

2023 Audit Updates

GAINS Conference

May 5, 2023
Savannah, Georgia

Presented By:
Georgia Department of Audits



DOAA
Georgia Department
of Audits & Accounts

Agenda

- ✓ DOAA Background
- ✓ Important Dates and Other Reminders
- ✓ Client Communication Items
- ✓ Accounting and Reporting Issues
- ✓ Standards and Other Updates
- ✓ Award of Distinction of Excellent Financial Reporting



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DOAA Background

O.C.G.A. §50-6-6(a) – It shall be the duty of the Department of Audits and Accounts thoroughly to audit and check the books and accounts of the county superintendents of schools and treasurers of local school systems, of municipal systems, of the several units of the University System of Georgia, and of all other schools receiving state aid and making regular and annual reports to the State School Superintendent, showing the amount received, for what purpose received, and for what purposes expended. All such funds held by officials must be kept in banks separate from their individual bank accounts.



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DOAA Background

- DOAA is appropriated funds by the Georgia Assembly each year to provide our services at no cost to the School Districts in Georgia.
- We perform the external financial audit for the State of Georgia, college and universities, and local school districts complying with generally accepted auditing standards issued by AICPA.
- DOAA is the external auditor for 130+ School District clients in Georgia.
- 128 staff with advanced degrees or certifications.
- DOAA spends roughly 5% of available working hours on training our staff.



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Annual Audit Requirements

Senate Bill 68

§ 20-2-67

The Department of Audits and Accounts shall designate local school systems that have had reported irregularities or budget deficits for three or more consecutive years as high-risk local school systems and shall designate local schools systems that have had reported irregularities or budget deficits for one year or two consecutive years as moderate-risk local school systems.



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Annual Audit Requirements

FMGULA states:

“If a local board contracts with a CPA firm to perform the annual audit, a copy of the contract and engagement letter must be provided to the GA DOA no later than July 15th...Failure to comply with this report may result in GA DOA scheduling an audit even though a CPA has been contracted to provide one.”



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Annual Audit Requirements

- Senate Bill 68 (SB68) has imposed additional requirements on both DOAA and local school districts, which went into effect July 1, 2021.
- DOAA has allowed some School Districts to received an audit by a CPA firm to meet the requirement of O.C.G.A. 50-6-6, this does not relieve the DOAA of its responsibilities under statute.
- DOAA may request more information or decide to perform additional procedures to ensure we meet our statutory obligations.



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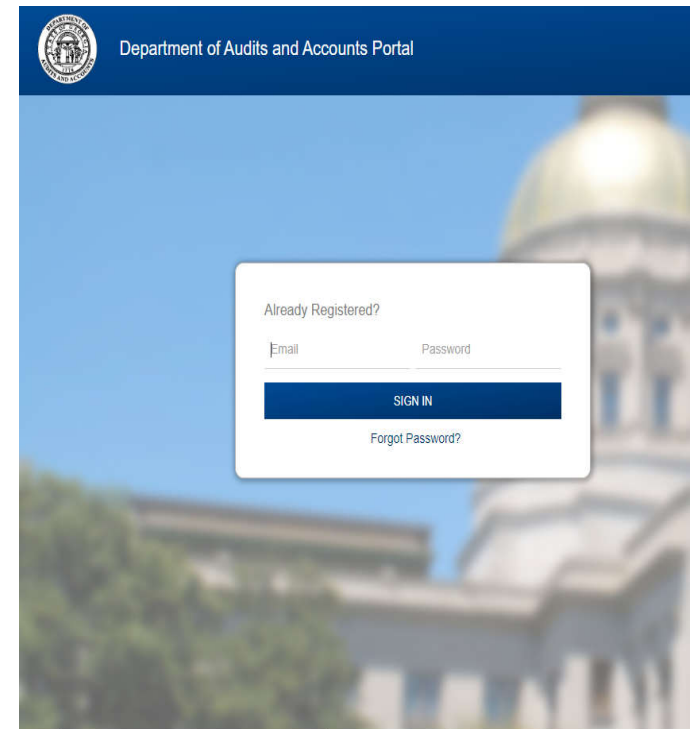
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Important Dates and Other Reminders

Compliance with Transparency in Government Act (TIGA) Dates

- Salary and Travel Collection (CS1)
 - Due August 15, 2023
 - FY23 will open July 2023
- Audit History/Payments/Purchase Card Files
 - Due October 2, 2023
 - FY23 will open July 2023
- Schedule of SPLOST Expenditures
 - Due by December 4, 2023



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Important Due Dates

Annual Immigration Compliance Reporting

- Due December 31, 2023
- System will open on November 1, 2023

Financial Statements Due to DOAA

- November 15th – Certificate of Distinction
- December 31st – All Others



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Important Dates

Availability of Audit Tools

- Financial Statement Templates
 - July 31, 2023
- Notes to the Basic Financial Statements
 - August 18, 2023

GASBO Financial Statement Workshop

- Tuesday, November 7, 2023

GaDOE/DOAA Year-End Workshops

- June 2023



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Other Notes and Reminders

Keys to a successful audit

Preparation, Preparation, Preparation

- Review financial statements – even if your School District uses a consultant
- Maintain documentation used to prepare financial statements
- Consider uploading documentation needed for audit throughout the year or at year-end.



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Other Notes and Reminders

**NOTIFY US
ASAP!**

Special Reporting Needs? Scheduling Issue?

- Upcoming bond issuance
- Finance Director leaving/retiring
- Financial Statement assistance and questions
- New reporting deadline
- Possible new component units



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Client Communication Items



Status of Engagements

- 62 FY22 reports released
- 10 reports in the manager review or further stages
- 28 audits ongoing with crews
- 34 audits not started



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The auditors are gone. Where is my audit?

What is fieldwork?

Gather evidence to meet audit objectives:

1. Conduct interviews
2. Review documentation and processes
3. Test transactions and documentation

Fieldwork can be performed virtually, in person or hybrid.



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The auditors are gone. Where is my audit?

What happens between fieldwork and report issuance?

- Completion of audit procedures and audit wrap-up (finalization of misstatements and deficiencies).
- Multiple reviews of work papers and audit report at various levels of detail.
 - Auditor in Charge, Manager, Concurrent Review, Deputy Director and Director.
- Submission of audit report to word processing for proofing and clean-up.
- Exit Conference
- Closure and Submission of Corrective Action Plans
- Submission to Federal Audit Clearinghouse



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The auditors are gone. Where is my audit?

DOAA is continuing to use DocuSign to obtain required signatures during the closure process.

- The order of signatures is:
 - finance director
 - board chair
 - superintendent
- The finance director has to sign off before it is forwarded to the board chair and so on.
- If you can't locate email, contact your audit manger to resend it.



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Client Services

SPLOST Audits

- Are completed under performance audit standards
- We are able to use and rely on work already being performed during our financial audits.
- Service is provided at no cost to the School District.
- Service is open to all School Districts.
- If you are interested, please contact me or your audit manager.



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Client Services

GASB Implementation Consulting Services

- Late summer-early fall implementation consulting for GASB 96
- Service will be provided at no cost to the School District.
- Service is open to all School Districts.
- If you are interested, please contact me or your audit manager.



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Accounting and Reporting Issues



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11

12

18,48

16,16

16,16

33,24

15,72

2,276

18,17

3,654

23,31

55,32

9,220

31,42

31,42

14,71

14,71

14,71

What role do you play with internal controls?

- Responsible for mitigating risk at your School District.
- Identification of Risk
 - What could go wrong?
 - How could we fail?
 - What decisions require the most judgement?
 - What activities and transactions are most complex?
- Indicator of Risk = CHANGE
 - New Personnel
 - New IT
 - New programs and services



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What role do you play with internal controls?

Actions:

- Establishing a healthy control environment
- Risk assessment process
- Design and implement controls
- Information system, including related financial reporting and communication
- Monitor controls



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What are the limitations of internal controls?

- Reasonable assurance
- Cost vs. Benefit
- May slow down operations
- **Human element** – judgement and actions



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What is an internal control?

A set of activities that are layered onto the normal operating procedures of an organization, with the intent of safeguarding assets, minimizing errors and ensuring that operations are conducted in an approved manner.

Controls are also useful for consistently producing reliable financial statements.



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Management Practices vs Internal Controls

Control Environment

Hire Qualified People

Retain Employees

Training

Communication

Reward Staff

Lead by Example

Control Activities

“Specific” procedures put in place by management to mitigate identified risks.



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Examples of Internal Controls

Vendor invoices will not be processed unless matched with proper receiving documentation.

Bank reconciliations are completed within 45 days of the bank statement and are reviewed and approved.

Receiving documents are sequentially pre-numbered, and missing documents are investigated weekly.

POs are compared to grant agreements by the program director to determine if the expenditure is allowable.



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Senate Bill 68

How is our School District's risk designation determined by DOAA?

- Bill defines high risk and moderate risk LEAs
 - **High risk** = LEA that has reported irregularities or budget deficits for three or more consecutive years.
 - **Moderate risk** = LEA that has reported irregularities or budget deficits for one year or two consecutive years.
- **Irregularities** – Internal control findings - significant deficiency or material weakness (excludes FS Prep finding)
- **Budget Deficits** – opinion units that present a deficit as a result of a lack of controls over the budget process.



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Senate Bill 68

My School District is moderate risk. What does that mean to us?

Moderate Risk Consequences

- Submit a corrective action plan approved by the local board of education to GDOE within 120 days of receiving notice of designation from GDOE.
- Superintendent will be required to complete training on financial management and financial governance of a local school system.



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Senate Bill 68

My School District is high-risk. What does that mean to us?

High Risk Consequences

- Submit a corrective action plan approved by the local board of education to GDOE within 120 days of receiving notice of designation from GDOE.
- Superintendent will be required to complete training on financial management and financial governance of a local school system.
- All board members will be required to complete training regarding his or her own local school system's most recent audit findings and the risk status of the local school system.



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Senate Bill 68

- DOAA reports to State Board at GDOE quarterly.
- 246 audits have been released since SB68 went into effect July 1, 2021, through March 31, 2023
- 14 or 5% have been designated as moderate risk.
- 31 or 13% have been designated as high-risk.
- 12 School District have been removed the SB 68 risk designation list.



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Standards and Other Updates

GASB 87 – Year Two and Beyond

- Don't forget about GASB 87 – it is still here!
- Did you enter into any new leases during FY23?
 - Auditors will be performing audit procedures for completeness.
- School Districts should continue to amortize leases from prior year.



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GASB 87 – Year Two and Beyond

Account	Debit	Credit
Lease - Principal	\$XX,XXX	
Lease - Interest	\$X,XXX	
Cash		\$ XX,XXX

To record lease payment annually – on Fund Level statements.



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GASB 87 – Year Two and Beyond

Account	Debit	Credit
Lease Liability	\$XX,XXX	
Expense		\$XX,XXX

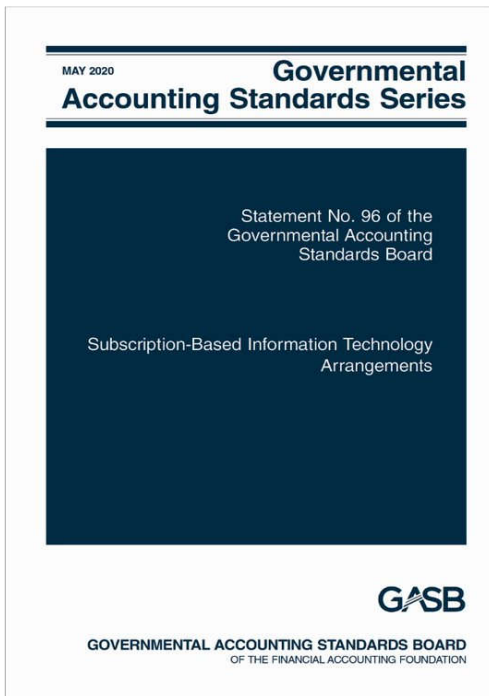
To reduce outstanding liability by the amount of principal paid.



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GASB Statement No. 96



Subscription-Based Information Technology Arrangements (SBITAs)

- Establishes standards of accounting and financial reporting for SBITAs by a government end user.
- Effective for periods beginning after June 15, 2022. Apply retroactively for all periods presented.
- Entities that have a July-June fiscal year will implement in FY2023.



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GASB Statement No. 96, *SBITAs*

What is a SBITA?

A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.



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GASB Statement No. 96, *SBITAs*

What falls under
GASB No. 87
vs.
GASB No. 96?

Accounting depends on what the underlying asset is:

- Tangible capital assets alone – GASB No. 87
- IT software alone – GASB No. 96
- IT software in combination with tangible capital assets:
 - IT Software component is insignificant compared to cost of underlying tangible capital asset – GASB No. 87
 - Otherwise – GASB No. 96



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Implementation Roadmap

Will this software no longer work/will we no longer be able to log in once the contract term ends?

If your answer is “yes, we will not be able to access the software at the end of the contract”, it is likely that a SBITA exists*

***Note** - Perpetual software licenses are excluded from GASB 96 (think your Excel version 95 that has been hanging around forever)



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Implementation Roadmap

Compile a listing of potential IT software – both alone or with tangible assets

- IT Department, Department Director, Curriculum and Learning Divisions, School District's contracts and board minutes, PO and general ledger
- Identify key parties of the subscription agreement.
- Clarify any ambiguous terms of the agreement. Consult with legal counsel, finance, departments originating the subscription agreement and vendors.
- Document subscription term and key assumptions (i.e. options are reasonably certain or uncertain? Discount rate, Materiality)



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Implementation Roadmap

Set a capitalization threshold for right-to-use subscription assets (SBITAs)

Auditors will be interested in verify completeness

- What analysis was performed to identify SBITA contracts?

Develop internal procedures for identifying SBITAs in the future (communication lines with all divisions, schools, etc.)

Create and implement a tracking process for SBITAs to comply with GASB 96 going forward.



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DOAA Award of Distinction for
Excellent Financial Reporting



Award Criteria

Criteria	Description of Best Practices
Timeliness	<p>Financial Statements including MD&A, note disclosures, required supplementary information and supplementary schedules and all key supporting evidence were available for auditors by November 15.</p> <p>Compliance with Transparency in Government Act Accurate information submitted by the following established deadlines:</p> <ul style="list-style-type: none">• Salary and Travel Information: August 15• Audit History/Payments Files: October 2• SPLOST Schedule: December 5
Quality of Financial Statements, Note Disclosures, Required Supplementary Information and Supplementary Information	<p>First set of financial statements, MD&A, notes, required supplementary information and supplementary information provided for audit required only minimal adjustments during the audit.</p>

Award Criteria

Criteria	Description of Best Practices
Quality of Audit Documentation	Full supporting documentation to substantiate financial statements provided in a timely manner. Evidence easy to locate and use for audit.
Resolution of Accounting Standards / Presentation Issues	Management resolved all accounting standards and presentation issues in a timely manner.
Key Staff	Key staff readily available and cooperative during the audit and did not contribute to any delays in finalizing the audit.
Number/Significance of Deficiencies Identified	No significant deficiencies or material weaknesses noted during the audit. No more than 3 to 5 deficiencies reported within the management letter.
Clean Audit Opinion	Unmodified Opinion

Congratulations to the
Award Recipients!



DOAA Award of Distinction for Excellent Financial Reporting – FY22

- Bulloch County
 - City of Bremen
 - City of Chickamauga
 - City of Gainesville
 - City of Social Circle
 - City of Vidalia
 - Clarke County
 - Coffee County
 - Crisp County
 - Dade County
 - Decatur County
 - Elbert County
 - Evans County
 - Fannin County
 - Gilmer County
 - Greene County
 - Hall County
 - Haralson County
 - Hart County
 - Houston County
 - Jasper County
 - Lee County
 - Lowndes County
 - McDuffie County
 - McIntosh County
 - Paulding County
 - Schley County
 - Thomas County
 - Tift County
 - Towns County
 - Ware County
 - Washington County
 - Wilcox County
-

Questions?

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Deputy Director

mcleods@audits.ga.gov



FY2023 FEDERAL COMPLIANCE UPDATES

May 5, 2023



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Presentation Topics

- General Updates and Reminders
 - Schedule of Expenditures of Federal Awards
 - 2023 Draft OMB Compliance Supplement
 - FY2024 E-Rate Audits
 - Selection of Federal Programs and Samples for Testing
 - Preparing for a Successful Federal Program Audit
 - Helpful Resources
-

Commonly Used Acronyms

Acronym	Description
AICPA	American Institute of Certified Public Accountants
ALN	Assistance Listing Number (formerly CFDA)
CARES	Coronavirus Aid, Relief, and Economic Security
CFR	Code of Federal Regulations
DOAA	Georgia Department of Audits & Accounts
ECF	Emergency Connectivity Fund
ED	United States Department of Education
ERC	Employee Retention Credit
ESF	Education Stabilization Fund
ESSER	Elementary and Secondary School Emergency Relief Fund
FCC	Federal Communications Commission

Commonly Used Acronyms

Acronym	Description
GAQC	Government Audit Quality Center (AICPA)
GaDOE	Georgia Department of Education
IDEA	Individuals with Disabilities Education Act
MOE	Maintenance of Effort
MOEquity	Maintenance of Equity
NSAA	National State Auditors Association
OMB	Office of Management and Budget
SEFA	Schedule of Expenditures of Federal Awards
UEI	Unique Entity Identifier
UG	Uniform Guidance
USC	United States Code

General Updates & Reminders



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Employee Retention Credit Program

Public school districts are typically not eligible to participate in the Employee Retention Credit (ERC) program.

- Per the CARES Act, subsequent legislation, and IRS guidance, governmental entities are not eligible for the credit.
 - Governmental employers that are 501(c)(1) organizations, are public colleges or universities, or have the principal purpose to provide medical or hospital care are exempt from this rule.
- Additionally, Georgia school districts generally could not satisfy other eligibility criteria, including:
 - A government-mandated suspension of operations during any calendar quarter from March 12, 2020 to December 31, 2022 (except for the second quarter of calendar year 2020), or
 - A significant decline in gross receipts during a calendar quarter.

Level of Effort Requirements

Please remain aware of level of effort requirements when expending federal, state, and local funding.

- Failure to meet these requirements may result in findings and/or reduction of funding in future fiscal years.

Requirement	Program(s) Affected
ESEA MOE	Title I (84.010), Supporting Effective Instruction (84.367), English Language Acquisition State Grants (84.365)
MOEquity	ESSER (84.425)
IDEA MOE	Special Education Cluster (84.027, 84.173)

UEI Numbers

If your school district's FY2022 audit is not yet complete, please ensure that you obtain the school district's UEI number.

- The Data Collection Form has been updated and audits cannot be submitted to the Federal Audit Clearinghouse without the UEI number.

LEA - Data Collection Form (DCF) Information
Part I, Sections 4 (Auditee Identification Numbers) & 5 (Auditee Information)


Section 4 - Auditee Identification Numbers

4a. Auditee Employer Identification Number (EIN) _____

4d. Auditee DUNS Number _____

4g. Auditee UEI Number _____

This is a new requirement for FY2022.



UEI Numbers (continued)

Guidance can be found on the following websites:

- If the school district is registered on SAM.gov: [How can I view my Unique Entity ID?](#)
- If the school district is not registered on SAM.gov: [How does the Unique Entity ID get assigned?](#)

Federal Findings

Under the Uniform Guidance, auditors are required to report a federal finding in the following circumstances:

- Significant Deficiencies or Material Weaknesses in internal control over compliance with a type of compliance requirement for a major program
- Material noncompliance related to a type of compliance requirement for a major program
- Known questioned costs are greater than \$25,000 (major or nonmajor program)
- Likely questioned costs are greater than \$25,000 for a type of compliance requirement for a major program
- Known or likely fraud affecting a federal award
- Significant instances of abuse relating to a major program
- The status of a prior audit finding is materially misrepresented in the Summary Schedule of Prior Audit Findings

Schedule of Expenditures of Federal Awards



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SEFA Disclosures & Formatting

There are additional disclosures and information reported on the SEFA.

- There is a requirement to designate any COVID-19 funding as such on the face of the SEFA.
 - Please do not forget to mark the ECF program as COVID-related.
- US ED has required that alpha characters be added to all assistance listing numbers, not just ESSER programs.
 - Please ensure that you do not delete the alpha characters reflected on the SEFA template.
- Any ESSER expenditures reclaimed from a prior fiscal year or substituted for unallowable expenditures reported in a finding should be reported on the SEFA in the year reclaimed/substituted.
 - There are two footnote options at the bottom of the SEFA to address these situations.

Reporting Transfers on the SEFA

If one federal program transfers funds to another, the expenditure of these funds should be reported under the program that ultimately expended the funds.

- Example – The Supporting Effective Instruction program transferred \$50,000 to the Title I program. The expenditure of these funds would be reported by the Title I program on the SEFA.

2023 Draft OMB Compliance Supplement



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Draft Compliance Supplement Updates

The Compliance Supplement is scheduled to be issued on May 8, 2023.

- The Compliance Supplement can be found at: [Office of Federal Financial Management | OMB | The White House](#).
- The “Pick-Six” Initiative is still being used.
 - Each grantor organization selected six compliance requirements for testing.
 - This may actually be seven because Activities Allowed or Unallowed and Allowable Costs/Cost Principles are counted as one compliance requirement.

Draft Compliance Supplement Updates (continued)

Updates for common LEA programs are as follows:

- No significant changes to the following common LEA programs are expected:
 - Child Nutrition Cluster*
 - Title I
 - Special Education Cluster*
 - Education Stabilization Fund (ESSER)
 - Emergency Connectivity Fund*

***NOTE:** *OMB did not provide a draft section for these programs.*

- The Education Stabilization Fund is still designated as a higher risk program; however, the Emergency Connectivity Fund is not expected to be designated as a higher risk program.

FY2024 E-Rate Audits



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E-Rate Audit Requirements

The E-Rate program (ALN 32.004) was originally reflected in the draft Compliance Supplement.

- Representatives from the AICPA GAQC and NSAA met with the FCC to express concerns regarding the addition of this program.
- Ultimately, the FCC decided to delay implementing the Uniform Guidance audit requirement until FY2024; however, the FCC has not amended the assistance listing on SAM.gov yet.

Financial Statement Effect

Accounting for E-Rate funding will be the same as the Emergency Connectivity Fund.

- DOAA plans to work with GaDOE to issue accounting guidance related to E-Rate funds.

Preparing for E-Rate Audits

The following Uniform Guidance (2 CFR 200) sections apply to this program:

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subparts C-D, Sections 200.303 – Public notice, 200.303 – Internal controls, and 200.331-333 – Subrecipient monitoring and management
- Subpart F – Audit Requirements

NOTE: Subpart E – Cost Principles do not apply.

Preparing for E-Rate Audits (continued)

The following Compliance Requirements are expected to be subject to audit:

A	B	C	E	F	G	H	I	J	L	M	N
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	N	N	Y	N	Y	Y	N	N	N	Y

Preparing for E-Rate Audits (continued)

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

- Eligible expenditures can be reviewed at [Eligible Services List – 2023](#) and include:
 - Data transmission services
 - Internet access
 - Internal connections
 - Managed internal broadband services
 - Basic maintenance of internal connections
- Ineligible expenditures include but are not limited to:
 - Personal services expenditures
 - Equipment and/or services that will be used off-campus
 - Equipment and/or services that were acquired through unfair bidding practices
 - Computer applications, content, e-mail, end-user devices and equipment such as computers, laptops, and tablets
 - Voice services

Preparing for E-Rate Audits (continued)

Equipment and Real Property Management

- An equipment listing must be maintained.
 - Should be sufficient to verify the location of the equipment.
 - Should be maintained for at least ten years.
- The following information must be maintained for equipment items that are transferred to another entity:
 - Model, serial number, and quantity
 - Location (where originally installed and where installed now)
 - Date of installation/transfer
 - Business reason for transfer
 - FCC Form 500, if within three years of original purchase
 - Operating status and evidence that items was operational and connected

Preparing for E-Rate Audits (continued)

Period of Performance

- The deadline for implementing all non-recurring services is September 30 following the close of the funding year.
 - The 2023 funding year would be July 1, 2022 to June 30, 2023.
- Reimbursement requests must be filed within 120 days of:
 - The last day to receive service,
 - The date of the FCC Form 486 Notification Letter, or
 - The date of the Revised Funding Commitment Decision Letter.

Preparing for E-Rate Audits (continued)

Procurement and Suspension and Debarment

- The School District is required to follow all state and local procurement laws/policies regardless of the method used to pay invoices.
 - The applicant must certify compliance with state and local laws/policies on the FCC Form 471 application.
- Suspension and debarment rules are also applicable.

Preparing for E-Rate Audits (continued)

Special Tests and Provisions – Eligible Entities

- Elementary and secondary schools are eligible for funding.
 - “An elementary school means an elementary school as defined in 20 U.S.C. §7801(19), a non-profit institutional day or residential school, including a public elementary charter school, that provides elementary education, as determined under state law.”
 - “A secondary school means a secondary school as defined in 20 U.S.C. §7801(45), a non-profit institutional day or residential school, including a public secondary charter school, that provides secondary education, as determined under state law except that the term does not include any education beyond grade 12.”

E-Rate Resources

Resources include:

- Universal Service website: [E-Rate - Universal Service Administrative Company \(usac.org\)](https://www.usac.org)
- Open Data website: [Open Data - E-Rate Datasets](#)
 - [E-Rate Recipient Details And Commitments | USAC | Data Platform](#)
 - [E-Rate Invoices and Authorized Disbursements \(FCC Forms 472 and 474\) | USAC | Data Platform](#)

Selection of Federal Programs and Samples for Testing



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Major Federal Programs Selected for Testing

Selection is based on instructions reflected within the Uniform Guidance and depends on many factors, including the classification of the program.

- Type A Programs – Larger expenditures that are based on a calculation reflected within the UG (typically greater than or equal to \$750,000).
- Type B Programs – Expenditures are less than the Type A threshold.

Major Federal Programs Selected for Testing (continued)

Type A programs must be audited as a major program if:

- It is a new program,
- The program has not been tested in the previous two audit periods,
- There is a prior year Material Weakness finding associated with the program and/or modified opinion over the program,
- The federal awarding agency has requested that the program be audited, or
- The program is designated at “higher risk” and received a material amount of COVID funding.

Selecting Samples for Testing

The DOAA utilizes the AICPA's methodology to determine sample sizes for federal testing.

- When testing controls, auditors must assess the "significance of the control."
 - Based on guidance from the AICPA, if the auditors are only testing one control for a compliance requirement, they should assess the control as "very significant," which increases the sample size requirements.
- When testing controls, auditors must also assess inherent risk.
 - Inherent risk takes into account a variety of factors, such as the newness of a program, how complicated the program requirements are, whether or not the grantor has designated the program as "higher risk," and if prior period deficiencies have been noted.
 - Therefore, programs like ESSER and ECF often result in a higher inherent risk assessment.

Selecting Samples for Testing (continued)

As noted in the grid below, a larger sample is selected in instances in which a control is deemed “very significant” and a higher inherent risk assessment is identified.

Table 1

Tests of Controls Sampling Table — Population: 250 or Greater

Minimum Sample Sizes—90% Confidence Level

Significance of Control	Inherent Risk of Noncompliance for Compliance Requirement	Tolerable Rate	Expected Deviations		
			0	1	2
Very significant	Higher inherent risk	3 – 4 %	60	100	138
Very significant	Limited inherent risk	5 – 7 %	40	68	93
Moderately significant	Higher inherent risk	5 – 7 %	40	68	93
Moderately significant	Limited inherent risk	8 – 10 %	25	43	59

Preparing for a Successful Federal Program Audit



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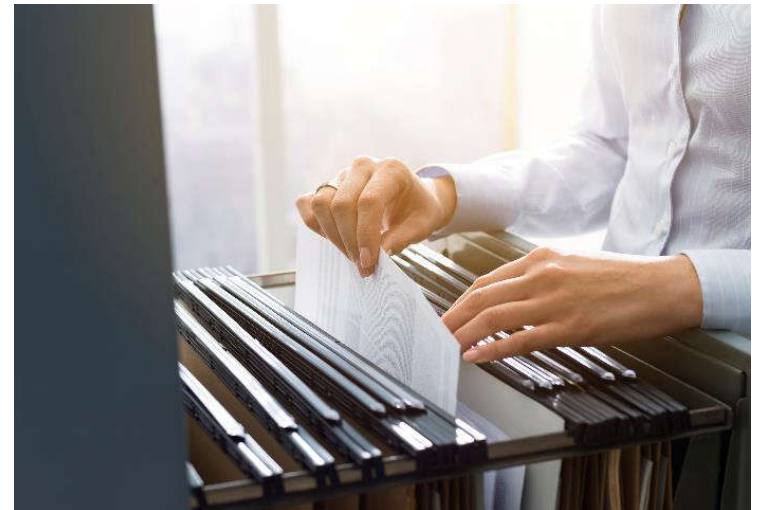
Study Regulations and Award Documents



- Become very familiar with requirements related to these funds.
- Understand the Uniform Guidance (2 CFR 200) requirements and which portions apply to the program.
- Obtain and review all award documents.

Maintain Documentation

- Documentation must be maintained to evidence control and compliance activities performed.
- Auditors are required to test controls over every direct and material compliance requirement denoted as subject to audit within the Compliance Supplement.



Develop and Follow Policies and Procedures



- Clear, written policies and procedures should be developed to address applicable compliance requirements and related internal controls.
- These policies and procedures should adhere to state and federal regulations, as necessary.
- These policies and procedures should also be followed to ensure compliance with federal program requirements.

Develop and Follow Policies and Procedures (*continued*)

Under the Uniform Guidance, the following policies and procedures must be documented in writing:

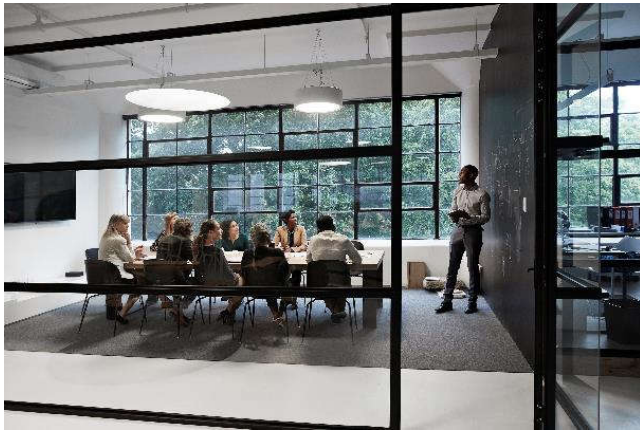
- 200.302 Financial management –
 - Determining the allowability of costs
 - Cash payments/management under 200.305
- 200.318 General procurement standards – Conflicts of interest
- 200.319 Competition – Procurement transactions
- 200.320 Methods of procurement to be followed – Conducting technical evaluations of the proposals received and making selections
- 200.430 & 431 Compensation – Personal services and fringe benefits
- 200.464 Relocation costs of employees – Reimbursement to employees
- 200.475 Travel costs – Reimbursement to employees

Explore the OMB Compliance Supplement

- Auditors follow the steps reflected in the Compliance Supplement.
- Review those steps to determine what will be tested and address all significant compliance requirements and related internal controls.
- Examples of appropriate internal controls for each compliance requirement category are reflected in Part 6 – Appendix 2 of the Compliance Supplement.



Take Advantage of Resources



- Consult auditors, awarding agencies, OMB, various associations, etc.
- Attend trainings and conferences.
- Sign up for pertinent email updates and Google alerts.
- Network to find reliable peer groups.
- Ask questions.

Helpful Resources



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[Resources - DOAA \(ga.gov\)](https://ga.gov)

The screenshot shows the DOAA website's Resource Library page. At the top is a dark blue navigation bar with the DOAA logo and text 'DOAA Georgia Department of Audits & Accounts' on the left, and menu items 'Reports', 'Resources', 'About', 'Careers', and 'Contact' on the right. Below the navigation bar is the 'Resource Library' section, which includes a sub-header and a brief description: 'Find guidance on technical issues, the audit process, submission processes, as well as key presentations, tools, and templates.' To the right of this section is a 'Next Deadline' alert for July 31, 2023, regarding submission dates for LG and NPO. Below the main heading is a 'Resource for Organizations' section with a grid of seven buttons: 'Colleges & Universities', 'RESAs', 'Local Government', 'School Districts', 'Non-Profits', 'State Agencies', and 'Regional Commissions'. To the right of this grid is an 'Other Resources' section with three links: 'School System Financial Dashboard', 'Transparency in Government Act', and 'Immigration', each with a short description of the resource.

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Reports Resources About Careers Contact

Resource Library

Find guidance on technical issues, the audit process, submission processes, as well as key presentations, tools, and templates.

Next Deadline
July 31, 2023 - Submission Dates for LG and NPO
[Local Government, Non-Profits >](#)

Resource for Organizations

- Colleges & Universities >
- RESAs >
- Local Government >
- School Districts >
- Non-Profits >
- State Agencies >
- Regional Commissions >

Other Resources

School System Financial Dashboard
Revenue, expenditures, fund balance, and fiscal health information for Georgia's county and city school systems.

Transparency in Government Act
Submissions information in compliance with the Transparency In Government Act.

Immigration
Submissions information in compliance with Georgia's Illegal Immigration Reform and Enforcement Act.

Georgia Department of Education

[Federal Programs \(gadoe.org\)](http://gadoe.org)



Richard Woods

Offices & Divisions ▾ Programs & Initiatives ▾ Data & Reporting ▾ Learning & Curriculum ▾ State Board & Policy ▾ Finance ▾

🏠 → Office of School and District Improvement → Federal Programs

Division of Federal Programs (ESSA)

- Division of Special Education Services and Supports (IDEA)
- Title I, Part A- Improving the Academic Achievement of the Disadvantaged
- Title I, Part A- Family School Partnership
- Title I, Part A- Foster Care Provisions
- Title I, Part C Education of Migratory Children
- Title I, Part D- Neglected and Delinquent Children

Federal Programs

Mission

The mission of Federal Programs is to provide technical assistance, program monitoring, and resources to local educational agencies (LEA) to ensure that all children have an opportunity to obtain a high-quality education and to achieve proficiency on the state's high academic achievement standards.

Resources

- Federal Programs Monitoring
- LEA Consolidated Application
- Federal Programs Handbook
- Professional Qualifications and Related Reporting Requirements

Code of Federal Regulations

[eCFR | Home](#)



Code of Federal Regulations

A point in time eCFR system



Title 2

Displaying title 2, up to date as of 11/30/2022. Title 2 was last amended 11/07/2022. [view historical versions](#)

Go to CFR Reference

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PART 200 - UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

OMB Compliance Supplement

[Office of Federal Financial Management | OMB | The White House](#)

Resources and Other Information

- [OMB Bulletin No. 22-01, Audit Requirements for Federal Financial Statements](#) (August 26, 2022) (44 Pages, 599 KB)
- [2022 Compliance Supplement – 2 CFR Part 200 Appendix XI](#) (May 11, 2022) (1,968 Pages, 20,994 KB)
- [2021 Compliance Supplement – 2 CFR Part 200 Appendix XI](#) (August 25, 2021) (1,787 Pages, 29,513 KB)
- [OMB Circular A-136, Financial Reporting Requirements – Revised](#) (6/03/2022) (124 pages, 2.1 MB)
- [2020 Compliance Supplement Addendum – 2 CFR Part 200 Appendix XI](#) (December 22, 2020) (118 Pages, 1,280 KB)
- [Federal Program Inventory Exploratory Pilot](#) (December 03, 2020) (4 Pages, 4,058 KB)
- [2020 Compliance Supplement – 2 CFR Part 200 Appendix XI](#) (August 14, 2020) (1,559 pages, 15,241 KB)
- [2020 Compliance Supplement FRN](#) ↗ (August 18, 2020)

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Contract Data
(Reports ONLY from fpds.gov)

Wage Determinations
(was wdol.gov)

Federal Hierarchy
Departments and Subtiers

Assistance Listings
(was cfda.gov)

Entity Information
Entities, Disaster Response Registry, and Exclusions

Entity Reporting
SCR and Bio-Preferred Reporting

Register Your Entity or Get a Unique Entity ID

Register your entity or get a Unique Entity ID to get started doing business with the federal government.

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Questions?

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