FEDERAL AUDITS

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► 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

All grant information is reported in Gateway

- This information is used to compile the SEFA

SEFA REPORTING
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:

- CFDA #
- Federal Awarding Agency
- Title of Federal program
- Whether the grant is direct or pass-through
- Pass-through entity, if applicable
- Whether the grant is on an advance or reimbursement basis
Title of Federal Programs can be found at:

- Beta.sam.gov
- Search Assistance Listing

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
- Clusters can be verified in Part 5 of the Compliance Supplement

SEFA REPORTING

- 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

SEFA REPORTING
All information reported will be audited
- CFDA #, Title of Program, Federal Awarding Agency, etc.

Internal control procedures over the preparation of the SEFA will also be audited
- Documentation of these procedures is important
Internal control deficiencies and errors on the SEFA are common issues reported in findings.

AUDITING OF THE SEFA

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.

USE OF SEFA
Each program is unique and has unique requirements

- We audit the requirements specific to each program that OMB requires

The following are the areas we audit:

- Activities Allowed or Unallowed
- Allowable Costs/Cost Principles
- Cash Management
- Eligibility
- Equipment and Real Property Management
- Matching, Level of Effort, Earmarking
The following are the areas we audit:

- Period of Performance
- Procurement and Suspension and Debarment
- Program Income
- Reporting
- Subrecipient Monitoring
- Special Tests and Provisions

Documentation is needed for all activity that occurs related to a grant

- Requirements exist that SBOA is not required to audit but are still the responsibility of the grantee
- Grant agreements are important
Internal control procedures must be in place to ensure all requirements of the grant are met

- Control procedures should be documented so they can be audited

The lack of proper internal control procedures over requirements of grants is a common finding reported in major program audits
Audits will be conducted by two separate teams for audits beginning after July 1

- One team will complete the financial statement audit; the other team will complete the federal audit

Some current procedures will be split, but work will not be duplicated

- For example, approval of the financial statements and SEFA may be separated, but each will only require one approval from management
As much as possible, the Financial Statement audit and Federal audit will be conducted concurrently, but this will not always be the case.

Three separate reports will be issued:
- Financial Statement Audit Report
- Federal Single Audit Report
- Supplemental Compliance Report (if needed)
In the future, auditing of the SEFA will occur shortly after the AFR is submitted.
This will allow for better planning of the audits and will provide efficiencies.

There will be a separate billing process in place for both stages of the audit.
QUESTIONS???