Reference Manual Appendix 5

Sample Single Audit Schedules

The updated schedules and report formats are contained in the annually-updated AICPA Audit Guide, Governmental Auditing Standards and Circular A-133 Audits.

_____ School District
Schedule of Expenditures of Federal Awards
For the year ended June 30, 20___

Federal Grantor/Pass-through Grantor Program Title	CFDA Number	Agency or Pass-through Number	Expenditures
U. S. Department of Agriculture			
Passed-through NYS Education Department:			
Child Nutrition Cluster:			
Non-Cash Assistance (food distribution)			
National School Lunch Program	10.555		xxx,xxx
Summer Food Service for Children	10.559		xxx,xxx
Non-cash assistance subtotal			xxx,xxx
Cash Assistance			
School Breakfast Program	10.553		xxx,xxx
National School Lunch Program	10.555		xxx,xxx
Special Milk Program for Children	10.556		xxx,xxx
Summer Food Service for Children	10.559		xxx,xxx
Cash assistance subtotal			xxx,xxx
Total Passed-through NYS Education Department			xxx,xxx
Total Child Nutrition Cluster			xxx,xxx
Total, U. S. Department of Agriculture			xxx,xxx

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.

See notes to Schedule of Expenditures of Federal Awards

_____ School District
Schedule of Expenditures of Federal Awards
For the year ended June 30, 20___

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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	
Special Education – Grants to States	84.027	0032-0B-xxxx	xxx,xxx	xxx,xxx
Special Education Preschool Grants	84.173	0033-0A-xxxx	xxx,xxx	
Special Education Preschool Grants	84.173	0232-0A-xxxx	xxx,xxx	
Special Education Preschool Grants	84.173	0232-0B-xxxx	xxx,xxx	xxx,xxx
Total Special Education Cluster				xxx,xxx
Title 1 Grants to LEAs	84.010	0021-0A-xxxx	xxx,xxx	
Title 1 Grants to LEAs	84.010	0021-0B-xxxx	xxx,xxx	xxx,xxx
Safe and Drug Free Schools & Communities	84.186	0180-0A-xxxx	xxx,xxx	
Safe and Drug Free Schools & Communities	84.186	0180-0B-xxxx	xxx,xxx	xxx,xxx
Innovative Education Program Strategies	84.298	0002-0A-xxxx		xxx,xxx
Improving Teacher Quality State Grants	84.367	0147-0A-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				xxx,xxx
Total Federal Awards Expended				xxx,xxx

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

See notes to Schedule of Expenditures of Federal Awards

_____ School District
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 20___

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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 an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

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 – subrecipients:

No amounts were provided to subrecipients.

Alternatively, list the federal awards to subrecipients, showing program title, CFDA Number and amount provided to subrecipients for each program.

Note 3 – 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).

The web site www.nysed.gov/cafe/county/names.html of SED's Grants Finance Unit now identifies 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 §505(d) of OMB Circular A-133. 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 Circular A-133, §___.510(a). A sample format is presented below.

_____ School District
Schedule of Findings and Questioned Costs
For the year ended June 30, 20___

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

Reportable condition(s) identified that are not considered to be material weakness(es)? _____ yes _____none reported

Noncompliance material to financial statements noted? _____ yes _____no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes _____no

Reportable condition(s) identified that are not considered to be material weakness(es)? _____ yes _____none reported

Type of auditor's opinion(s) issued on compliance for major programs: _____

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes _____no

Identification of major programs**:**

Name of federal program CFDA 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:

a. Criteria: An audit report is improved when it provides information so 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.

b. 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.

c. 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.

d. 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 section 510(a) of Circular A-133. 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) Reportable conditions 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 $10,000 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 $10,000 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 $10,000 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 $10,000, 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 unqualified opinion, unless such circumstances are otherwise reported as audit findings in the schedule of findings and questioned costs for Federal awards.

6) Known 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) 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 §___.315(b) 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,
- 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
- A reference number, to allow for easy referencing of the audit findings during follow-up (frequently composed of the last two digits of the applicable year, followed by a sequential finding number).

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 (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 agency's 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 do 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.

<u>Audit follow-up</u>

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 §___.315(b), 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.