Federal Audits & Uniform Guidance

Indiana State Board of Accounts
ILMCT Fall District Meeting
August 2021

Federal Audits

- Schedule of Expenditures of Federal Awards (SEFA)
- Major Program Audit
- **Summary of all Federal grants expended during the audit period**
  - If total expenditures exceed $750,000, a Single audit is required

- **SEFA Reporting**
  - All Federal grant activity is reported in on the Annual Financial Report in Gateway
  - The information reported is used to compile the SEFA
Before entering information in Gateway, be sure to have necessary documentation

- Grant applications or grant agreements for each program - including those received by departments
- If necessary, the grantor agency may be contacted

Ensure the following information is available for each grant:

- Assistance Listing # (used to be CFDA)
- Federal Awarding Agency
- Title of Federal program
  - Beta.sam.gov
    - Search Assistance Listing
- Whether the grant is direct or pass-through
- Pass-through entity, if applicable
- Whether the grant is on an advance or reimbursement basis
• **Determination of amounts reported:**
  - **Disbursements are reported for advance grants**
  - **Receipts are reported for reimbursement grants**
    - If a different method is used, the notes should be updated to reflect that

• **The SEFA that is approved for audit will include clusters (for applicable programs) in addition to the elements already mentioned**
  - These are added to the SEFA by the macro we use to compile
Clusters can be verified in Part 5 of the Compliance Supplement


Office of Federal Financial Management

The Chief Financial Officers Act (CFO) of 1990 created OFFM as the Executive Branch's focal point in a framework for more effective Federal financial management. OFFM responsibilities include implementing the financial management improvement priorities of the President, establishing government-wide financial management policies of executive agencies, and carrying out the financial management functions of the CFO Act.

OFFM’s mission is to develop and implement coordinated policy with Federal Chief Financial Officers to ensure that Federal financial management practices support effective delivery of service across the United States Federal government.

Resources and Other Information

• 2021 Compliance Supplement – 2 CFR Part 200 Appendix XI (August 12, 2021) (1,707 Pages, 20.81 MB)
• GFM Circular #154, Financial Reporting Requirements, Revised January
Auditing of the SEFA

- All information reported will be audited
  - Assistance Listing #
  - Title of Program
  - Federal Awarding Agency
  - Etc.
• **Internal control procedures over the preparation of the SEFA also audited**
  - Documentation of controls important

• **Internal control deficiencies & errors on the SEFA are common report findings**

• **Once the accuracy of the SEFA has been determined, the amounts will be used to determine the major programs in the manner required by Federal regulations**
Auditing of the SEFA

- A preliminary review of the SEFA occurs shortly after the Annual Financial Report is submitted.
  - This will allow for better planning of the audits and will provide efficiencies

Audits of Major Programs

- Each program is unique.
- Each program has certain compliance requirements applicable to every program
- As well as requirements unique to that specific program
Audits of Major Programs

- **Compliance Requirements**
  - Activities Allowed or Unallowed
  - Allowable Costs/Cost Principles
  - Cash Management
  - Eligibility
  - Equipment and Real Property Management
  - Matching, Level of Effort, Earmarking
  - Period of Performance
  - Procurement, Suspension, & Debarment
  - Program Income
  - Reporting
  - Subrecipient Monitoring
  - Special Tests & Provisions

- **Documentation is needed for all activity that occurs to a grant**
- **Grant agreements important – get a copy**
- **Internal controls must be in place to ensure requirements of the grant are met**
  - Documented in writing
  - Lack of controls common report finding
CARES Act Funding

• CARES Act funds were distributed both directly and as pass-through funds
  • Passed-through through Indiana Finance Authority
  • Some that were direct:
    ➢ Transit
    ➢ Airport
    ➢ Provider Relief

CARES Act Funding

• CARES Act funds fall into one of two categories
  • A new Assistance Listing (CFDA) number
  • Additional funds to an existing Assistance Listing (CFDA) number

• 2 most common
  • 21.019 Coronavirus Relief Fund
  • 93.498 Provider Relief Fund
| CARES links on IFA Website | https://www.in.gov/ifa/coronavirus-relief-fund-program/helpful-links/ |

**Helpful Links**

Please read the Frequently Asked Questions and Directions to the Reimbursement Request Form First.

AIM Webinar – CARES Act Reimbursement for Cities and Towns – July 2, 2020

Coronavirus Relief Fund: Guidance for State, Territorial, Local, and Tribal Governments

U.S. Treasury - Coronavirus Relief Fund Frequently Asked Questions

Department of the Treasury Office of Inspector General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping (Revised)

U.S. Treasury - CARES Act - Policy Issues

Coronavirus Relief Fund: Background and State and Local Data

3548 CARES Act (NOTE: Refer to pages 221 to 224)