Exempted From Subpart E—Cost Principles of Part 200	**Appendix IX** Hospital Cost Principles
Appendix X Data Collection Form	**Appendix XI** Compliance Supplement	**Appendix XII** Award Term & Condition for Recipient Integrity and Performance Matters

Highlights of Relevant Changes in Admin. Req's from A-102 to UG (200.200's & 200.300's)

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Admin. Requirement Changes

New Type of Award

Fixed Amount Awards

See 200.201 & 200.45

Internal Controls

Strong system required to be in place over federal grants – Green Book & COSO are suggested best practices

200.303

Procurement

Now includes a 'micro-purchases' level (currently $3,500)

200.320

Admin. Requirement Changes

Required Information in Subawards

Date federal agency signed award to prime recipient

200.331(a)

Subrecipient Monitoring

Pass-through entity to evaluate each sub's risk and develop appropriate monitoring plan.

200.331(b)

Subrecipient v/s Contractor Determination

Term 'vendor' is now 'contractor'

200.330

Interest Earned on Federal Awards

200.305

Amt. May Keep Per Year for Admin. Exp's

Was $100

Now $500

Highlights of Relevant Changes in Cost Principles from A-87 to UG (200.400's)

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Cost Principle Changes

Indirect Cost
Significant changes
200.412 – 200.417
& Appendices

Prior Written Approval
Review list of item
200.407

Family Friendly Policies
Fed's encouraging 'family friendly' policies
200.474

Supplies
Computing devices less than $5,000 are now included as 'supplies'
200.453

Cost Principle Changes

Time and Effort
Now principles based
Must have written policy
200.430

Severance Pay
Deleted the requirement that indirect costs be used for severance pay
200.431 & FAQ .431-1 & 2

Direct Costs
Salaries of admin. & clerical staff may be direct if meet certain criteria
200.413

Audit Costs
Clarification made to amounts that can be charged
200.425 & FAQ's .425-1 - 5

Written Policies/Procedures Required Under Admin. Req's & Cost Princ's

Cash Management
200.302 & 200.305

Determining Allowable Costs
Under Subpart E & the terms & conditions of the federal award
200.302

Evaluation & Selection of Procurement by Competitive Proposals
If procure by competitive proposal
200.318, 319 & 320

Time & Effort
200.430

Relocation Costs of Employees
200.464

Travel Costs
Regular travel policy plus IF the entity chooses to have a family friendly travel policy
200.474

Highlights of Relevant Changes in Audit Req's from A-133 to UG (200.500's)

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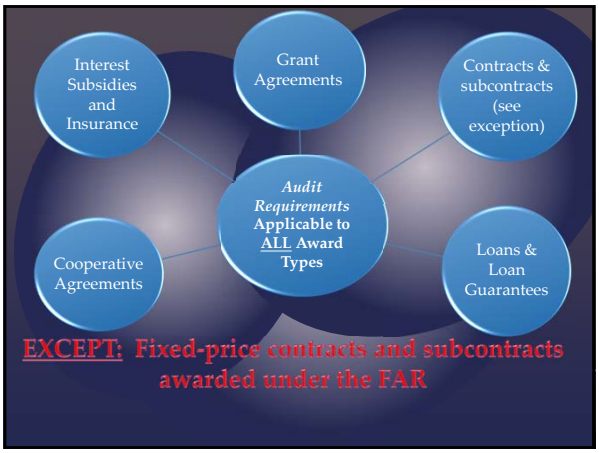
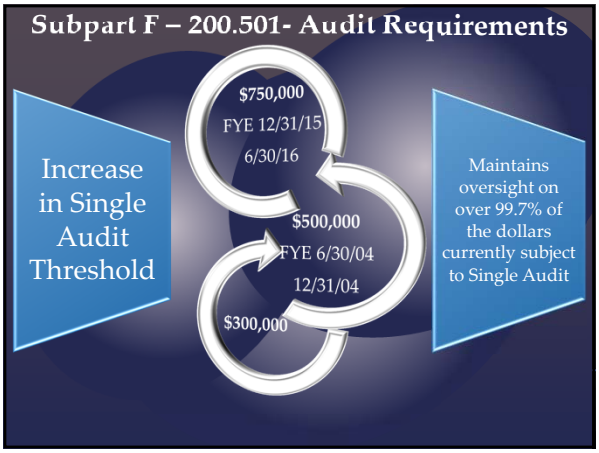

Interest Subsidies and Insurance
Grant Agreements
Contracts & subcontracts (see exception)
Audit Requirements Applicable to ALL Award Types
Cooperative Agreements
Loans & Loan Guarantees
EXCEPT: Fixed-price contracts and subcontracts awarded under the FAR

Specific Subpart F (200.500) Changes
Impacting SEFA & Footnotes


Subpart F – 200.501- Audit Requirements
Increase in Single Audit Threshold
$750,000
FYE 12/31/15
6/30/16
$500,000
FYE 6/30/04
12/31/04
$300,000
Maintains oversight on over 99.7% of the dollars currently subject to Single Audit

200.510(b)(4) – New column required

Example Entity
Schedule of Expenditures of Federal Awards[1]
for the Year Ended June 30, 20X1

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	*Federal CFDA Number*[2]	*Pass-Through Entity Identifying Number*[3]	*Passed Through to Subrecipients*	*Total Federal Expenditures*
Department of Agriculture Direct Programs				
Commodity Supplemental Food Program[4]	10.565			$ 134,268
Total Department of Agriculture Direct Programs				$ 134,268
Department of Housing and Urban Development Direct Programs				
Community Development Block Grants—Entitlement Grants	14.218		$423,965	$1,235,632
Section 8 Housing Choice Vouchers	14.871			800,534
Total Department of Housing and Urban Development Direct Programs			$423,965	$2,036,166

200.510(b)(3) – Total for Clusters

Example Entity University
Schedule of Expenditures of Federal Awards[1]
for the Year Ended June 30, 20X1

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	*Federal CFDA Number*[2]	*Pass-Through Entity Identifying Number*[3]	*Passed Through to Subrecipients*	*Total Federal Expenditures*[7]
Student Financial Assistance—Cluster				
Department of Education Direct Programs[10]				
Federal Pell Grant Program	84.063			$ 4,757,853
Federal Direct Student Loans	84.268			2,143,587
Federal Supplemental Educational Opportunity Grants	84.007			974,873
Federal Work-Study Program	84.033			575,417
Teacher Education Assistance for College and Higher Education Grants (TEACH)	84.379			230,584
Postsecondary Education Scholarships for Veterans' Dependents	84.408			229,430
Federal Perkins Loan Program (note 3)	84.038			4,384,978
Total Department of Education Direct Programs				$13,306,730
Department of Health and Human Services Direct Programs				
Nursing Student Loans (note 3)	93.364			$ 2,159,823
Health Professions Student Loans (note 3)	93.342			2,897,021
Total Department of Health and Human Services Direct Programs				$5,056,844
Total Student Financial Assistance Cluster				$18,363,574

Non-Cash

A-133.310(b)(6)

- The Schedule shall include in **either the schedule or a note** to the schedule, the value of the Federal awards expended in the form of **non-cash assistance**, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. **While not required, it is preferable to present this information in the schedule.**

- Non-Cash assistance now required to be on face of SEFA
- See 200.502(g) & 200.510(5)

2 New SEFA Footnotes

.510(b)(6) — **Whether or not the entity elected to use the 10% de minimis indirect cost rate (as described in 200.414).** Example on next slide.

.510(b)(5) — **For loan & loan guarantees, now required to identify in the notes to the SEFA loan balances outstanding at the end of the audit period.** Example on next slides.

Example Footnote for De Minimis Rate

200.510(b)(6)

Note 2. Summary of Significant Accounting Policies

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

Example Footnote for Loans

200.510(b)(5)

Note 3. Federal Student Loan Programs

The federal student loan programs listed subsequently are administered directly by Example Entity University, and balances and transactions relating to these programs are included in Example Entity University's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 20X1 consists of:

CFDA Number	Program Name	Outstanding Balance at June 30, 20X1
84.038	Federal Perkins Loan	$4,341,180
93.364	Nursing Student Loans	$ 2,115,635
93.342	Health Professions Student Loans	$2,853,248

This footnote is in addition to including the total federal awards expended for loan or loan guarantees on the face of the SEFA

SEFA Basis - NO Change

2 CFR 200.502(a)

- *Determining Federal awards expended.* The determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards.

FAQ 502-1

- May be accrual, modified accrual or cash basis.

Specific Subpart F Changes Impacting Planning

Major Program Determination – Low Risk Auditee Status Changes/Clarifications

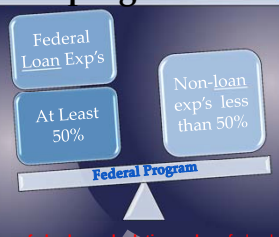
Added:	Removed:
Going Concern	Waivers
Modified:	**Modified:**
~~Noncompliance~~ Modified Opinion	GAAP Fin. Stmts.

Major Program Determination Type A/B Threshold Changes/Clarifications

- Includes Safe Harbor calculation
- Type A/B threshold increased (for smaller SEFA's)

What is considered a 'loan program'?

§200.518(b)(3)



For the safe harbor calculation only, a federal program (or cluster) is only considered a loan program if value of federal awards expended for loans within the program is 50% or more of the total federal awards expended for the program (or cluster).

Major Program Determination Other Changes/Clarifications

~~A-133.520(i) Deviation from the use of risk criteria for 1st year audits~~

2 CFR 200.518 no longer permits auditors to deviate from the use of risk criteria for 1st year audits

Major Program Determination
Type A Program Risk Analysis Changes/Clarifications

Removed: Significant Deficiencies

Modified: ~~Any QC's~~ QC's Exceed 5%

Removed: Inherent Risk

Modified: ~~Noncompliance~~ Modified Opinion

Removed: Auditor Judgment

Major Program Determination
Type B Program Risk Analysis Changes/Clarifications

Auditors only need to risk assess Type B programs that exceed 25% of the Type A threshold.

Minimum $ Amt of Type B Programs to be Risk Analyzed	
Type A Threshold (smaller entity)	$750,000
Multiply by 25%	25%
Auditors are only required to perform risk assessments on Type B program exceeding:	$187,500

Major Program Determination
Type B Program Risk Analysis Changes/Clarifications

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.

Cap on # of High-Risk Type B Programs to be Identified	
# Low-Risk Type A Programs	10
Multiply by 25%	25%
Cap on # High-Risk Type B Programs To Be Identified	2.5
Must round <u>up</u> to whole number	3

Major Program Determination
Type B Program Risk Analysis Changes/Clarifications
Important Notes!!!!!

- Step 5 now requires ALL high-risk Type B programs to be audited – so if you risk assess more & identify more, you will be required to audit them ALL as major programs
- So you STOP risk assessing Type B programs the sooner of:
  - Hitting the high-risk B cap (25% low risk Type A's)
  - All Type B programs risk assessed (that exceed the threshold)

Major Program Determination
Type B Program Risk Analysis Changes/Clarifications

No Type A's or No Low-Risk Type A's	
# Low-Risk Type A Programs	0
Multiply by 25%	25%
Cap on # High-Risk Type B Programs To Be Identified	0

- If there are no Type A programs (or no low-risk Type A programs), then auditors do NOT need to risk assess Type B programs and may skip Step 3

Example – Type B Risk Assessment Problem

- Background/Assumptions:
  - 15 Type A programs
    - 10 low-risk / 5 not-low-risk
  - Cap on high-risk Type B's to be identified = 3
    - ¼ x 10 = 2.5 (must round up)
  - 7 Type B programs above Type B threshold
    - 25% of Type A threshold

Example – Approach 1

If you simply *start at the top* of the list to risk assess Type B programs:

Type B Program	High Risk	Not High Risk	Not Assessed
1		✓	
2	✓		
3		✓	
4		✓	
5	✓		
6	✓		
7			✓

Result: Extra time/effort risk assessing.

Example – Approach 2

If you simply *start at the top* of the list to risk assess Type B programs – <u>but</u> don't stop at cap…

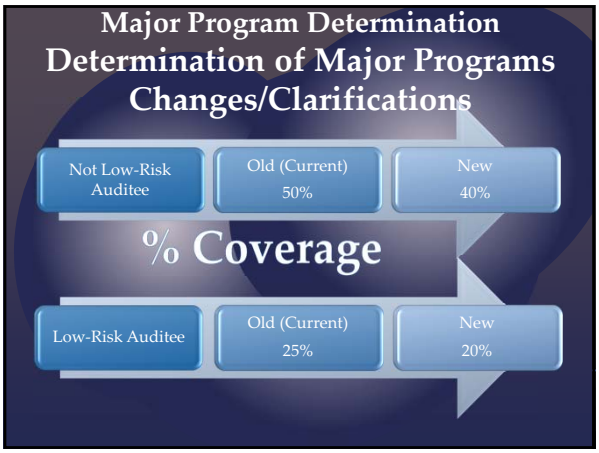
Result: Now auditing an extra program, because must audit all high risk B's.

Type B Program	High Risk	Not High Risk	Not Assessed
1		✓	
2	✓		
3		✓	
4		✓	
5	✓		
6	✓		
7	✓		

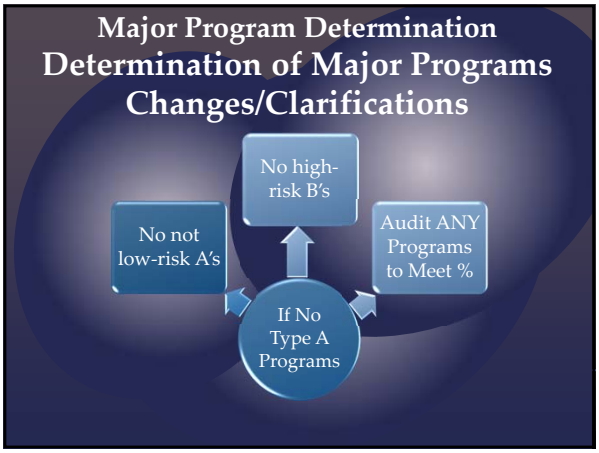
Example – Approach 3

However, most efficient approach - if you consider information known about Type B programs and risk assess those you believe may be high risk <u>first</u> :

Type B Program	High Risk	Not High Risk	Not Assessed
1			✓
2	✓		
3			✓
4			✓
5	✓		
6	✓		
7			✓


Major Program Determination
Determination of Major Programs
Changes/Clarifications
Not Low-Risk Auditee
Old (Current) 50%
New 40%
% Coverage
Low-Risk Auditee
Old (Current) 25%
New 20%

Major Program Determination
Determination of Major Programs
Changes/Clarifications
ALL high-risk Type B programs
ALL not-low risk Type A programs
ANY others to reach %
Required to Be Audited as Major Programs


Major Program Determination
Determination of Major Programs
Changes/Clarifications
No high-risk B's
No not low-risk A's
Audit ANY Programs to Meet %
If No Type A Programs

Major Program Determination
Determination of Major Programs Changes/Clarifications

Considerations When Selecting Additional Programs

- Size of program
- Auditors knowledge of the program
- Auditee request
- Rotating low risk Type A programs expected to be Type A's in future years

Possible Increase In Major Programs

- The number of Type A major programs *may* increase in 12/31/17 & 6/30/2018 (and therefore audit hours & costs as well).

12/31/14 & 6/30/2015 – under A-133 (SD's & IR impact Type A's – more tested)

12/31/15 & 6/30/2016 – under UG (Type A risk criteria simplified – less tested)

12/31/16 & 6/30/2017 – under UG (Type A risk criteria simplified – less tested)

12/31/17 & 6/30/2018 – Answering the Type A question 'was the program audited as a major program in at least 1 of the 2 most recent audit periods' – may cause a spike in major programs.

Possible Increase In Major Programs

For more information see the National State Auditors Association (NSAA) letter to OMB dates 5/6/16

- http://www.nasact.org/files/Federal_Relations/Congressional_Reg_Comments/2016_06_OMB_Smoothing_Request.pdf

OMB approved smoothing approach via Appendix VII of 2016 OMB Compliance Supplement.

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Specific Subpart F Changes Impacting Report & Other Misc. Items

Audit Req. Changes

Summary Schedule of Prior Audit Findings

- Include GAGAS findings
- Describe reasons for finding reoccurrence

200.511

Corrective Action Plan

- Include GAGAS findings
- Must be in a document separate from the auditors findings

200.511

Resolving Findings

Fed's (or pass-through entity) may also issue decisions on GAGAS findings (but not required to)

200.521

Auditor Selection

If an auditor prepares an indirect cost proposal or cost allocation plan, the same auditor may not be hired to perform the single audit if the indirect costs recovered during the p/y exceeded $1 million

200.509(b)

Summary of Auditors Results *200.515*

- Identification of major programs –
  - For clusters, only the cluster name is required

Child Nutrition Cluster

10.553 – School Breakfast
10.555 – School Lunch
10.556 – Special Milk Prog.
10.559 – Summer Food Service

Audit Comments Must Include *200.516*

- Significant instances of abuse related to major programs
- Identify if the comment is a repeat from the immediately prior audit (& the finding #)
- A statement of cause that identifies the reason or explanation for the condition
- A statement of the effect, or potential effect – to provide link between condition & criteria

Other Changes/Clarifications

200.516(a)(3)

Questioned Cost Threshold

OLD (current) $10,000

Uniform Guidance $25,000

Other Changes/Clarifications

Single Audit Guide 16.77, 20.75, 21.136 & 21.137

Pre-UG

1 Sample

Post-UG

Data Collection Form

- FAC *plans* to allow non-Federal entities who did not meet the threshold requiring submission of a Single Audit report to voluntarily notify the FAC that they did not meet the reporting threshold.
- Edits made to incorporate UG.
- Preference is that awards be entered by line on SEFA, not by CFDA total – see example on next slide.
  - Although directions state up to 10 pass-through entities may be entered on 1 line for a single award

FEDERAL GRANTOR Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Number	Federal Expenditures
Passed Through Ohio Department of Job and Family Services:			
Child Welfare Services	93.645	G-1415-11-5402	175,855
Passed Through Ohio Department of Job and Family Services:			
Foster Care Title IV-E	93.658	G-1415-11-5402	10,805,266
Passed Through Ohio Department of Job and Family Services:			
Title IV-E Contracts	93.659	G-1415-11-5402	6,606,940
Nonrecurring Adoption	93.659	G-1415-11-5402	55,626
Total Adoption Assistance			6,662,566
Passed Through Ohio Department of Job and Family Services:			
Chafee Foster Care Independence Program	93.674	G-1415-11-5402	398,589
Passed Through Ohio Department Mental Health and Addiction Services:			
Block Grants for Community Mental Health Services - Community Plan 13-14	93.958	N/A	252,333
Block Grants for Community Mental Health Services - Community Plan 14-15	93.958	N/A	197,148
Block Grants for Community Mental Health Services - Forensic Block Grant 13-14	93.958	N/A	1,100
Block Grants for Community Mental Health Services - Forensic Block Grant 14-15	93.958	N/A	1,100
Total Block Grants For Community Mental Health Services			451,681

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Data Collection Form

200.515(e) - Nothing in this part precludes combining of the audit reporting required by this section with the DCF

DCF Changes

Auditors and auditees must ensure reports do not include protected personally identifiable information (PII) and sign a statement stating such on the DCF.

200.512(a)(2)

Auditees must sign the DCF which states the reporting package does not include any protected (PII).

200.512(b)(1)

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DCF Changes

200.512(b)(1) & 200.82

What is Protected PII?

A persons first name, or first initial & last name in combination with:

- SS #
- Passport #
- Clearances
- Bank Numbers
- Biometrics
- Date and Place of Birth
- Mothers Maiden Name
- Criminal, Medical, & Financial Records
- Educational Transcripts
- Credit Card #

This does NOT include PII that is required by law to be disclosed.

OMB Compliance Supplement UG Changes

OMB CS UG Changes

OMB Compliance Supplement – Part 3

- 3.1 – A-87 & A-102
- 3.2 – New Uniform Guidance

OMB CS UG Changes

- ARRA removed
- Some Substantive Tests Reworked
- Uniform Guidance Incorporated
- Guidance/Tests Added for 'Cost Reimb. Under FAR'

AOS Shells & Links to Fed. Websites

http://www.ohioauditor.gov/references/practiceaids.html

SINGLE AUDIT REPORT SHELLS

- Sample Corrective Action Plan Uniform Guidance
- Sample Corrective Action Plan A133
- Schedule of Federal Awards Expenditures A133 20KB (Oct 2013)
- Schedule of Expenditures of Federal Awards Uniform Guidance 21KB
- Notes to the Schedule of Federal Awards Expenditures A133 39KB
- Notes to the Schedule of Expenditures of Federal Awards Uniform Guidance 50KB
- Schedule of Findings and Questioned Costs A133 32KB
- Schedule of Findings and Questioned Costs Uniform Guidance 32KB
- Schedule of Prior Findings and Questioned Costs A133 28KB

LINKS TO FEDERAL WEBSITES

- Uniform Guidance (2 CFR 200)
- COFAR (exceptions granted to 2 CFR 200, trainings, etc.)
- Federal Audit Clearinghouse / Data Collection Form
- AICPA Single Audit Site (GAQC)
- Catalog of Federal Domestic Assistance (CFDA)
- Code of Federal Regulations (CFR) /Federal Register (FR) /US Code of Regulations (USC)
- Federal Inspectors General (IG Net)
- Government Accountability Office (GAO)
- Office of Management and Budget Memoranda's (OMB)
- Office of Management and Budget Circulars (A-133)

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Sources & Other UG Trainings

Sources & Other UG Trainings

UG
- 2 CFR 200
- http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

COFAR
- Exceptions Granted, FAQ's, UG training webinars, crosswalks/text comparison
- https://cfo.gov/cofar/

OMB CS
- Appendix 2 – Codification of 2 CFR 200 by each Fed. Agency
- https://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2015

GAO
- Green Book
- http://www.gao.gov/greenbook/overview

Sources & Other UG Trainings

Fed. Audit Clearinghouse
- Data Collection Form
- https://harvester.census.gov/facweb/

Federal Agency UG Websites
- USDE - http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html

AICPA GAQC
- GAQC Alerts
- Trainings

Sources & Other UG Trainings

AICPA
- Single Audit Guide
- Contains 'transition guidance'

NASACT
- UG Webinars

Thompson's
- 'Thompson's Grant Compliance Expert'
- Newsletters
- Federal Grants Mgmt. Handbook

Changes to Federal Programs & Single Audits

New OMB Uniform Guidance Highlights

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