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STATE EXAMINER DIRECTIVE 2021-2

Date: May 6, 2021

Subject: GAAP AND ACFR Audits

Authority: IC 5-11-1; IC 5-11-1-30

Application: This Directive applies to all political subdivisions that choose to prepare a Comprehensive Annual Financial Report (ACFR) or GAAP financial statements for audit by the Indiana State Board of Accounts (SBOA)

From: Paul D. Joyce, CPA, State Examiner

This Directive supersedes Amended State Examiner Directive 2017-1, which was rescinded on May 6, 2021.

In support of the Government Finance Officers Association (GFOA) campaign to End the Acronym, the Indiana State Board of Accounts (SBOA) will refer to comprehensive annual financial reports by their full name or by annual comprehensive financial reports (ACFR). These reports are full GAAP financial statements with additional disclosures that are to be submitted to GFOA for consideration of their Certificate of Achievement for Excellence in Financial Reporting (COA). This policy also covers other auditees that provide us with GAAP financial statements for audit whether that is due to Indiana Code requirements or other reasons.

The purpose of this Directive is to establish procedures and a timeline for: the receipt of GAAP financial statements and supporting documentation; the GAAP pre-audit process; and the assignment of audit teams for ACFR and GAAP engagements, excluding the state audit.

To perform the audit and required reviews in sufficient time for an on time GFOA submission (6 months after fiscal year end), draft financial statements, including note disclosures, management's discussion and analysis (MD&A), required supplementary information (RSI), and supporting documentation must be submitted to the SBOA office on or before 90 days after fiscal year end. The GAAP financial statements and other information must be complete and reconciled. Submissions should contain the final complete financial statements and schedules that are ready for audit, not a draft. Exceptions may be made for discretely presented component unit information that will be available during the audit fieldwork. Supporting documentation needs to support the calculations made for each amount within the financial statements and other information and should agree to the entity's records. This documentation needs to be submitted via the Monthly and Annual Engagement Uploads application in Gateway.


Auditees seeking an audit of GAAP financial statements, which will not be submitted to GFOA for COA consideration, whether it is to meet a statutory requirement or voluntarily, should use the same process in Gateway for upload of all required elements of the GAAP financial statements and supporting documentation as described above. Submission should be within 5 months after fiscal year end.

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On-time submission does not guarantee the independent auditor's report by any particular date. It does mean that the SBOA will work with the auditee to plan and perform the audit in a manner that will result in timely completion barring unforeseen issues and circumstances outside of our control. There are circumstances, such as computer conversion or change in key personnel, that occasionally arise that prevent an on-time submission. The entity's management may discuss a later date for providing the draft financial statements, note disclosures, MD&A, RSI, and supporting documentation referenced above with Tammy White, Deputy State Examiner, in these cases. See contact information below.

Regardless of the planned submission date of the entity, a team will not be assigned to begin fieldwork until the required financial statements, schedules, and supporting documentation have gone through a pre-audit process and determination has been made that the entity's submission appears complete and reconciled.

Please contact Tammy White, Deputy State Examiner, at (317) 232-2514 or twhite@sboa.IN.gov with any questions or concerns you have regarding GAAP or ACFR audits.


Paul D. Joyce, CPA
State Examiner