



**SEFA INFORMATION**

We issue an in relation to opinion on the SEFA with the Independent Auditor's Report in the Other Matters Section.

The Preparation of the Schedule of Expenditures of Federal Awards is one of the most common Section II Findings

The SEFA findings is placed in the Auditor's section of the Supplemental Report because the Auditor is the Fiscal Officer of the County.

CORRECTIVE ACTION PLAN FOR HEATH COUNTY	
<b>Report period:</b>	01/01/17- 12/31/17
<b>Title of result and comment or finding number:</b>	2017-001 – Preparation of the Schedule of Federal Awards
<b>Contact person:</b>	Lori "Miss Internal Control" Rogers
<b>Contact person information:</b>	(317) 867-5309 SboaRocks.com
<b>Clearly state the issue:</b>	The County did not have a proper system of internal control in place to prevent, detect and correct, errors on the SEFA. The County had implemented controls, but they were not effective.  The SEFA contained errors.
<b>List the requirements that were not followed:</b>	2 CFR 200.508 states in part: "The auditee must ... (b) prepare appropriate financial statements including the schedule of expenditures of Federal awards in accordance with 200.510 Financial statements...."  2 CFR 200.510(b) states "...The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements..."  The SBOA is required under IC 5-11-1-27(e) to define the acceptable minimum level of internal control standards. The Uniform Internal Control Standards for Indiana Political Subdivisions, prepared by the SBOA, provides guidance on internal control standards.
<b>Unit response:</b>	We agree with the repeat finding identified.
<b>Identify the root cause of the issue:</b>	SEFA expenditures did not agree with the records due to incorrect postings of federal and state grant distributions and a lack of review and approval of the SEFA.  Financial reports of the grant funds were not provided to the departments for their review.  No comparison was made between the financial records and the grant files.  The departments were not providing proper documentation to complete the SEFA, such as CFDA numbers, program titles, identifying award numbers, etc.
<b>Steps to be taken to correct the issue:</b>	Based on our understanding of the <u>control deficiencies identified in the audit report and a risk assessment of our policies and procedures for the preparation of the SEFA</u> , we will address those identified risks with the <u>modification of current procedures or creation of new procedures</u> where needed regarding the internal controls in place. A written plan of the updated procedures will be provided to all individuals involved in the grant process.

<b>Implementation timetable:</b>	The written policy will be prepared by November 5th and presented for approval by the Commissioners on November 12th. Training on the new grant policy will occur immediately after approval by the Commissioners.
<b>If applicable: Document reason issue will NOT be corrected within 6 months:</b>	N/A
<b>Summary of how the corrections will prevent future occurrence of the issue:</b>	The updated procedures will result in the accurate reporting of the SEFA. Errors will be identified and eliminated before they are reported.

## GATHERING INFORMATION

- ✓ Need to identify source of grant before grant is received. **Usually this will be found with the grant application or grant agreement.** It may require contacting the grantor agency for additional information.
- ✓ For Federal grants need to identify:
  - CFDA #
  - Direct grant from the Federal Government or pass through another entity (State or Local)
  - Title of Federal Program
  - Name of Federal Agency (DOT, Homeland Security, Health and Human Services, etc.)
  - Name of state agency for pass-through grants
  - Grant Type – Advance or Reimbursement
- ✓ Set up a folder or electronic file to keep all information on the grant:
  - Award Letter
  - Grant contracts
  - Grant budgets
  - Correspondence with grantor agency

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Grant Summary	
Local Project Name	_____
Award Number	_____
Award Name	_____
Award Method	Advanced/Reimbursement/Other* (see note)
Fund Name/Number	_____
Initiating Office/Department	_____
Contact Person Name	_____
Contact Person Phone	_____
Contact Person E-Mail	_____
Pass-Through Agency	_____
Contact Person Name	_____
Contact Person Phone	_____
Contact Person E-Mail	_____
Federal Grant?	Yes/No
Federal Agency	_____
Federal Program/Project Title	_____
CFDA Number	_____
Passed to Subrecipients	Yes/No
Notes	_____
	_____
	_____

\*noncash, loan, income

A form like this in a handy tool that can be used to track the grant information at the beginning and then used as a reference when entering information into Gateway.

## RECORDING TRANSACTIONS

- ✓ Set up a grant fund using the CFDA #, Title of grant using the Federal grant numbers (8000 series)
- ✓ Post all transactions to the grant fund
  - If specific local fund is used to pay costs of program/project prior to reimbursement, do an interfund loan to the grant fund, post reimbursements to the grant fund and repay loan when reimbursements have been received.
  - If no specific fund is identified in (a) it is possible for a reimbursement grant to be overdrawn for a short period of time pending timely filed reimbursement claims
- ✓ Use the active funds in the 8000 series to complete the grant schedule in Gateway
  - If you have the folder/file with the information, this should not be difficult
  - Include all receipts and disbursements from the funds ledger
  - Code properly as an advance grant or a reimbursement grant

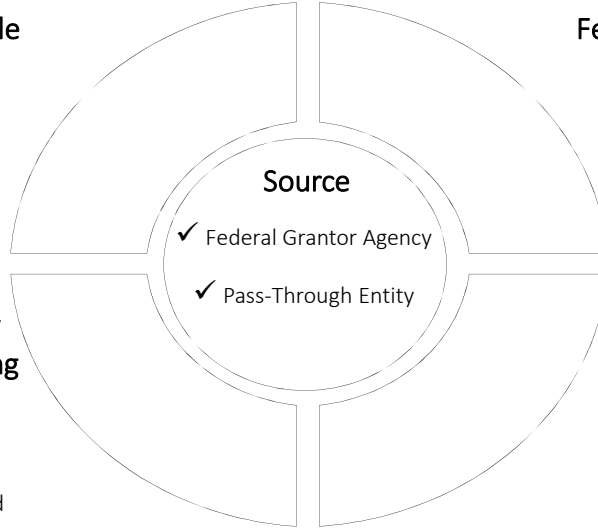
# FEDERAL IDENTIFIED GRANTS

## Federal Program Title & Project Title

- ✓ Name the federal awarding agency has assigned to the Grant
- ✓ Local Project Name.

## Federal CFDA Number

- ✓ Catalog of Federal Domestic Assistance identifier.
- ✓ Assigned by the Federal Agency



## Pass-Through Entity (or Other) Identifying Number

- ✓ Assigned by the Pass-Through Entity
- ✓ Sometimes represented by the year

## Reported Amount of Expenditures

- ✓ Advance monies
- ✓ Reimbursement monies
- ✓ Sub-recipient awards

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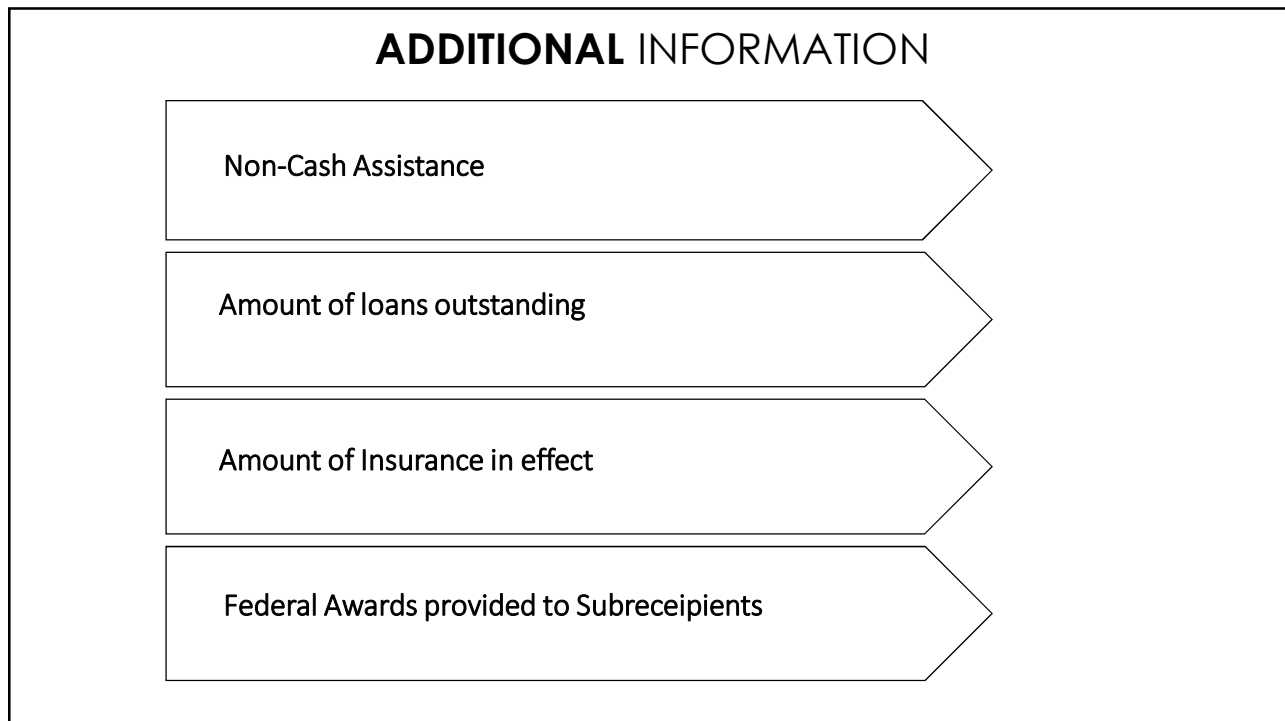
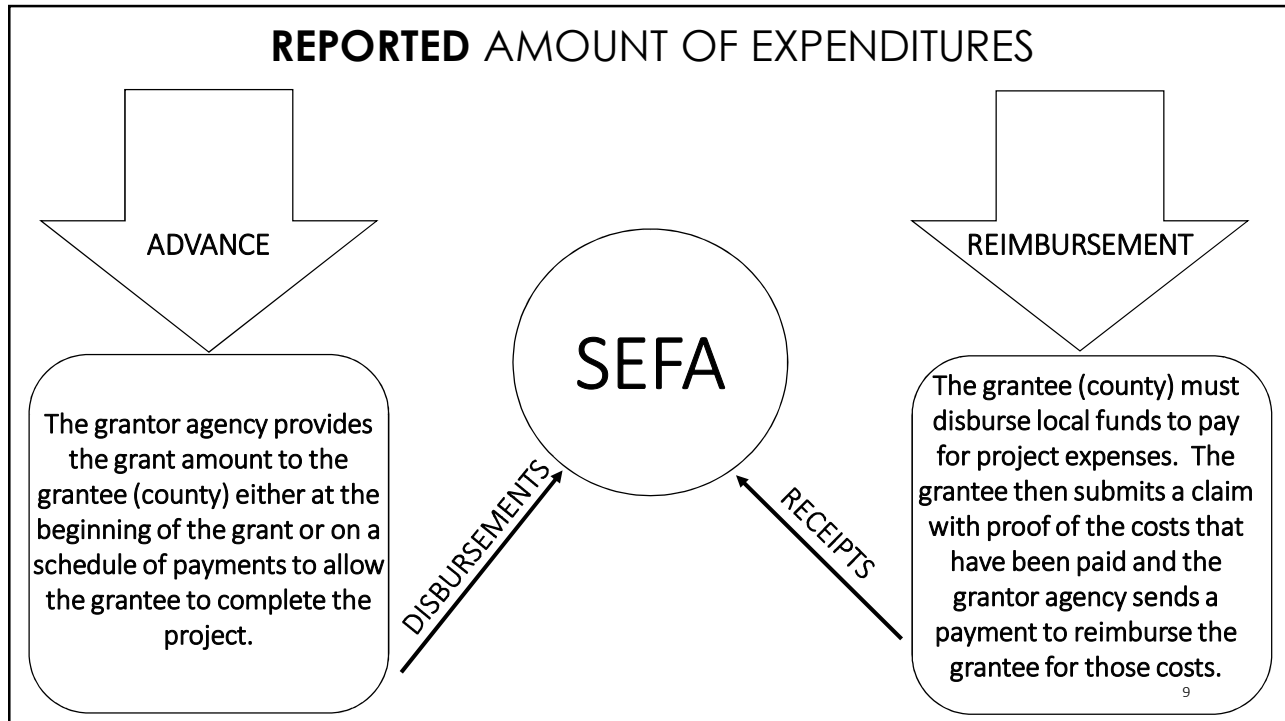
**https://beta.sam.gov**

**Search CFDA#**

**May have to scroll down the list**

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<p><b>Highway Planning and Construction</b></p> <p>This Assistance Listing encompasses several transportation programs: 1) Federal-aid Highway Program: The purpose of the Federal-aid Highway Program ...</p> <p>Department/Ind. Agency TRANSPORTATION, DEPARTMENT OF</p>	<p style="background-color: #f0f0f0; padding: 2px;">Assistance Listing</p> <p>CFDA Number 20.205</p> <p>Funded Yes</p> <p>Last Date Modified Aug 22, 2018</p> <p>Type Of Assistance Z - Salaries and Expenses</p>
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## INTERNAL CONTROLS OVER REPORTING

- ✓ The bookkeeper will generate reports from the financial system and compare the financial reports to information in the grant files. Doing this monthly is a good idea. (Some prepare a spreadsheet of grant information)
- ✓ The bookkeeper will enter information into Gateway from information obtained from the financial records, grant files, etc.
- ✓ Have a second employee review the grant schedule and trace the information back to the grant file and the funds ledger.
- ✓ Have procedures to allow the department that applies for the grant review the transactions posted to the funds ledger to reconcile to their records.
- ✓ Compare the grant schedule to the prior year's Schedule of Expenditures of Federal Awards (SEFA) to check to see if any grants may have been missed, titles and CFDA numbers are consistent.



**QUESTIONS??**