Single Audit Fundamentals Part 1: What is a Single Audit? A Basic Background & Overview

A Governmental Audit Quality Center Web Event
Today’s speakers

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Single Audit Fundamentals – A Four Part Series

Part 1, *What is a Single Audit? A Basic Background and Overview*

Part 2, *The Mysteries of Major Program Determination*

Part 3, *Understanding and Testing Compliance Requirements and Internal Control over Compliance*

Part 4, *Overview of Sampling and Single Audit Reporting*
Part 1 - what we will cover today

Background and overview of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200* (UG or Uniform Guidance)

Scope of the single audit

Auditee and auditor responsibilities

Federal agency responsibilities

Single audit overview

Description and characteristics of federal awards

Pass-through awards and subrecipients

Overview and use of the AICPA GAS-SA Guide
## Terminology and abbreviations

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<th>Full Form</th>
<th>IG</th>
<th>Full Form</th>
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<td>CFO</td>
<td>Chief Financial Officers</td>
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<td>CFDA</td>
<td>Catalog of Federal Domestic Assistance</td>
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<td>CPE</td>
<td>Continuing Professional Education</td>
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<td>DCF</td>
<td>Data Collection Form</td>
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<td>Pass-Through Entity</td>
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<td>FAQ</td>
<td>Frequently Asked Questions</td>
<td>R&amp;D</td>
<td>Research &amp; Development</td>
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<td>FAR</td>
<td>Federal Acquisition Regulation</td>
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<td>GAAS</td>
<td>Generally Accepted Auditing Standards</td>
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<td>Data Collection Form or DCF</td>
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<td>GAGAS</td>
<td>Generally Accepted Government Auditing Standards or Yellow Book</td>
<td>SEFA</td>
<td>Schedule of Expenditures of Federal Awards</td>
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<tr>
<td>GAO</td>
<td>Government Accountability Office</td>
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<tr>
<td>GAS-SA Guide</td>
<td>AICPA Audit Guide, Governmental Auditing Standards and Single Audits</td>
<td>YB</td>
<td>Yellow Book</td>
</tr>
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</table>
Background and overview of the Uniform Guidance
What gives the single audit its authority?

Single Audit Act Amendments of 1996

• Enacted to streamline and improve the effectiveness of audits of federal awards and to reduce the audit burden on states, local governments, and not-for-profit entities

• Detailed implementation requirements for single audits contained in regulation

Uniform Guidance

• Current regulation that implements the Single Audit Act
Agencies adopt the Uniform Guidance in 2 CFR

<table>
<thead>
<tr>
<th>Code Range</th>
<th>Agency Name</th>
</tr>
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<tbody>
<tr>
<td>300-399</td>
<td>DEPARTMENT OF HEALTH AND HUMAN SERVICES</td>
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<td>400-499</td>
<td>DEPARTMENT OF AGRICULTURE</td>
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<td>600-699</td>
<td>DEPARTMENT OF STATE</td>
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<td>700-799</td>
<td>AGENCY FOR INTERNATIONAL DEVELOPMENT</td>
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<td>800-899</td>
<td>DEPARTMENT OF VETERANS AFFAIRS</td>
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<td>900-999</td>
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<td>1000-1099</td>
<td>DEPARTMENT OF TREASURY</td>
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<td>1400-1499</td>
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<td>1500-1599</td>
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<td>1800-1899</td>
<td>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</td>
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<tr>
<td>2000-2099</td>
<td>UNITED STATES NUCLEAR REGULATORY COMMISSION</td>
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<td>2200-2299</td>
<td>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</td>
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<td>2800-2899</td>
<td>DEPARTMENT OF JUSTICE</td>
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<td>2900-2999</td>
<td>DEPARTMENT OF LABOR</td>
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<td>3000-3099</td>
<td>DEPARTMENT OF HOMELAND SECURITY</td>
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<td>3100-3199</td>
<td>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</td>
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<td>3200-3299</td>
<td>NATIONAL ENDOWMENT FOR THE ARTS</td>
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<td>DEPARTMENT OF EDUCATION</td>
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<td>EXPORT-IMPORT BANK OF THE UNITED STATES</td>
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<td>3600-3699</td>
<td>OFFICE OF NATIONAL DRUG CONTROL POLICY, EXECUTIVE OFFICE OF THE PRESIDENT</td>
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<td>5900-5999</td>
<td>GULF COAST ECOSYSTEM RESTORATION COUNCIL</td>
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Who are the key players?

- OMB - responsible for issuance and maintenance of single audit regulation and coordinating with grant-making federal agencies
- Grant-making agencies (see previous slide)
- GAO - responsible for issuance of Government Auditing Standards
- FAC - Collects/disseminates single audit information on behalf of OMB
Who are the key players?

**Single Audit Coordinators**
- Position in each IG office responsible for preventing/detecting fraud, waste, and abuse
- Often responsible for desk reviews and quality control reviews of single audits
- Usually familiar with the audit requirements

**Single Audit Accountable Official**
A policy official of the awarding agency who can be responsible for overseeing agency management’s role in audit resolution

**Key Management Single Audit Liaison**
Responsibilities defined in UG and include serving as the agency’s management point of contact for the single audit process both within and outside the federal government
Accessing key single audit-related information

How to access the Uniform Guidance

• Codified in Title 2 of CFR, Subtitle A, Chapter II, Part 200
• Electronic Code of Federal Regulations (e-CFR) version

OMB Federal Financial Management Web site

• Access the Compliance Supplement
• Various additional UG related documents at: Office of Federal Financial Management
Accessing key single audit-related information

CFO Council
Uniform Guidance
page

FAQ document
updated as of July 2017

GAO
Government Auditing Standards

Federal Audit Clearinghouse
Scope of the single audit
When is a single audit required?

When a non-federal entity expends $750,000 or more of federal awards (either direct or indirect awards) in their fiscal year.

§200.501(b)
What is a non-federal entity? Includes all of the following that carry out a federal award as a recipient or subrecipient:

- States and local governments
- Not-for-profit organizations
- Indian tribes
- Institutions of higher education (IHE)

§200.69
Objectives of a single audit

To determine if the entity has complied with direct and material compliance requirements for each major program

Single audits:

• Are used as a report card by federal funding agencies and pass-through entities

• Are used as a tool for federal agencies to address problems at the grantee level or to make broad changes/improvements to federal programs

• Provide assurance to users regarding compliance and information about a non-federal entity’s internal control over compliance
Scope of the single audit

Conducted in accordance with both GAAS and GAGAS

Covers entire operations of the entity

Auditor provides an opinion on whether financial statements are presented fairly

Auditor gains understanding of and tests internal control over compliance

Auditor opines on compliance with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of its major programs

Auditor responsible for following up on prior audit findings
Defining the entity to be audited

Single audit must cover the entire operations of the auditee

The auditee has the option to meet the single audit requirement through a series of audits

- If this option is taken, the audit must include a series of audits that cover departments, agencies, and other organizational units (referred to below as units) that expended or otherwise administered federal awards during the audit period
- Only permitted if each audit encompasses the financial statements and the SEFA for each unit which must be considered a non-federal entity
- The financial statements and SEFA must be for the same audit period.

§200.514(a)
Scope of the single audit – relation to other audit requirements

Single audit is meant to be in lieu of any financial audit of federal awards that an entity is required to undergo under any other federal statutes, regulations, and terms and conditions of federal awards.

However, federal agencies may conduct or arrange for additional audits to carry out their responsibilities under federal statutes, regulations, and terms and conditions of federal awards.
What is a program-specific audit?

Allowed under the Single Audit Act and the UG in certain circumstance

• Auditee expends federal awards under only one federal program (excluding R&D); and

• The federal program’s laws, regulations, or grant agreements do not require a financial statement audit of the auditee

Audit requirements defined in the UG

• Include an audit of an entity’s compliance with direct and material compliance requirements as they relate to an individual federal program

• No financial statement audit

§200.501(c) & 200.507
GAGAS vs. single audit

• GAGAS is a set of audit standards – *the how*

• Single audit is based on law and regulation requiring that financial statements and major programs be audited – *the what, with a little how*

GAGAS and single audit work in tandem… and sometimes they don’t

• There cannot be a single audit without the audit also being done under GAGAS

• There can be an audit using GAGAS that does not include a single audit
Single audits involve three layers of requirements:

- **Uniform Guidance requirements**
- **Yellow Book requirements**
- **GAAS requirements**
What additional requirements kick in when applying the Yellow Book?

CPE requirements for the entire engagement team

Reporting on internal control over financial reporting and compliance at financial statement level

Additional independence considerations, including around the performance of nonaudit services

Peer review report provided to contracting parties and posted publicly for all to access
Auditee and auditor responsibilities
Auditee responsibilities

Arrange for single audit and ensure it is properly performed and submitted timely (see auditor selection on next slide)

Financial statements

SEFA

Promptly follow up and take corrective action on audit findings

Summary schedule of prior audit findings

Corrective action plan

Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed
Auditee responsibilities – auditor selection

Must follow procurement standards in 200.317 through 200.326

Auditee must request a copy of the audit organization’s peer review report

Restriction on auditor preparing indirect cost proposals

§200.509
Auditee responsibilities

Maintain internal control over federal programs

Comply with federal statutes, regulations, and the terms and conditions of the federal awards

Evaluate and monitor compliance with statutes, regulations and the terms and conditions of federal awards

Take prompt action when noncompliance identified

Safeguard protected personally identifiable information
Auditor responsibilities

Audit the financial statements in accordance with GAAS and GAGAS

Determine whether the financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles.

Determine whether the SEFA is stated fairly in all material respects in relation to the auditee’s financial statements as a whole.

Understand internal control over federal programs and plan the audit to support low assessed level of control risk of noncompliance for major programs and perform testing of internal control over compliance.

Determine whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of its major programs.
Auditor responsibilities

Compliance testing must include tests of transactions and such other auditing procedures necessary to provide the auditor sufficient appropriate audit evidence to support an opinion on compliance.

Auditor must follow-up on prior audit findings.

Report current year findings resulting from compliance and internal control over compliance testing.

Auditor must complete and sign specified sections of the DCF.
Federal agency responsibilities
Federal agency responsibilities

Cognizant agency for audit

- For non-federal entities expending more than $50 million a year in federal awards
- Federal awarding agency that provides the predominant amount of direct funding unless OMB designates a specific cognizant agency for audit
- Provide technical audit advice and liaison assistance to auditees and auditors
- Obtain or conduct quality control reviews
- Provide support for government-wide quality study of single audits (performed every 6 years or at such other interval determined by OMB)
- Other duties to advise the community of auditors and specific auditors and coordinate audits or reviews with other federal agencies

Oversight agency for audit – for entities without a cognizant agency ($50 million or less) – similar duties as cognizant agency
Single audit overview
Single audit – timing requirements

Audit must be performed annually

- Biennial audits allowed under limited circumstances

Must be submitted to the FAC within the earlier of 30 days after receipt of the auditor’s reports or 9 months after the end of the audit period
SEFA

Prepared by management

Reconciles to accounting and other records used in preparing the financial statements or the financial statements themselves

Auditor uses to base the performance of risk assessments and selection of major programs

Completeness and accuracy critical to avoid missed programs

Auditor issues an opinion as to whether the SEFA is fairly stated in all material respects in relation to the financial statements as a whole (referred to as in-relation-to opinion)

• In-relation-to opinion not same as an “audit” opinion

Auditor is responsible for determining whether auditee includes all required SEFA elements
SEFA – required elements

List individual federal programs by federal agency

For a cluster of programs, provide the cluster name, list individual federal programs within the cluster of awards expended must be shown either by federal award or by federal agency and major subdivision within the federal agency

For federal awards received as a subrecipient, the name of the PTE and identifying number assigned by the PTE

Total federal awards expended for each individual federal program and the CFDA number or other identifying number when CFDA not available

For a cluster of programs also provide the total for the cluster

Include the total amount provided to subrecipients from each federal program
SEFA – required disclosures

For loan or loan guarantee programs, identify in the notes to the SEFA the balances outstanding at the end of the audit period.

Notes that describe the significant accounting policies used in preparing the SEFA.

Note whether or not the auditee elected to use the 10% de minimis cost rate.
Risk assessment and major program determination

Major programs are programs auditor is required to audit

In general, major programs are those that are large, risky, and/or new (Part 2 of series will go into detail)

Major program determination process is defined in the UG; basically is a “prescription” for assessing the size and risk of programs

- Process is complex, involving some judgment, that historically has resulted in audit quality problems
- Must be done accurately and early in the process; and reviewed again before the end
- Must clearly document program risk assessment
Materiality in a single audit

Financial statement materiality vs. single audit materiality

- Financial statement materiality relates to the financial statements being audited
- Single audit materiality is determined for each individual major program and generally lower than financial statement materiality

Materiality for reporting audit findings

- Relates to each compliance requirement for each major program

Single audit materiality factors

- Nature of the compliance requirements
- Nature and frequency of noncompliance identified
- Needs and expectations of federal agencies and pass-through entities
Single Audit – contents of the single audit submission (also known as the “reporting package)

Auditor’s report on the financial statements of the entity

Auditor’s in-relation-to reporting on the SEFA

Entity’s financial statements

Entity’s SEFA

Auditor’s report(s) on internal control over financial reporting and on compliance and other matters to meet GAGAS requirements
Single Audit – contents of the single audit submission (also known as the “reporting package”)

- Auditor’s report on compliance and internal control over compliance – major programs
- Auditor’s schedule of findings and questioned costs
  - Includes summary of auditor results and findings
- Entity’s summary schedule of prior audit findings
- Entity’s corrective action plan (required to be on client letterhead)

The reporting package and a form summarizing the audit (DCF – see next slide) are submitted electronically to the FAC
Single Audit – End Result

DCF

• Joint responsibility of auditee and auditor

• Completed electronically on FAC Web site

• Summary of the single audit reporting including audit opinions and other findings

• Includes contact information for auditee and auditor

• Includes SEFA information, references to findings, and relevant compliance requirements

• Electronic signature of both auditee and auditor
Description and characteristics of federal awards
Federal awards definition (UG)

Federal financial assistance that non-federal entities receive directly from federal awarding agencies or indirectly from a PTE

Federal cost-reimbursement contracts under the FAR that a non-federal entity receives directly from a federal awarding agency or indirectly from a PTE

- Terms and conditions set forth in grant agreement, cooperative agreement, other agreement, or cost-reimbursement contracts
- Does not include procurements under grants or contracts, used to buy goods or services
Examples of federal awards

Grants
Contracts
Cooperative agreements
Loans
Loan guarantees
Property
Interest subsidies
Insurance
Direct appropriations
Endowments
Other non-cash assistance
Indirect state or local government transfers of federal funds
When does federal expenditure occur?

Based on when the activity related to the award occurs:

• Expenditure/expense transactions related to grants/contracts
• Other examples:
  – disbursement of funds passed through to subrecipients;
  – use of loan proceeds under loan and loan guarantee programs;
  – receipt of property;
  – receipt or use of program income;
  – distribution or consumption of food commodities;
  – period when insurance is in force.
When does federal expenditure occur?

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<thead>
<tr>
<th>Federal Awards</th>
<th>Basis for Determining When Expended</th>
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</thead>
<tbody>
<tr>
<td>Grants, cost reimbursement contracts, compacts with Indian tribes, cooperative agreements under the Federal Acquisition Regulations (FAR), and direct appropriations</td>
<td>When the expenditure or expense transactions occur</td>
</tr>
<tr>
<td>Amounts provided to subrecipients</td>
<td>When the disbursement is made to the subrecipient</td>
</tr>
<tr>
<td>Loan and loan guarantees</td>
<td>When the loan proceeds are used by the nonfederal entity</td>
</tr>
<tr>
<td>Donated property, including donated surplus property</td>
<td>When the property is received</td>
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</table>
When does federal expenditure occur?

<table>
<thead>
<tr>
<th>Federal awards</th>
<th>Basis for determining when expended</th>
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</thead>
<tbody>
<tr>
<td>Food commodities</td>
<td>When the food commodities are distributed or consumed</td>
</tr>
<tr>
<td>Interest subsidies</td>
<td>When amounts are disbursed entitling the entity to the subsidy</td>
</tr>
<tr>
<td>Insurance</td>
<td>When the insurance is in force</td>
</tr>
<tr>
<td>Endowments</td>
<td>When federally restricted amounts are held</td>
</tr>
<tr>
<td>Program income</td>
<td>When received or used</td>
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</tbody>
</table>
### How are federal awards valued?

<table>
<thead>
<tr>
<th>Federal awards</th>
<th>Basis used to determine the value of federal awards expended</th>
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</thead>
<tbody>
<tr>
<td>Loans and loan guarantees (loans), including interest subsidies</td>
<td>Amount expended equals the value of new loans made or received during the audit period plus the beginning of the audit period balance of loans from previous years for which the federal government imposes continuing compliance requirements, plus any interest subsidy, cash, or administrative cost allowance received. (The proceeds of loans that were received and expended in prior years are not considered federal awards expended under the UG when the federal statutes, regulations and terms and conditions of federal awards pertaining to such loans impose no continuing compliance requirements other than to repay the loans.)</td>
</tr>
<tr>
<td>Loans at IHE</td>
<td>Amount expended is the same as for loans and loan guarantees (loans), including interest subsidies, mentioned previously, except that when loans are made to students on an IHE but the IHE does not make the loans, then only the value of the loans made during the audit period must be considered federal loans. The balance of loans for previous audit periods is not included as federal awards expended because the lender accounts for prior balances.</td>
</tr>
</tbody>
</table>
How are federal awards valued?

<table>
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<th>Basis used to determine the value of federal awards expended</th>
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</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>Amount expended equals the fair value of the insurance contract at the time of receipt or the assessed value provided by the federal agency.</td>
</tr>
<tr>
<td>Endowments</td>
<td>Amount expended equals the cumulative balance of federal awards for endowment funds that are federally restricted in each audit period in which the funds are still restricted.</td>
</tr>
<tr>
<td>Free rent</td>
<td>Amount expended equals the fair value at the time of receipt or the assessed value provided by the federal agency. Free rent is not considered an award expended unless it is received as part of an award to carry out a federal program.</td>
</tr>
<tr>
<td>Food commodities and donated property (including donated surplus property)</td>
<td>Amount expended equals the fair value at the time of receipt or the assessed value provided by the federal agency.</td>
</tr>
</tbody>
</table>
Definition of federal program

All federal awards which are assigned a single number in the CFDA

• CFDA number is the number assigned to a federal program in the CFDA (§200.10)

When no CFDA number is assigned, all federal awards to non-federal entities from the same agency made for the same purpose must be combined and considered one program

Notwithstanding the above, a cluster of programs (see next two slides)
Clusters

A grouping of closely related programs that share common compliance requirements

Clusters are treated as one program for major program determination and testing

Clusters include:

• R&D
• SFA
• Other clusters as defined in the OMB Compliance Supplement
Clusters

Part 5 of the *Compliance Supplement* identifies each cluster (R&D, SFA, and “other clusters” and the specific/unique requirements for each)

R&D is the only cluster where specific CFDA numbers are not identified

- For R&D, auditors look to the definition of R&D and apply judgment to determine inclusion in the cluster
Pass-through awards and subrecipients
Pass-through awards and subrecipients

Many nonfederal entities receiving federal awards pass the federal awards through to other entities that are considered “subrecipients”

Examples:

• State government (a PTE) passes federal funds down to local governments (subrecipients) within the state

• A local government (a PTE) passes federal funds down to not-for-profit organizations (subrecipients)
Definitions relating to pass-through funds

*PTE* is a nonfederal entity that provides a federal award to a subrecipient to carry out a federal program

*Subrecipient* is a nonfederal entity that receives a subaward from a PTE to carry out part of a federal program

- Does not include an individual that is a beneficiary of such program.
- A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

*Contractor* is an entity that receives a contract

- A contract is defined in § 200.22 as a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award.
Applicability of single audit to pass-through awards and subrecipients

Single audit requirements apply to both PTEs and subrecipients of federal awards

Payments received by a contractor for goods or services provided in connection with a federal program are not considered federal awards

Fees for services are typically not considered federal awards

Determining subrecipient vs. contractor can be tricky and involves some judgment
Factors typically indicating a subrecipient

Determines who is eligible to receive federal assistance

Has its performance measured against whether the objectives of the federal program are met

Has responsibility for programmatic decision-making

Has responsibility for adherence to applicable federal program compliance requirements

Uses the federal funds to carry out a program for a public purpose, as opposed to providing goods or services for the benefit of the PTE
Factors typically indicating a contractor

Provides the goods and services within normal business operations

Provides similar goods or services to many different purchasers

Operates in a competitive environment

Provides goods or services that are ancillary to the operation of the federal program

Is not subject to the compliance requirements of the federal program
Requirements for PTEs

Ensure subaward is clearly identified to the subrecipient as a subaward

• Critical so that subrecipient knows it is subject to single audit

Include specific items in the subaward such as:

• Federal award identification number
• Federal award date
• CFDA number, name, etc.
• All requirements imposed by the PTE
• Indirect cost rate information (or a de minimis indirect cost rate)

Evaluate subrecipients’ risk of noncompliance

Monitor activities of the subrecipient to ensure award used for authorized purposes
Overview and use of the AICPA GAS-SA Guide
Considered an “interpretive publication” pursuant to AU-C section 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With Generally Accepted Auditing Standards*

Interpretive publications are recommendations on the application of GAAS.

AU-C section 200 requires auditors to consider applicable interpretive publications in planning and performing the audit.

If the auditor does not apply the auditing guidance in an applicable interpretive publication, should document how the requirements of GAAS were complied with.
AICPA GAS-SA Guide

Two main sections of the guide

- Yellow Book audits
- Single audits

Appendices

- Single Audit Act
- Uniform Guidance subpart F
- Schedule of changes from prior edition
Discusses the following important topics relevant to the Yellow Book component of the audit:

• Planning considerations of *Government Auditing Standards*

• Financial statement audit considerations of *Government Auditing Standards*

• Auditor reporting requirements and other communication considerations of *Government Auditing Standards*
  – Discussion of this topic includes numerous illustrative auditor reports
GAS-SA Guide – single audit chapters

Chapter 5, Overview of the Single Audit Act, Uniform Guidance Audit Requirements and the *Compliance Supplement*

General audit requirements

Determining when federal awards are expended

Major program determination (high level)

Auditee responsibilities

Responsibilities of other parties (federal agency, PTE, cognizant agency)

Describes the *Compliance Supplement*
Chapter 6, Auditor Planning Considerations Under the Uniform Guidance

Audit risk considerations
Audit materiality considerations
Efficiency
Defining the entity to be audited
Determining the audit period

Audit documentation
Joint audits and reliance on others
State and local compliance requirements
Desk reviews and on-site reviews
GAS-SA Guide – single audit chapters

Chapter 7, Schedule of Expenditures of Federal Awards

Identification of federal awards

Audit considerations related to the SEFA

Reporting on the SEFA

Presentation requirements

Two example SEFAs included

• One for a university
• One for a NFP entity
Chapter 8, Determination of Major Programs

• Applying the risk-based approach
  – Determining type A/B programs
  – Risk assessment of programs
  – Determining major programs
  – Percentage-of-coverage/low-risk auditee criteria

• Criteria for program risk
Chapter 9, Consideration of Internal Control Over Compliance for Major Programs

Overview of requirements, definition of internal control over compliance requirements for federal awards

Auditor’s consideration of internal control over compliance for each major program

Direct and material compliance requirements

Tests of operating effectiveness for each major program

Significant deficiencies and material weaknesses
Chapter 10, Compliance Auditing Applicable to Major Programs

Identifying direct and material compliance requirements
Performing compliance testing
Evaluating and reporting noncompliance
Follow-up procedures
Management representations
GAS-SA Guide – single audit chapters
Chapter 11, Audit Sampling Considerations of Uniform Guidance Compliance Audits

Statistical vs. nonstatistical approach
Attribute vs. monetary sampling
Procedures that do not involve sampling
Population considerations

Sample sizes
Sample selection and evaluation
Projecting deviations and exceptions
Dual-purpose testing
Chapter 12, Audit Considerations of Pass-Through Entities and Subrecipients

Characteristics of subrecipients vs contractors

Single audit considerations of PTEs

- PTE responsibilities
- Audit planning
- Internal control over compliance
- Subrecipient monitoring considerations
- Reporting considerations
Chapter 13, Auditor Reporting Requirements and Other Communication Considerations

Provides recommended reporting
- Financial statement and SEFA
- Yellow Book
- Major programs
- Schedule of findings and questioned costs

Summary schedule of prior audit findings and corrective action plan (auditee prepared)

DCF

Illustrative reports
Chapter 14, Program-Specific Audits

When appropriate
Auditor’s responsibilities with/without program-specific audit guide
Submission of report
Contains illustrative reports
How to Order the GAS-SA Guide

AICPA Order Department: 888-777-7077

Visit aicpastore.com
Recap – topics covered

Overview of the Uniform Guidance
Scope of the single audit
Auditee and auditor responsibilities
Federal agency responsibilities
Single audit overview
Description and characteristics of federal awards
Pass-through Awards and subrecipients
Overview and use of the AICPA GAS-SA Guide
About the GAQC – www.aicpa.org/GAQC

Provides resources (e.g., alerts, web events, tools, etc.)

Current areas of emphasis

• Government Auditing Standards

• Single audits

• Preparing for study on single audit quality

Even if not a member, GAQC Web site provides useful information for both auditors and auditees

• For example, GAQC Auditee Resource Center
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