



Audit of Federal Awards

2022 Auditors Fall Conference

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Schedule of Expenditures of Federal Awards

- Completed within the Annual Financial Report
- Required to enter the following information:
 - Local project name
 - Grant program title
 - Agency name
 - Pass through agency
 - Assistance Listing Number
 - Award name
 - Award number
 - Grant (Advance, Reimbursement)
 - Fund name
 - Receipts
 - Disbursements
 - Sub-recipients
 - Loans outstanding
 - Noncash assistance
 - Insurance



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Major Program Determination

- Single Audit Required when \$750,000 in federal awards is expended in the fiscal year
- Determining whether Auditee is Low-Risk
- Determining Type A and Type B awards
- Identifying Low-Risk Type A programs
- Identifying High-Risk Type B programs
- Evaluating which awards will be major programs



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Financial Management

- 2 CFR 200.302(b)
 - Identifying all federal awards received
 - Disclosure of financial results of each Federal award
 - Supporting Records
 - Effective internal controls
 - Comparison of budget & expenditures
 - Written procedure for federal payment
 - Written procedure for determining allowable costs



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Compliance Supplement

- [https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement PDF Rev 05.11.22.pdf](https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement%20PDF%20Rev%2005.11.22.pdf)

April 2022 Matrix of Compliance Requirements



Requirement	A	B	C	E	F	G	H	I	J	L	M	N
Program Number 20.500/20.507/20.525 /20.526 (Federal Transit Cluster)	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

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Internal Controls

- Communication on what controls have been put into place and what documentation to look for
- County should provide written policies at this time including but not limited to:
 - Allowable Cost Policy
 - Procurement Policy



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Activities Allowed or Unallowed

- Unique to each federal program
- Found in federal statutes, regulations, and the terms and conditions of the award
- Audit Objectives:
 - Internal Controls
 - Compliance



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Allowable Costs / Cost Principles

- 2 CFR Part 200, Subpart E outlines the cost principles applicable to all federal awards
- Audit Objectives:
 - Internal Controls
 - Directs costs allowable and consistently treated
 - Indirect costs rates appropriate



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Cash Management

- 2 CFR 200.305 Federal Payment
- Audit Objectives:
 - Internal Controls
 - For Advance Awards – Test to verify time is minimized between drawing and disbursing
 - ✓ Written policy required
 - For Reimbursement Awards – Test to verify costs were paid prior to the date of reimbursement request.
 - Testing payments to subrecipients



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Eligibility

- Unique to each federal program
- Found in federal statutes, regulations, and the terms and conditions of the award
- Audit Objectives:
 - Internal Controls
 - Compliance with Eligibility Determinations



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Equipment / Real Property Management

- 2 CFR 200 Subpart D – Property Standards
 - 200.311 Real Property
 - 200.313 Equipment
- Audit Objectives:
 - Internal Control
 - Equipment maintained and Safeguarded
 - Disposition of Equipment / Real Property



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Matching, Level of Effort, Earmarking

- Unique to each federal program
- Found in federal statutes, regulations, and the terms and conditions of the award
- Audit Objectives:
 - Internal Controls
 - Matching – Minimum contribution provided
 - Level of Effort – Service/ Expenditure level maintained
 - Earmarking – Min or Max limits were met



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Period of Performance

- The total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods.
- Audit Objectives:
 - Internal Control
 - Costs incurred during the period
 - Financial Obligations were liquidated within time period



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Procurement, Suspension & Debarment

- Meet procurement standards in 2 CFR 200.318 through 200.326
- Prohibited from contracting / subwarding to parties suspended or debarred.
- Audit Objectives:
 - Internal Controls
 - Procurement followed regulations
 - Unit verified no suspended or debarred parties



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Program Income

- Gross income earned by a non-federal entity that is directly generated by a supported activity or earned as a result of the federal award during the period of performance.
- Audit Objectives:
 - Internal Controls
 - Correctly determined, recorded and used



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Reporting

- Financial Reporting
- Performance Reporting
- Special Reporting
- Audit Objectives:
 - Internal Controls
 - Reports are complete and derived from the records
 - Reports are timely and accurate



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Subrecipient Monitoring

- 2 CFR 200.331: Defines Subrecipients and Contractors
- 2 CFR 200.332: Provides requirements for pass-thru entities to subrecipients
- Audit Objectives:
 - Internal Controls
 - Pass-thru Entity identified Subaward
 - Pass-thru Entity monitored activities for compliance



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Special Tests & Provisions

- Unique to each federal program
- Found in terms and conditions of the award
- Audit Objectives:
 - Internal Controls
 - Compliance



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Audit Results

- Internal control deficiencies are noted
- Identify major programs and opinions issued
- Section II Findings
- Section III Findings



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Resources

- Code of Federal Regulations – Title 2:
 - <https://www.ecfr.gov/current/title-2>
- Compliance Supplement:
 - [https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement PDF Rev 05.11.22.pdf](https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement-PDF-Rev-05.11.22.pdf)



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