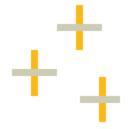
Single Audit Update and Grant Compliance







- ➤ What is a Single Audit?
- Compliance Requirements
- Single Audit Reports
- Schedule of Expenditures of Federal Awards Requirements
- Changes to the SEFA
- Common SEFA Errors
- Tips to Reconciling the SEFA to the General Ledger
- ≥2023 Compliance Supplement Changes
- FEMA What's Been Obligated?
- Single Audit Issues and Findings





Compliance Requirement Case Study



- Assistance Listing 93.558 Temporary Assistance for Needy Families (TANF)
- Designed to help low-income families with children achieve economic self-sufficiency.





- Mississippi Department of Human Services
- State agency formed in 1935 to assist needy Mississippi residents







Compliance Requirement Case Study

- Mississippi Community Education Center
- Non-profit organization
- Mission: Promotion, improvement and expansion of community education through training seminars, consulting services and technical assistance





• Brett Favre

- NFL Hall of fame quarterback
- Played football for 20 years
- Super Bowl Champion
- Retired after 2010 season
- Born in Gulfport, Mississippi
- After football, Brett Farve returned to his roots and lives in the town of Sumrall, Mississippi.





• Brett Favre has been in the news recently

Brett Favre's Alleged Role in Mississippi's Massive Welfare-Fraud Scandal Is Only Looking Worse

Brett Favre questioned by FBI in Mississippi welfare fraud scandal

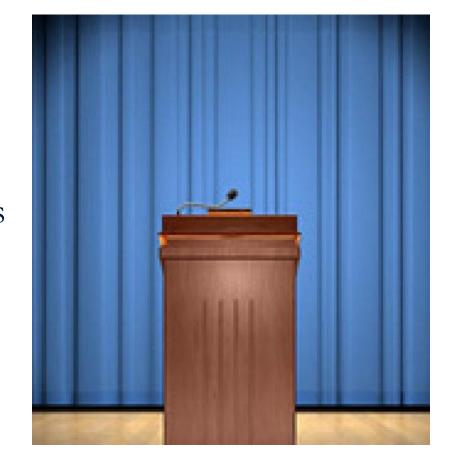
Mississippi Supreme Court won't remove Brett Favre from lawsuit in welfare fraud case

Brett Favre scandal explained: Ex-NFL QB accused of misusing Mississippi state welfare funds



Compliance Requirement Case Study

- The state of Mississippi provided funds from the Temporary Assistance for Needy Families (TANF) grant program to the Mississippi Community Education Center (non-profit)
- The non-profit paid \$1.1 million in TANF funds to Brett Favre to make motivational speeches.
- Brett Favre never made any of the speeches.
- The money was returned to the state after the news became public.

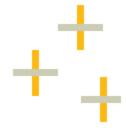


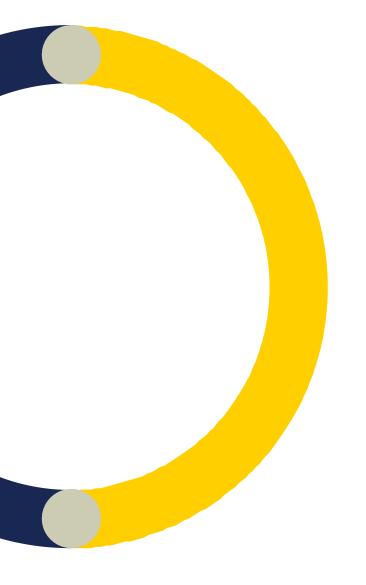




- \$5 million in TANF funds were used to build a volleyball stadium at the University of Southern Mississippi
- Publicized text messages indicate:
 - Brett Favre continually lobbied state officials for funding







What is a Single Audit?



What is a Single Audit

- A Single Audit is a financial statement and compliance audit for non-federal entities that expend \$750,000 or more in federal funds in one year.
- Established by the Single Audit Act of 1984, revised by OMB Circular A-133 and superseded by 2 CFR part 200 Subpart F
- Sets standards for consistency and uniformity among Federal agencies
- Provides assurance to the Federal government that grant recipients have adequate internal controls in place
- Provides assurance to the Federal government that grant recipients are complying with Federal statutes, regulations, and program requirements





- Determine Major Programs
- Assess high risk/low risk status of auditee
- Determine required coverage
- Perform risk assessment of Type A and Type B programs





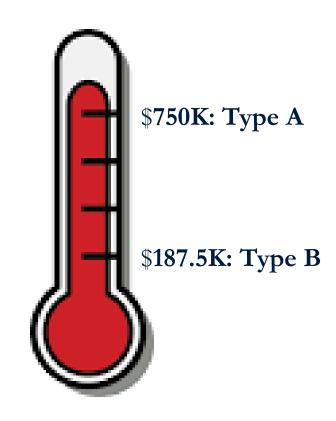
• Single Audit is required when a non-federal entity expends \$750,000 or more in Federal awards in a fiscal year







- Identify threshold for Type A and Type B major programs
 - Type A programs are grants with expenditures totaling the higher of \$750k or 3% of total Federal expenditures
 - Type B programs are grants with expenditures of at least 25% of the Type A threshold
 - Grant programs with expenditures below the Type B threshold are not required to be audited







- Auditee qualifies as low-risk if all required tests are passed for each of the previous two audit periods such as:
 - Single Audits performed annually and submitted by the due date
 - Unmodified opinions
 - No deficiencies in internal control as material weaknesses
 - No going concern issues
 - No audit findings in Type A programs

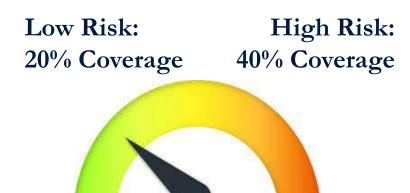


Required Coverage

High risk auditees must have 40% of total Federal expenditures audited

Low risk auditees must have 20% of total Federal expenditures audited

If total expenditures of major programs are below the required coverage, major programs must be added until the threshold is met







Type A/Type B Risk Assessment

• Type A programs classified as High Risk must be audited as major programs



- Grants audited as major programs in one of the past two audit periods with no material weaknesses may be classified as Low Risk
 - Low risk Type A programs may be replaced by highrisk Type B programs
- Auditor will identify high-risk Type B programs using professional judgement plus other quantitative and qualitative factors





Type A/Type B Risk Assessment

- Awarding agencies may identify specific grant programs as high risk
- If the Type A threshold is met, these programs must be audited as major programs

2023

Coronavirus State and Local Fiscal Recovery Funds

Treasury

DEPARTMENT OF THE TREASURY

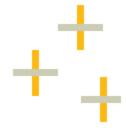
ASSISTANCE LISTING 21.027 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

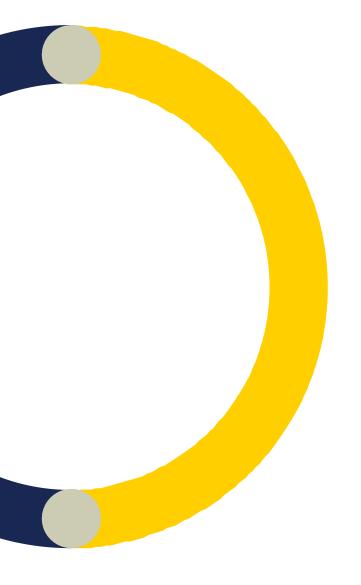
PROGRAM OBJECTIVES

Note: This program is considered a "higher risk" program for 2023, pursuant to 2 CFR section 200.519(c)(2). Refer to the "Programs with Higher Risk Designation" section of Part 8, Appendix IV, Internal Reference Tables, for a discussion of the impact of the "higher risk" designation on the major program determination process.

Note: Per Part IV, "Other Information," certain Coronavirus State and Local Fiscal Recovery Funds (SLFRF) recipients are provided with an option to have an alternative compliance examination engagement in lieu of a Single Audit or a Program-Specific Audit under 2 CFR Part 200, Subpart F.







Compliance Requirements





— Compliance Supplement

- Published annually by the Office of Management and Budget (OMB)
- Provides information about Federal program objectives, procedures and compliance requirements subject to audit
- Federal awarding agencies must:
 - Provide annual updates to OMB
 - Design compliance requirements that may detect improper payments, fraud, waste and abuse
- Does not include all federal grant programs

2 CFR PART 200, APPENDIX XI

COMPLIANCE SUPPLEMENT



May 2023 EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET





—— Matrix of Compliance Requirements

- There are 12 general types of compliance requirements
- The federal agency must identify which categories are subject to audit for each grant program
- Programs are limited to a maximum of 6 types of requirements

A	В	С	E	F	G	н	I	J	L	М	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	N	N	N	Y	Y	N	N	Y	N





- Grouping of closely related programs that share common compliance requirements
- Considered as one program in the determination of major programs

2023 Federal Transit Cluster DOT

DEPARTMENT OF TRANSPORTATION

ASSISTANCE LISTING 20.500 FEDERAL TRANSIT – CAPITAL INVESTMENT GRANTS (Fixed Guideway Capital Investment Grants)

ASSISTANCE LISTING 20.507 FEDERAL TRANSIT – FORMULA GRANTS (Urbanized Area Formula Program)

ASSISTANCE LISTING 20.525 STATE OF GOOD REPAIR GRANTS PROGRAM

ASSISTANCE LISTING 20.526 BUSES AND BUS FACILITIES FORMULA, COMPETITIVE, AND LOW OR NO EMISSIONS PROGRAMS (Buses and Bus Facilities Program)





Activities Allowed or Unallowed

- Definition
 - Specifies the activities that can or cannot be funded under a specific program
 - Specific requirements unique to each grant program
 - Found in Federal statutes,
 regulations and terms & conditions
 of the award







Cost principles are included in Chapter 2, Part 200 Subpart E of the Code of Federal Regulations (2 CFR Part 200, Subpart E)



Applicable to:

States, local government, and Indian tribes

Institutions of higher education

Non-profit organizations



Allowable Costs/Cost Principles

- Cost Principles apply to all federal awards with the exception of:
 - Grant and cooperative agreements providing food commodities
 - Agreements for loans
 - Loan guarantees
 - Interest subsidies
 - Insurance
 - Federal awards to hospitals



Allowable Costs/Cost Principles

- Cost principles applicable to a non-Federal entity apply to all Federal awards received by the entity, regardless of whether the award was received directly from the Federal awarding agency or indirectly from a pass-through entity.
- Cost principles do not apply to Federal awards under which a non-federal entity is not required to account to the Federal awarding agency or pass-through entity for actual costs incurred
 - i.e. fixed award



- A cost must meet the following general criteria in order to be allowable under Federal Awards:
 - Be necessary and reasonable for the performance of the Federal Award and be allocable to the award
 - Conform to any limitations or exclusions set forth in 2 CFR Part 200, Subpart E or in the federal award
 - Be consistent with policies and procedures that apply uniformly to both federal awards and other activities of the non-federal entity
 - Be accorded consistent treatment A cost should not be assigned as a direct cost if similar costs are assigned as indirect costs



Allowable Costs/Cost Principles

- A cost must meet the following general criteria in order to be allowable under Federal Awards: (continued)
 - Be determined in accordance with generally accepted accounting principles (unless other guidance is deemed acceptable)
 - Not be included as a cost or used to meet cost-sharing or matching requirement of any other federal grant
 - Be adequately documented





- Unallowable Cost Types
 - Alcoholic beverages
 - Bad Debts
 - Lobbying





- Common allowable costs types with restrictions
 - Compensation
 - Conferences
 - Professional Services
- Common unallowable costs types with exceptions
 - Fund raising and investment management costs
 - Gains and losses on disposition of depreciable assets
 - Telecommunication costs and video surveillance costs





- Huawei (waa-way) Technologies Company
 - Chinese telecommunications company
 - One of the world's largest seller of smartphones
 - Equipment provider for 5G networks









Allowable Costs/Cost Principles



• In 2018, federal authorities identified security vulnerabilities in Huawei products, leading to negative headlines

Pentagon bans sale of Huawei, ZTE phones on US military bases

US hammers Huawei with 23 indictments for alleged trade secret theft, fraud

Huawei and ZTE officially designated national security threats by FCC

FCC bars Huawei, ZTE from billions in federal subsidies





- CFR 200.216 Prohibition on certain telecommunications and video surveillance services or equipment
 - Federal awards may not be used to procure, renew or enter into a new contract with Huawei or ZTE for essential services.
- Federal grant recipients must find other suppliers in order to maintain compliance







- Award Agreement
 - The terms and conditions within the agreement take precedence over the general information in the Compliance Supplement
 - The agreement may include additional requirements that are more restrictive than those included in the Compliance Supplement
 - Pass-through entity may impose additional requirements



Allowable Costs Quiz

- Assistance Listing 21.019 Coronavirus Relief Fund had a requirement that said the grant could be used to cover "necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19). Which of the following was an allowable cost for this grant?
- A. \$100 green fee at a local country club?
- B. \$15 of dental floss?
- C. \$40 of panty hose?





—— Case Study: Allowable Costs

- Can we justify the \$1.1 million of TANF funds paid to Brett Favre for motivational speeches as an allowable cost?
- Can we justify the \$5 million of TANF funds used for a volleyball stadium as an allowable cost?
 - Our Opinion: probably not because neither appear to serve the purpose of the grant (needy families)



—— Cash Management

- Non-federal entities must minimize the time elapsing between receipt and distribution of grant funds.
 - Definition of "minimized elapsed time" will vary depending upon the grant program
 - Advance payment method
 - Grant funding received prior to expenditure disbursement
 - Reimbursement payment method
 - Grant expenditures occur prior to receipt of grant funding



- Eligibility for Individuals
 - Income
 - Poverty level
 - Disability
- Eligibility for Groups of Individuals or Area of Service Delivery
 - Neighborhoods
 - School attendance areas
- Specific requirements vary by grant program





—— Case Study: Eligibility

- Does Brett Favre appear to be eligible to receive TANF funds?
- Should the construction of a volleyball stadium be eligible for TANF grant funding?
 - Our Opinion: probably not because neither appear to serve the purpose of the grant (needy families)



- Equipment/Real Property Management



- Equipment Management
 - Tangible personal property with cost equal to or exceeding the lessor of \$5,000 or the entity capitalization level
 - Required to be used in the program for which it was acquired
 - Appropriate records must be maintained
 - Physical inventory must be taken at least once every two years
 - Controls must be developed to safeguard against loss, damage or theft
 - Property must be maintained in good condition
 - Special rules apply to disposition of equipment





— Equipment/Real Property Management

- Real Property Management Grants and Cooperative Agreements
 - Title to real property is vested in the non-federal entity but may not encumber
 - If sold, disposition must follow the guidance of the federal awarding agency
 - If sold, compensation must be provided to the federal agency
 - If real property is retained, the federal awarding agency must be compensated for the current fair market value







— Matching, Level of Effort, Earmarking

Matching

• Requirements to provide contributions of a specified amount or percentage to match federal awards

Level of Effort

- A specified level of service is to be provided
- A specified level of expenditures is to be provided
- Federal funds to must supplement, not supplant non-federal funding

Earmarking

• Provides for min/max level of program funding used for a specified activity



—— Period of Performance

- The grant budget period may span multiple years
- Costs must be incurred during the approved budget period
- Costs incurred prior to the approved budget period are not allowable unless authorized by the awarding agency
- Budget period end date may be different than the non-federal entity fiscal year end date





Procurement Suspension & Debarment

- Procurement
 - Non-federal entities must follow standards in 2 CFR sections 200.318 through 200.326
 - Must have documented procurement procedures
 - Acquisition of property and services must be conducted in a manner providing full and open competition
 - Have a preference for purchasing products and materials produced in the United States
 - Ensure that minority-owned and woman-owned businesses are used when possible





Procurement Quiz

- If you work for the Department of Defense and are in charge of procuring toilet seats to be used on submarines, which of the following items should you purchase?
- A. 14K Gold Toilet Seat for \$2,199?
- B. Standard toilet seat from Home Depot for \$30?
- C. Customized toilet seat from Lockheed Martin for \$640?







—— Procurement Suspension and Debarment

• In the 1980's, contractors made headlines by charging grossly inflated prices

Now, the \$600 Toilet Seat

\$37 screws, a \$7,622 coffee maker, \$640 toilet seats; suppliers to our military just won't be oversold

'\$640 Toilet Seat' Syndrome Still Plaguing Pentagon



Procurement Suspension & Debarment



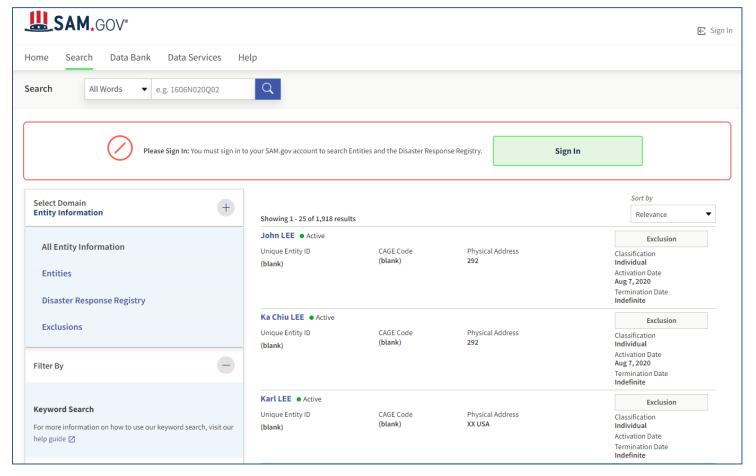
- Suspension & Debarment
 - Executive Order 12549 was signed in 1986 by President Reagan to curb fraud, waste and abuse in Federal programs.
 - Grant funds may not be used to contract with or make subawards to parties suspended or debarred from doing business with the Federal government.
 - Suspension and debarment by one federal agency shall have a government-wide effect





Procurement Suspension & Debarment

• Go to www.SAM.gov to see if an individual or business is disqualified





—— Functional Compliance

- Grant/Funding Agreement
- Multiple Levels of Oversight and Auditing
- Environmental Clearance
- Procurement
- Domestic Preference
- Davis Bacon Prevailing Wage Requirements
- MBE/WBE?DBE
- Reporting
- Best Management Practices





- Gross income generated by a grant activity
- Use of program income
 - If no guidance is received from the Federal awarding agency, program income is deducted from total allowable costs
 - With prior approval, program income may be added to the Federal award
 - With prior approval, program income may be used to meet matching requirements





Program Income

• Includes:

- Fees for services performed
- Use or rental of real or personal property acquired under federal awards
- Principal and interest on loans made with Federal award funds
- Does not include:
 - Proceeds from sale of equipment or real property acquired with grant funds
 - Rebates, credits and discounts earned from federal awards
 - Interest earned on advances of federal funds





Reporting

- Recipients may be required to submit reports to each awarding agency
 - May include financial and non-financial data
 - Frequency and scope of the reports will vary for each grant
- Federal Funding Accountability and Transparency Act
 - Applicable to all grant programs for years ending after September 30, 2020
 - First tier sub-awards of \$30,000 or more may be subject to additional reporting





Subrecipient Monitoring

- A subrecipient is an entity that receives federal grant funding indirectly
- The pass-through entity is responsible for making sure the subrecipient complies with all grant requirements

Federal Agency

• i.e. United States Department of Education

Pass Through Entity

• i.e. Florida Department of Education

Subrecipient

• i.e. County School Board





- Pass-through entity must:
 - Identify the award as a subaward
 - Identify all requirements imposed on the subrecipient
 - Evaluate the subrecipient's risk of non-compliance
 - Monitor activities of the subrecipient to ensure compliance with the terms and conditions of the subaward





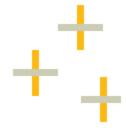
- Which organization/individual was responsible for the sub-recipient monitoring compliance requirement related to the TANF grant?
 - Brett Favre
 - Mississippi Community Education Center (non-profit)
 - Mississippi Department of Human Services
 - Our Opinion: Mississippi Department of Human Services

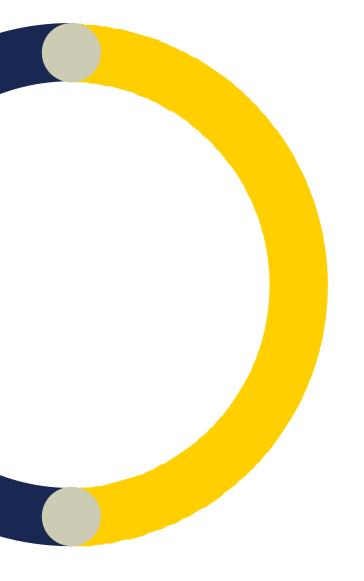


Special Tests and Provisions

- Specific requirements unique to each program
- Requirements may vary from year-to-year based on the awarding agency's objectives.
 - Title I Part A grant had four different special tests in FY20 but increased to 5 in FY21.
 - Highway Planning and Construction grant had eight different special tests in FY20 but decreased to 6 in FY21.
 - Some programs have none but others, like the Student Financial Assistance Cluster, have numerous (14) special tests.







Single Audit Reports





- Schedule of Findings and Questioned Costs
- Auditee responsible for follow-up and corrective action including:
 - Preparation of a summary schedule of prior audit findings
 - Preparation of a corrective action plan for current year audit findings







Single Audit Report

- Summary schedule of prior audit findings
 - Reports the status of all audit findings included in the prior year Schedule of Findings and Questioned Costs
 - Must include the fiscal year in which the finding initially occurred
 - List corrected findings and state that corrective action has been taken
 - Uncorrected findings must include an explanation describing the reasons for reoccurrence







Single Audit Report

- Corrective action plan
 - Addresses each finding in the current year report
 - Must include:
 - the name of the contact person responsible for corrective action
 - the planned action
 - The anticipated completion date
 - If finding is disputed, corrective action plan must include explanation and specific reasons





—— Federal Audit Clearinghouse

- Repository of record for reporting packages and data collection forms
- Make reporting packages available to the public
- Maintains a database of completed Single Audits
- Provides appropriate information to Federal agencies
- Follow up with known auditees that have not submitted required data collection forms and reporting packages



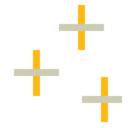


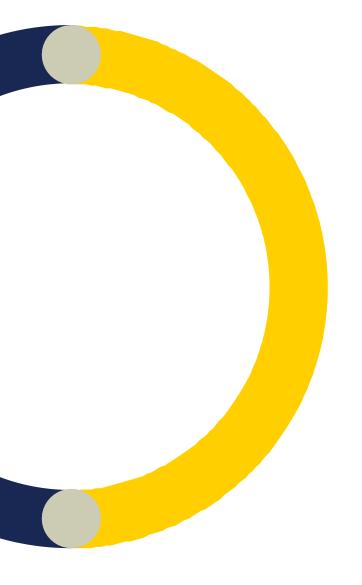
Data Collection Form

- Web-based form used to send Single Audit information to the Federal Audit Clearinghouse.
- Certified by both the auditee and auditor
- Must be submitted within the earlier of 30 days after receiving the auditor's report or nine months after the end of the audit period
- Late submission will have direct effect on high risk/low risk status
- Six-month extension granted as a result of the COVID emergency
 - For fiscal years ending June 30, 2021, the data collection form and reporting package had a due date of September 30, 2022 (helpful in determining if the DCF was filed timely)









Schedule of Expenditures of Federal Awards Requirements



Face of the SEFA must include all of the federal awards **expended** including:

Noncash Assistance Loan programs
(beginning balance
of outstanding
loans plus loans
disbursed during the
period plus interest
subsidy, cash, or
administrative cost
allowance)

Loan
Guarantee
Programs

Amounts provided to subrecipients for each program





Federal Grantor/Pass-Through Agency/Program or Cluster Title

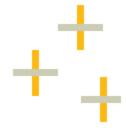
Federal Assistance Listing Number

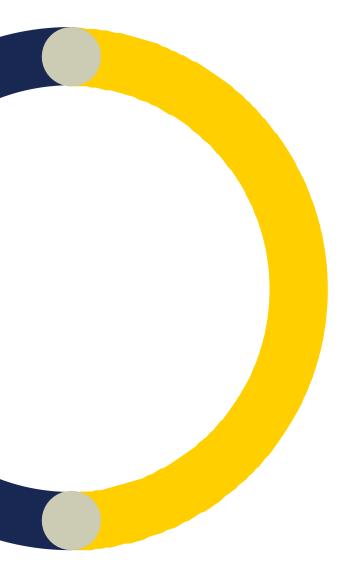
Pass-Through Entity Identifying Number

Amounts Provided to Subrecipients for Each Program

Total Federal Expenditures







Reminders of Changes to the SEFA





Separately Identify COVID-19 Expenditures on the SEFA and Data Collection Form

- ➤ Includes both new and existing programs
- Assistance Listing number with "COVID-19" as a prefix to the program name or on a separate row

SEFA	EXAMPL	.E:
-------------	---------------	-----

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





Nonfederal Entities SHOULD Separately Identify COVID-19 Expenditures on the DCF

COVID-19 funds should be presented on a separate row by Assistance Listing number with "COVID-19" as the first characters in Part II, Item 1, column c, Additional Award information

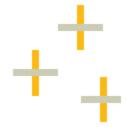
DATA COLLECTION FORM EXAMPLE:

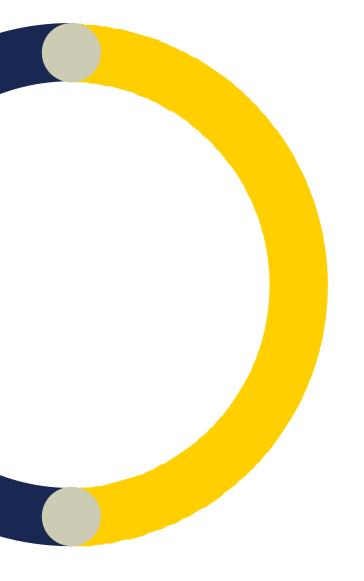
	a	b	c	d	e	f	g	h
	Assistance Listing #	Assistance Listing #						
Row Number (auto- generated)	Federal Awarding Agency Prefix	Assistance Listing Three- Digit Extension	Additional Award Identification	Federal Program Name	Amount Expended	Cluster Name	Federal Program Total (auto-generated)	Cluster Total (auto-generated)
					(\$)		(\$)	(\$)
1	93	558		TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	\$3,000,000.00		\$4,000,000.00	
2	93	558	COVID- 19	COVID-19 - TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	\$1,000,000.00		\$4,000,000.00	
				Total Federal Awards Expended =	\$4,000,000.00			



- Change "CFDA Number" to "Assistance Listing Number"
 - Started with June 30, 2021 year ends
 - Update the Schedule of Findings and Questioned Costs
 - Summary of Auditor's Results
 - Federal Award Findings
 - Notes to SEFA (if applicable)
 - Notes to FS (if applicable)







Common SEFA Errors



—— Common SEFA Errors

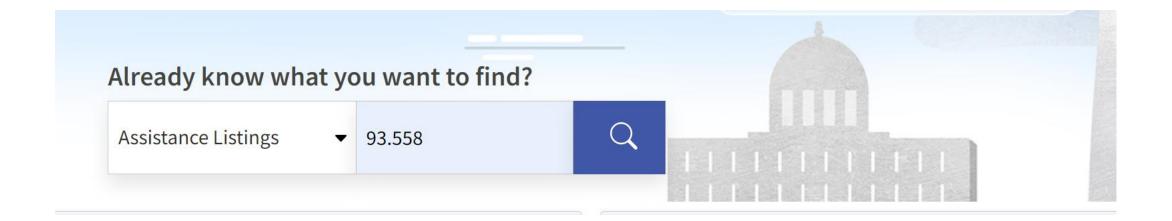
- Incorrect program names and Assistance Listing Numbers
- Missing loan programs
- Missing required footnotes
- Missing subrecipient amounts
- Missing cluster names
- Missing subtotals
- Incorrect calculations/formulas





Incorrect Program Names and AL Numbers

- SAM.gov
- Search Assistance Listing







Incorrect Program Names and AL Numbers

ASSISTANCE LISTINGS

Temporary Assistance for Needy Families

Popular Name

TANF

Sub-tier

ADMINISTRATION FOR CHILDREN AND FAMILIES

Assistance Listing Number

93.558

Related Federal Assistance

93.667, 93.595, 93.596, 93.594

View available opportunities on Grants.gov related to this Assistance Listing ♂



Assistance Listing

Missing Loan Programs

- Many different types of loans have an Assistance Listing number
- Examples Include
 - Mortgage Assistance Programs
 - Brownfields Programs
 - Student Assistance Programs



—— Missing Required Footnotes

- Describe the significant accounting policies used in preparing the SEFA and the basis of accounting used.
- Note whether or not the auditee selected to use the 10% de minimis indirect cost rate.
- As applicable: Balance of Loans or Loan Guarantees at Year End
- Optional: Reconciliation of SEFA to the Statement of Activities



—— Missing Subrecipient Information

• Amounts passed to subrecipients should be identified in a separate column

• May need to complete a determination to determine if funding has been passed to a subrecipient or a contractor (vendor)





Compliance Supplement

PART 5 – CLUSTERS OF PROGRAMS

HHS	93.558	Temporary Assistance for Needy Families (TANF)
	93.569	Community Services Block Grant
	93.575	Child Care and Development Block Grant
	93.594	Tribal Work Grants – Native Employment Works (NEW)
	93.596	Child Care Mandatory and Matching Funds of the Child Care and
		Development Fund



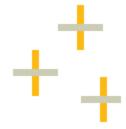
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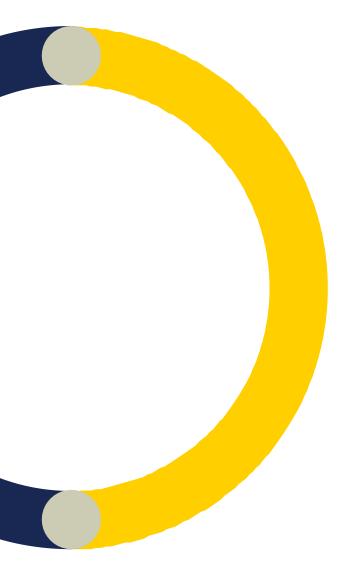
Total - Temporary Assistance for Needy Families		\$4,000,000
Temporary Assistance for Needy Families	93.558	\$3,000,000
COVID-19 Temporary Assistance for Needy Families	93.558	\$1,000,000











Tips to Reconciling the SEFA to the General Ledger

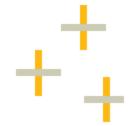


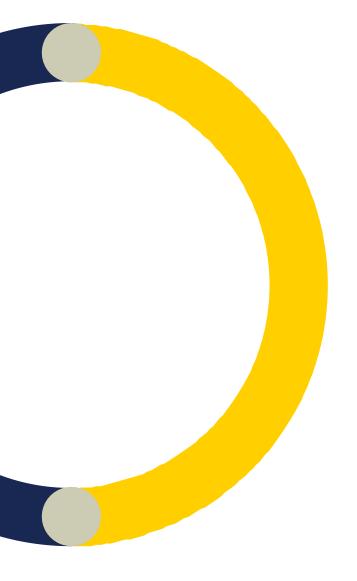
Reconciling the SEFA

- The SEFA must reconcile to the underlying accounting records
- SEFA should include items EXPENDED during the fiscal year.
- Should be able to tie directly to your general ledger.
- Should also reconcile to your Revenues/Receivables/Deferred Inflows.

- Deferred Inflows/Unavailable Amounts expended, but not received within the availability period.
- Unearned (Liability) Amounts received in advance, but not yet spent.







2023 Compliance Supplement Changes

Effective for audits of fiscal years Beginning after June 30, 2022





What to Expect for 2023 Single Audits

- COVID-19 programs continue to need auditing
- Many COVID-19 waivers are expiring
- Infrastructure Investment and Jobs Act (IIJA) funding beginning to flow.
- New 2023 Compliance Supplement has more changes than usual
- Higher risk classification continues
- Increasing federal focus on oversight



- Appendix V Starting Point
 - This year only identifies Assistance Listing numbers (ALN) with changes versus describing what changed in each program as done in prior years.

- Matrix Changes:
 - Any changes have been highlighted in yellow.
 - New programs are identified as "NEW" and highlighted in yellow.





Part 3 - Procurement Changes - BABAA

- Build America Buy America Act (BABAA) established a domestic procurement preference. (produced/manufactured in the US).
- Generally non-federal entities are informed of a requirement to comply with BABAA by federal agencies through award terms and conditions.
- Audit procedure new audit test testing a sample of procurement agreements where this BABAA provision applies, and testing those to see that the provision in the vendor contracts includes that domestic preference wording.
- Auditees are responsible for supporting whether waivers were provided and are in place.



Part 3 - Cash Management Changes

- Previous supplements asked the auditor to ascertain if the entity "paid" for the costs in reimbursement requests prior to the date of the reimbursement period.
 - OMB received feedback about a lack of clarity on the meaning of "paid".
- Audit objective and related procedure have been revised to ask the auditor to ascertain if the sample of expenditures in cash drawdowns tested were *incurred prior to the date of the reimbursement request*.
- Therefore, this is now clarified for inconsistency across audits.



—— Part 3 – Reporting Reminder

- Performance and special reporting provisions continue in the 2023 Supplement
 - Testing is only required for key line items that are quantifiable and capable of evaluations against objective criteria.
 - If no key line items are identified, auditor only needs to test performance/special reports were submitted timely.
 - If key line items are included that are not quantifiable or have no objective criteria, auditors are not required to test.
 - Auditor documentation supporting this determination is recommended.



FCC Programs that were not added to the 2023 Compliance Supplement:

- 32.004, Universal Service Fund Schools and Libraries (E-Rate)
- 32.005, Universal Service Fund Rural Health Care

Pulled to give FCC more time to communicate with recipients and auditors.

- These are not new programs effective date of single audit applicability needs to be defined.
- Recipients may not even be aware that these funds are federal due to the various ways the funding is received.

*These programs will likely be added to the 2024 Supplement and should watch for FCC Communications.

- Awards don't come in the form of an award, but rather a discount, so tough to identify.
- Goes to vendor that provides IT services to schools.
- Make sure the people putting together the SEFAs have talked to the IT department to see if these awards exist.
- If the awards/discounts exist, they should be added to the SEFA.





DEPARTMENT OF TRANSPORTATION

- ▶ **20.327** Railroad Crossing Elimination
- ▶ 20.532 Passenger Ferry Grant Program, Electric or Low-Emitting Ferry Pilot Program, and Ferry Service for Rural Communities Program
- ▶ 20.533 All Stations Accessibility Program
- 20.534 Community Project Funding Congressionally Directed Spending
- 20.708 Natural Gas Distribution Infrastructure Safety and Modernization Grant Program

DEPARTMENT OF THE TREASURY

- 21.011 Community Development Financial Institutions (CDFI) Capital Magnet Fund
- ▶ 21.012 Native Initiatives
- ▶ 21.024 CDFI Rapid Response Program
- 21.025 CDFI Institutions Small Dollar Loan Program
- 21.032 Local Assistance and Tribal Consistency Fund



—— Part 5 – Other Clusters

- Only one change in the "other clusters" listing
- The previously Highway Planning and Construction Cluster that was previously included as an "other cluster" has been removed/"decoupled".
- Each "decoupled" program is now included in its own Part 4 Supplement section
 - 20.205 Highway Planning and Construction (Federal-Aid Highway Program)
 - 20.219 Recreational Trails Program
 - 20.224 Federal Lands Access Program
 - 23.003 Appalachian Development Highway System





Appendix IV – 2023 Higher Risk Listing

Agency	Assistance Listing (CFDA)	Title
	Number	
Education*	84.425	Education Stabilization Fund
HHS*	93.498	Provider Relief Fund and American Rescue
		Plan (ARP) Rural Distribution
HHS**	93.778/93.777/93.775	Medicaid Cluster
Treasury*	21.023	Emergency Rental Assistance
Treasury*	21.026	Homeowner Assistance Fund
Treasury*	21.027	Coronavirus State and Local Fiscal
		Recovery Funds
Treasury*	21.029	Coronavirus Capital Projects Fund
Interior **	15.252	Abandoned Mine Land Reclamation
		(AMLR)
Social Security	96.001/96.006	Disability Insurance/Supplemental Security
		Income

Note:

- * These programs were created by one of the laws cited at the beginning of this section and are thus considered 100% COVID-19 funding.
- ** These programs were existing programs that received additional COVID-19 funding from one or more of the laws cited at the beginning of this section or IIJA funding.





Programs Removed from "Higher Risk" List

- 32.009 Emergency Connectivity Fund Program
- 93.461 Testing for the Uninsured
- 20.106 Airport Improvement Program
- 20.500/20.507/20.525/20.526 Federal Transit Cluster
- 20.315 National Railroad Passenger Corporation Grants



Appendix VII - FAC Transition

- The provider of the Federal Audit Clearinghouse will change from Census to GSA. Projected to be in early October 2023 (October 2 is possible date). New web address is http://www.fac.gov/.
- Single audits with a fiscal period ending in 2023 will be submitted to the new GSA FAC beginning on October 2, 2023.
- Appendix VII waives the 30-day aspect of submission deadline for certain 2023 submissions as follows:

For any 2023 submissions with fiscal periods ending between January 1, 2023 and September 30, 2023, requirement 2 CFR 200.512 (1) states that single audits are due to the FAC 30 days after receipt of the auditor's report(s), is waived. These audits will be considered on time if they are submitted within nine months after their fiscal period end date.

PURVIS

Appendix VII - Other Reminders

- Requirement to separately identify COVID-19 expenditures on SEFA and DCF retained.
 - SEFA: on a separate line by Assistance Listing number with "COVID-19" as a prefix to the program name.
 - DCF: on a separate row with "COVID-19" in Part II Item 1c, Additional Award Identification
 - Although not discussed in the Appendix, Education has issued separate identification guidance for its programs that use alpha characters.
 - Auditors should also include "COVID-19" identification for audit findings.



- Out-of-Period Issues
 - PRF amounts reported on the SEFA align with report submissions to the PRF Reporting Portal
 - ESF/HEERF and PRF allowing institutions to go back to fiscal 2020 and report these expenditures/lost revenue
 - Shuttered Venue Operators Grant (SVOG) allowed pre-award costs back to March 2020.
- Determining completeness certain COVID funding may be handled by departments that are unaccustomed to federal funding.
- Identification of COVID-19 funding on face of SEFA.
- Determining when awards exist.





Below are the steps to determine if a project worksheet (PW) is federally obligated:

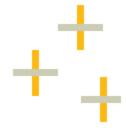
- Login to FloridaPA.org
- On the left side, select "Accounts"
- Select the disaster you are reviewing (Ian, Idalia, etc.)
- On the left side, select "Projects"
- In the top right corner of the screen, there is an Excel icon. Click on this icon to generate a report.
- A box will appear for this report, select the following
 - "Custom"
 - Check the box on the left column for "Project Obligation"
 - Check the box on the left column for "Project Obligation Date"
- Export report
- Review what has been obligated during this fiscal year.

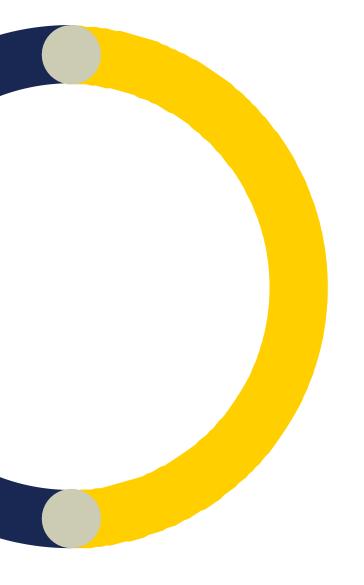


Resources

- Government Audit Quality Center (GAQC) of the AICPA
- Sam.gov
- BDO Institute for Nonprofit Excellence Resources Center
- BDO Nonprofit and Government Help Desk
- SAM bot
- BDO Single Audit Programs







Single Audit Issues and Findings





- Compare the preliminary SEFA to the prior year SEFA to find missing grant programs
- CFDA 93.563 Child Support Enforcement is Federal funding passed through to all 67 Florida Counties but was forgotten in this sample.

Passed through Florida Department of Children and Families:	
Child Protection Investigation FY 18-19	93.558
Child Protection Investigation FY 19-20	93.558
Total TANF Cluster	
Low-Income Home Energy Assistance Passed through Florida Department of Elder Affairs, then through Senior Connection Center:	

Temporary Assistance for Needy Families

Emergency Home Energy Assistance for Elderly

Emergency Home Energy Assistance for Elderly



93.568

93.568



- Coronavirus Relief Funds (CFDA 21.019)
- Costs must be incurred on or after March 1, 2020
- Submitted payroll costs occurred in February 2020
- Pass-through entity reimbursed these costs

Employee		Check Date
174017	Redacted	4/17/2020
188919	Redacted	3/6/2020
188919		3/20/2020
193425		3/6/2020



- Grants should be identified by the official federal program name
- Special Education Cluster grants may also be referred to as IDEA (Individuals with Disabilities Education Act) grants
- Official name is Special Education Grants to States & Preschool Grants

Title IV-B, Special Education Cluster	
Title <u>VI</u> -B Flowthrough	84.027
Title VI-B High Cost	84.027
Title VI-B Parent Mentor	84.027
Building Capacity	84.027
Title VI-B South Metro	84.027
Title VI-B Preschool	84.173
Total Title IV-B, Special Education Cluster	



• Significant Deficiency in Internal Control over Grant Expenditure Reporting

In the State of Florida's accounting to the Federal Emergency Management Agency (FEMA) of eligible costs, it was determined that the City had submitted duplicate billings of \$662,203 for reimbursement.

- CFDA 97.036 Disaster Grant Public Assistance: Hurricane Irma
- Local representatives from FEMA assisted in the completion and filing of project worksheets
- The City relied on the FEMA representatives to submit accurate reports
- Invoices that should have been split between two project worksheets were applied at full cost on both project worksheets



- Grant reported on the State SEFA instead of the Federal SEFA
- Required re-determination of major programs for the state Single Audit

Please see the attached grant award agreement for details regarding applicable funding rules for the NG-911 Federal grant program that your grant award may requires. The following provides details concerning the Spring 2020 grant(s) to Redacted County: CSFA# **Grant Number** Amount Requested Amount Approved Purpose **Federal Funding** 72.003 \$630,880.00 \$630,880.00 Redacted \$630,880.00 **GIS Data Support** Funded **Total Grant Awards:** \$630,880.00

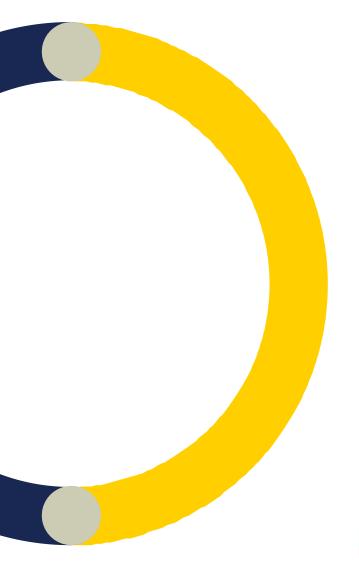




- Largest Covid-19 fraud to date
- Feeding Our Future, a Minnesota non-profit, exploited a federal program designed to provide meals to children from low-income families
- Submitted false invoices with fake names of children served

Federal authorities charge 47 with stealing \$250 million from food program for low-income children





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Questions?

