**Reference Manual Appendix 5**

**2016**

**Sample Single Audit Schedules**

**The updated schedules and report formats are contained in the annually-updated AICPA Audit Guide, Governmental Auditing Standards and the Uniform Guidance.**

Sample School District

Schedule of Expenditures of Federal Awards

For the year ended June 30, 20\_\_

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**See notes to Schedule of Expenditures of Federal Awards**

USDA offers an alternative presentation of Child Nutrition Cluster data, which focuses on individual programs, rather than on cash and non-cash assistance. Either format could be considered, but both formats should not be used concurrently.

Sample School District

Schedule of Expenditures of Federal Awards

For the year ended June 30, 20\_\_

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 Passed

 Federal Grantor/Pass-through CDFA Agency or Pass- through to Total Federal

 Grantor Program Title Number through Number Subrecipents Expenditure

U.S. Department of Education

 **Passed-through NYS Education Department**

 Special Education Cluster:

 Special Education-Grants to States 84.027 0032.0A-xxxx xxx,xxx xxxxx

 Special Education-Grants to States 84.027 0032.0B-xxxx xxx,xxx xxx,xxx

 Special Education Preschool Grants 84.173 0032.0A-xxxx xxxx

 Special Education Preschool Grants 84.173 0032.0A-xxxx xxxxx

 Special Education Preschool Grants 84.173 0032.0B-xxxx xxx,xxx

 Total Special Education Cluster xxx,xxx

 Title 1 Grants to LEAs 84.010 0032.0A-xxxx

 Title 1 Grants to LEAs 84.010 0032.0A-xxxx xxx,xxx

 Safe and Drug Free Schools & Communities 84.186 0032.0A-xxxx

 Safe and Drug Free Schools & Communities 84.186 0032.0A-xxxx xxx,xxx

 Innovative Education Program Strategies 84.298 0032.0A-xxxx xxx,xxx

 Improving Teacher Quality State Grants 84.367 0032.0A-xxxx xxx,xxx

**Total Passed-through NYS Education Department** xxx,xxx

**Direct Program:**

 Impact Aid 84.041 xxx,xxx

 *Total U.S. Department of Education* xxxx xxx,xxx

 Total Federal Awards Expended

**See notes to Schedule of Expenditures of Federal Awards**

*The specific federal programs to be included in this schedule will depend on the unique circumstances of each school district.*

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**Note 1- Summary of Certain Significant Accounting Policies:**

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs. OR Certain of the District's federal award programs have been charged with indirect costs, based upon a rate established by New York State and The District has elected not to use the 10% deminimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

**Note 2 – other disclosures:**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

If the value of federal awards expended in the form of non-cash assistance is not provided in the schedule, it should be disclosed in a note to the schedule, such as:

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted $\_\_\_\_\_\_\_\_ of commodities under the National

School Lunch Program (CFDA 10.555).

Go to [www.nysed.gov/cafe/county/names.html](http://www.nysed.gov/cafe/county/names.html) for SED's Grants Finance Unit identification of the CFDA number related to each federal grant that a district receives.

The auditor should prepare a Schedule of Findings and Questioned Costs, which is required by 2 CFR 200.515. The format of the Schedule depends on the professional judgment of the auditor, but is required to be divided into three components: summary of auditor's results, findings relating to the financial statements required to be reported in accordance with GAGAS, and findings and questioned costs for federal awards, including audit findings as defined in 2 CFR 200.515. A sample format is presented below:

Section I - Summary of Auditor’s Results

 ***Financial Statements***

 Type of auditor’s opinion(s) issued:

 Internal control over financial reporting:

 Material weakness(es) identified? yes no

 Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Type of auditor’s issued on compliance for major programs:

Any audit findings disclosed that are required to be reported

in accordance with section 2 CFR-200.516(a) yes no

Identification of major programs:

Name of federal program CDFA Number

Dollar threshold used to distinguish between Type A

and Type B Programs

 Auditee qualified as low risk? yes no

**Section II – Financial Statement Findings**

Identify any reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards. Assign each finding a reference number. Audit findings that relate to both the financial statements and federal awards should be reported in both Section II and Section III. However, the reporting in one section may be in summary form with a reference to a detailed reporting in the other section of the schedule. If there are no findings, state that no matters were reported.

To the extent possible, in presenting audit findings such as deficiencies in internal control, auditors should develop the elements of criteria, condition, cause, and effect to assist management or oversight officials of the audited entity in understanding the need for taking corrective action. In addition, if auditors are able to sufficiently develop the findings, they should provide recommendations for corrective action.

*Government Auditing Standards* provide the following guidance for reporting on elements of findings:

1. Criteria: An audit report is improved when it provides information such that the report user will be able to determine what is the required, or desired state or what is expected from the program or operation. The criteria are easier to understand when stated fairly, explicitly, and completely, and the source of the criteria is identified in the audit report.
2. Condition: The audit report is improved when it provides evidence of what the auditors found regarding the actual situation. Reporting the scope or extent of the condition allows the report user to gain an accurate perspective.
3. Cause: The audit report is improved when it provides persuasive evidence on the factor or factors responsible for the difference between condition and criteria. In reporting the cause, auditors may consider whether the evidence provides a reasonable and convincing argument for why the stated cause is the key factor or factors contributing to the difference as opposed to other possible causes, such as poorly designed criteria or factors uncontrollable by program management. The auditors also may consider whether the identified cause could serve as a basis for the recommendations.
4. Effect: The audit report is improved when it provides a clear, logical link to establish the impact of the difference between what the auditors found (condition) and what should be (criteria). Effect is easier to understand when it is stated clearly, concisely, and, if possible, in quantifiable terms. The significance of the reported effect can be demonstrated through credible evidence.

When auditors detect deficiencies in internal control that are not reportable conditions, they should communicate those deficiencies separately in a management letter to officials of the audited entity unless the deficiencies are clearly inconsequential considering both quantitative and qualitative factors.

**Section III—Federal Award Findings and Questioned Costs**

Identify the audit findings required to be reported by 2 CFR 200.516 (9). Where practical, findings should be organized by federal agency or pass-through entity. If there are no findings, state that no matters were reported. The auditor shall report the following as audit findings in a schedule of findings and questioned costs:

1) Significant deficiencies and material weaknesses in internal control over major programs. The auditor's determination of whether a deficiency in internal control is a reportable condition for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program or an audit objective identified in the compliance supplement. The auditor shall identify reportable conditions which are individually or cumulatively material weaknesses.

2) Material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program. The auditor's determination of whether a noncompliance with the provisions of laws, regulations, contracts, or grant agreements is material for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program or an audit objective identified in the compliance supplement.

3) Known questioned costs which are greater than $25,000 for a type of compliance requirement for a major program. Known questioned costs are those specifically identified by the auditor. In evaluating the effect of questioned costs on the opinion on compliance, the auditor considers the best estimate of total costs questioned (likely questioned costs), not just the questioned costs specifically identified (known questioned costs). The auditor shall also report known questioned costs when likely questioned costs are greater than $25,000 for a type of compliance requirement for a major program. In reporting questioned costs, the auditor shall include information to provide proper perspective for judging the prevalence and consequences of the questioned costs.

4) Known questioned costs which are greater than $25,000 for a Federal program which is not audited as a major program. Except for audit follow-up, the auditor is not required under this part to perform audit procedures for such a Federal program; therefore, the auditor will normally not find questioned costs for a program which is not audited as a major program. However, if the auditor does become aware of questioned costs for a Federal program which is not audited as a major program (e.g., as part of audit follow-up or other audit procedures) and the known questioned costs are greater than $25,000, then the auditor shall report this as an audit finding.

5) The circumstances concerning why the auditor's report on compliance for major programs is other than an unmodified opinion, unless such circumstances are otherwise reported as audit findings in the schedule of findings and questioned costs for Federal awards.

6) Known or likely fraud affecting a Federal award, unless such fraud is otherwise reported as an audit finding in the schedule of findings and questioned costs for Federal awards. This paragraph does not require the auditor to make an additional reporting when the auditor confirms that the fraud was reported outside of the auditor's reports under the direct reporting requirements of GAGAS.

7) Significant instances of abuse relating to major programs.

8) Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee in accordance with the Uniform Guidance materially misrepresents the status of any prior audit finding.

Audit findings shall be presented in sufficient detail for the auditee to prepare a corrective action plan and take corrective action, and for Federal agencies and pass-through entities to arrive at a management decision. Each finding should be presented in the following level of detail, as applicable:

• Identification of the federal program, award and CFDA title and number, federal award number and year, name of federal agency, and name of any pass-through entity, (CFDA numbers are usually available from grant documents or remittance advices. They can also be obtained from a searchable copy of the CFDA, at www.gsa.gov/fdac.)

• The criteria upon which the audit finding is based,

• A description of the condition found, including supporting facts,

• The cause identifying the reason or explanation for the conditions,

• Identification of questioned costs, and how they were computed,

• Information to provide proper perspective for judging the prevalence and consequences of the findings, potentially including relationship to the universe and number of cases examined, in terms of dollar value,

• The possible asserted effect, to permit the District and federal or pass-through agency to determine the cause and effect of the finding,

• Recommendations to prevent future occurrences of the deficiency,

• Views of responsible District officials, to the extent practical, and

Generally, internal control findings that are applicable to the entity as a whole should not be included in the major program findings section unless:

\* The independent auditor discovered the finding during testing of major programs; and

\* It is clearly demonstrated that the finding specifically affected the federal program and can identify the specific statutory requirement applicable to the finding, such as specific sections of the Uniform Guidance, the Compliance Supplement, etc. For example, if a sample of purchase orders is reviewed and deficiencies are noted, only those deficiencies related to federal programs should be included in the section on major program findings. If an independent auditor recommends adjusting entries, the adjusting entries should be linked to violations of specific programmatic compliance requirements for the finding to be included in the major program finding section. Adjusting entries for full accrual entity-wide reporting generally are not applicable to federal programs.

**Corrective Action Plan**

*At the completion of the audit, the district shall prepare a corrective action plan for current year audit findings relative to federal awards. The corrective action plan shall include the reference numbers the auditor assigns to audit findings under §\_\_\_. 510(c).*

*The corrective action plan shall provide:*

*• the name(s) of the contact person(s) responsible for corrective action,*

*• the corrective action planned, and*

*• the anticipated completion date.*

*If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan shall include an explanation and specific reasons.*

*According to the AICPA's unofficial questions and answers concerning A-133, the corrective action plan prepared by the auditee does not need to address findings required to be reported by Government Auditing Standards. However, there is nothing in the A-133 that would preclude an auditee from addressing such findings in the corrective action plan.*

**Sample Format**

**Reference to Finding Control Number**

Each response should be referenced to the Finding Number assigned to that audit finding.

**Summary of Finding(s) (optional)**

Describe the finding and recommendations, if any. Identify the program title(s) and CFDA number(s). Indicate if the finding is included in the prior year summary.

**Statement of Concurrence or Nonconcurrence**

Each district should provide a statement of concurrence or nonconcurrence with the findings and recommendations. If the district does not agree with a finding, specific information should be provided to support that position.

**Corrective Action**

The plan should provide pertinent comments on the detailed action taken or planned to correct the deficiencies in the audit findings, or a statement, as appropriate, which describes the reason(s) that corrective action is unnecessary. For planned actions, the district should provide projected dates for completion of major tasks.

**Contact Person**

Officials responsible for completing the proposed action(s) should also be identified. Please indicate their name, title, telephone number, fax number and e-mail address, if applicable.

**Summary Schedule of Prior Audit Findings**

*At the end of the year, the District shall prepare a summary schedule of prior audit findings. The summary schedule of prior audit findings shall report the status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to federal awards. The summary schedule shall also include audit findings reported in the prior audit's summary schedule of prior audit findings, except audit findings listed as corrected or no longer valid or not warranting further action in accordance with A-133.*

*(1) When audit findings were fully corrected, the summary schedule need only list the audit findings and state that corrective action was taken.*

*(2) When audit findings were not corrected or were only partially corrected, the summary schedule shall describe the planned corrective action as well as any partial corrective action taken.*

*(3) When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the Federal agencies or pass- through entity's management decision, the summary schedule shall provide an explanation.*

*(4) When the auditee believes the audit findings are no longer valid or does not warrant further action, the reasons for this position shall be described in the summary schedule. A valid reason for considering an audit finding as not warranting further action is that all of the following have occurred:*

*(i) Two years have passed since the audit report in which the finding occurred was submitted to the Federal clearinghouse;*

*(ii) The Federal agency or pass-through entity is not currently following up* *with the auditee on the audit finding; and*

*(iii) A management decision was not issued.*

*(5) When there were no prior findings, a statement that there were no prior findings can be included.*

*Audit follow-up*

*The auditor shall follow-up on prior audit findings, perform procedures to assess the* *reasonableness of the summary schedule of prior audit findings prepared by the auditee in accordance with 2 CFR 200.516 and report, as a current year audit finding, when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding. The auditor shall perform audit follow-up procedures regardless of whether a prior audit finding relates to a major program in the current year.*