

# **Reference Manual Appendix 5**

**2020**

## **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, 2020  
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Federal Grantor/Pass-through Grantor Program Title	CDFA Number	Agency or Pass- through Number	Passed through to Subrecipients	Total Federal Expenditure
<b><u>U.S. Department of Agriculture</u></b>				
<b>Passed-through NYS Education Department</b>				
Child Nutrition Cluster:				
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555		\$	xxx,xxx
Summer Food Service Program				
for Children	10.559			x,xxx
Non-Cash Assistance subtotal				<u>xxx,xxx</u>
Cash Assistance				
School Breakfast Program	10.553			xxx,xxx
COVID-19 School Breakfast Program	10.553			xx,xxx
National School Lunch Program	10.555			xxx,xxx
COVID-19 National School Lunch Program	10.555			xx,xxx
Special Milk Program for Children	10.556			xx,xxx
Summer Food Service Program				
for Children	10.559			xxx,xxx
COVID-19 Summer Food Service Program				
for Children	10.559			<u>xxx,xxx</u>
<b>Total Passed-through NYS Education Department</b>				<u><u>xxx,xxx</u></u>
Total Child Nutrition Cluster				<u><u>xxx,xxx</u></u>
Total U.S. Department of Agriculture			\$	<u><u>xxx,xxx</u></u>

*OMB is working with federal agencies to identify the needs for additional audit guidance for new COVID-19 related programs and existing programs with compliance requirement changes and plans to publish an addendum to this Supplement in the fall of 2020. To maximize the transparency and accountability of COVID-19 related award expenditures, districts should separately identify COVID-19 expenditures on the Schedule of Expenditures of Federal Awards for those programs, or portions of programs, with COVID-19 funding by inserting "COVID-19" as a prefix to the program name.*

*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**

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Schedule of Expenditures of Federal Awards  
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Federal Grantor/Pass-through Grantor Program Title	CDFA Number	Agency or Pass- through Number	Passed through to Subrecipients	Total Federal Expenditure
<b><u>U.S. Department of Education</u></b>				
<b>Passed-through NYS Education Department</b>				
Special Education Cluster:				
Special Education-Grants to States	84.027	0032.0A-xxxx	xxx,xxx	xx,xxx
Special Education-Grants to States	84.027	0032.0B-xxxx	xxx,xxx	xxx,xxx
Special Education Preschool Grants	84.173	0032.0A-xxxx		xx,xxx
Special Education Preschool Grants	84.173	0032.0B-xxxx		<u>xxx,xxx</u>
Total Special Education Cluster				<u>xxx,xxx</u>
 Title 1 Grants to LEAs	 84.010	 0032.0A-xxxx		 xxx,xxx
Title 1 Grants to LEAs	84.010	0032.0A-xxxx		xxx,xxx
Supporting Effective Instruction State Grants	84.367	0032.0A-xxxx		<u>xxx,xxx</u>
<b>Total Passed-through NYS Education Department</b>			\$	<u>xxx,xxx</u>
<b>Direct Program:</b>				
Impact Aid	84.041			<u>xxx,xxx</u>
<b>Total U.S. Department of Education</b>			\$	<u>xxx,xxx</u>
<b>Total Federal Awards Expended</b>			\$	<u>x,xxx,xxx</u>

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

*Amounts passed through to subrecipients could also be footnoted at the bottom of the schedule.*

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

Sample School District  
Notes to Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2020

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) 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. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District financial statements. 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 presented in the Schedule 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).

**2. Summary of Certain Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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.

The federal expenditures are recognized under the Uniform Guidance.

**3. Scope of Audit**

The District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

**4. Non-Cash Assistance**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2020, the District received food commodities totaling \$\_\_\_\_\_.

**5. Indirect Cost Rate**

The District did not elect to use the 10% de minimus cost rate.

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.

Sample School District  
Notes To Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2020

**6. 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 [SED's Grants Finance Unit Identification of the CFDA Number](#) for SED's Grants Finance Unit identification of the CFDA number related to each federal grant that a district receives (note that this only includes grants passed through the NYS Education Department).

The auditor should prepare a Schedule of Findings and Questioned Costs, which is required by 2 CFR §200.515(d). 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 §200.516. A sample format is presented below:

Sample School District  
Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020

**Section I - Summary of Auditor's Results**

Financial Statements

1. Type of auditor's report issued: \_\_\_\_\_
2. Internal control over financial reporting:
  - a. Material weakness(es) identified? \_\_\_Yes \_\_\_No
  - b. Significant deficiency(ies) identified? \_\_\_Yes \_\_\_None reported
3. Noncompliance material to financial statements noted? \_\_\_Yes \_\_\_No

Federal Awards

1. Internal control over major programs:
  - a. Material weakness(es) identified? \_\_\_Yes \_\_\_No
  - b. Significant deficiency(ies) identified? \_\_\_Yes \_\_\_None reported
2. Type of auditor's report issued on compliance for major programs: \_\_\_\_\_
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR §200.516(a)? \_\_\_Yes \_\_\_No
4. Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Title I Grants to Local Agencies	84.010
Special Education- Grants to States (IDEA, Part B)	84.024*
Special Education- Grants to States (IDEA, Preschool)	84.173*

\*Special Education Cluster

5. Dollar threshold used to distinguish between Type A and B programs: \_\_\_\_\_.
6. Auditee qualified as low risk? \_\_\_Yes \_\_\_No

Sample School District  
Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020

**Section II – Financial Statement Findings**

Identify any significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 6.39 through 6.41 of *Government Auditing Standards* (2018 Revision). 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* (6.25-6.28) provide the following guidance for reporting on elements of findings:

- a. **Criteria:** For inclusion in findings, criteria may include the laws, regulations, contracts, grant agreements, standards, measures, expected performance, defined business practices, and benchmarks against which performance is compared or evaluated. Criteria identify the required or desired state or expectation with respect to the program or operation. Criteria provide a context for evaluating evidence and understanding the findings, conclusions, and recommendations in the report. In a financial audit, the applicable financial reporting framework, such as Generally Accepted Accounting Principles, represents one set of criteria.
- b. **Condition:** Condition is a situation that exists. The condition is determined and documented during the audit.
- c. **Cause:** The cause is the factor or factors responsible for the difference between condition and criteria, and may also serve as a basis for recommendations for corrective actions. Common factors include poorly designed policies, procedures, or criteria; inconsistent, incomplete, or incorrect implementation; or factors beyond the control of program management. Auditors may assess whether the evidence provides a reasonable and convincing argument for why the stated cause is the key factor contributing to the difference between the condition and criteria.
- d. **Effect or Potential Effect:** The effect or potential effect is the outcome or consequence resulting from the difference between the condition and criteria. When the audit objectives include identifying the actual or potential consequences of a condition that varies (either positively or negatively) from the criteria identified in the audit, effect is a measure of those consequences. Effect or potential effect may be used to demonstrate the need for corrective action in response to identified problems or relevant risks.
- e. **Recommendations:** The audit report is improved when it provides recommendations to prevent future occurrences of the deficiency.

Sample School District  
Notes To Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2020

- f. Views of Responsible Officials: The audit report is improved when it provides views of the responsible officials and planned corrective action plans.

When auditors detect internal control deficiencies that warrant the attention of those charged with governance, but are not considered significant deficiencies or material weaknesses, it is a matter of professional judgment how those deficiencies are communicated.



Sample School District  
Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020

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

Identify the audit findings required to be reported by 2 CFR §200.516. 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 and significant instances of abuse relating to major programs. The auditor's determination of whether a deficiency in internal control is a significant deficiency or a material weakness for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program identified in the Compliance Supplement.
- 2) Material noncompliance with the provisions of Federal statutes, regulations, or the terms and conditions of Federal awards related to a major program. The auditor's determination of whether a noncompliance with the provisions of Federal statutes, regulations, or the terms and conditions of federal awards is material for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program identified in the Compliance Supplement.
- 3) Known questioned costs that 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 must 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 must include information to provide proper perspective for judging the prevalence and consequences of the questioned costs.
- 4) Known questioned costs that 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 that is not audited as a major program. However, if the auditor does become aware of questioned costs for a Federal program that 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 must report this as an audit finding.
- 5) The circumstances concerning why the auditor's report on compliance for each major program 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 report publicly information which could compromise investigative or legal proceedings or to make an additional reporting when the auditor confirms that the fraud was reported outside 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 §200.511 Audit findings follow-up, paragraph (b) materially misrepresents the status of any prior audit finding.

Sample School District  
Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020

Audit findings must be presented in sufficient detail and clarity for the District to prepare a corrective action plan and to take corrective action, and for Federal agencies and pass-through entities to arrive at a management decision. The following specific information must be included, as applicable, in audit findings:

- Federal program and specific Federal award identification including the CFDA title and number, Federal award identification number and year, name of Federal agency, and name of the applicable 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 <https://beta.sam.gov/>). When information, such as the CFDA title and number or Federal award identification number, is not available, the auditor must provide the best information available to describe the Federal award.
- The criteria or specific requirement upon which the audit finding is based, including the Federal statutes, regulations, or the terms and conditions of the Federal awards;
- The condition found, including facts that support the deficiency identified in the audit finding;
- A statement of cause that identifies the reason or explanation for the condition or the factors responsible for the difference between the situation that exists (condition) and the required or desired state (criteria), which may also serve as a basis for recommendations or corrective action;
- The possible asserted effect to provide sufficient information to the District and Federal or pass-through agency, to permit them to determine the cause and effect to facilitate prompt and proper corrective action;
- Identification of questioned costs, and how they were computed;
- Information to provide proper perspective for judging the prevalence and consequences of the audit findings, such as whether the audit findings represent an isolated instance or a systemic problem, potentially including relationship to the universe and number of cases examined, in terms of dollar value;
- Identification as a repeat finding, if applicable, as well as reference to the prior audit finding numbers;
- Recommendations to prevent future occurrences of the deficiency;
- Views of responsible District officials;
- Reference numbers which meet the requirements of the data collection form submission required by §200.512 Report submission, paragraph (b) to allow for easy referencing of the audit findings during follow-up.

Sample School District  
Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020

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

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Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020

**Corrective Action Plan**

*At the completion of the audit, the District must prepare, in a document separate from the auditor's findings, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must include the reference numbers the auditor assigns to audit findings under §200. 516(c).*

*The corrective action plan must provide:*

- *the name(s) of the contact person(s) responsible for corrective action,*
- *the corrective action planned, and*
- *the anticipated completion date.*

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

*The corrective action plan prepared by the District does not need to address findings required to be reported by Government Auditing Standards. However, there is nothing in the Uniform Guidance that would preclude a District 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**

The 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. The name and position of the person responsible for the corrective action must also be included.

**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.

Sample School District  
Schedule of Findings and Questioned Costs  
For the year ended June 30, 2020

**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 must report the status of all audit findings included in the prior audit's schedule of findings and questioned costs. The summary schedule must also include audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected, no longer valid, or not warranting further action in accordance with (3), below.*

*(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 must describe the reasons for the finding's recurrence and planned corrective action, and any partial corrective action taken. 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 must provide an explanation.*

*(3) When the auditee believes the audit findings are no longer valid or does not warrant further action, the reasons for this position must 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 Audit 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.*

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

**Audit follow-up**

*The auditor must 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 §200.511 Audit findings and follow-up paragraph (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 must perform audit follow-up procedures regardless of whether a prior audit finding relates to a major program in the current year.*