

The seal of the Indiana State Board of Accounts is circular, featuring a central torch with rays emanating from it, surrounded by a ring of stars. The text "STATE BOARD OF ACCOUNTS" is written in a circle around the torch, and "EST. 1909" is at the bottom.

Federal Audits & Uniform Guidance


Indiana State Board of Accounts ILMCT Fall District Meeting August 2021

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Indiana State Board of Accounts - 2021

Federal Audits

- ***Schedule of Expenditures of Federal Awards (SEFA)***
- ***Major Program Audit***



A small version of the Indiana State Board of Accounts seal is located in the bottom right corner of the slide.

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SEFA

- ***Summary of all Federal grants expended during the audit period***
 - ***If total expenditures exceed \$750,000, a Single audit is required***



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**SEFA
Reporting**

- ***All Federal grant activity is reported in on the Annual Financial Report in Gateway***
 - ***The information reported is used to compile the SEFA***



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SEFA Reporting

- ***Before entering information in Gateway, be sure to have necessary documentation***
 - ***Grant applications or grant agreements for each program - including those received by departments***
 - ***If necessary, the grantor agency may be contacted***



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SEFA Reporting

- ***Ensure the following information is available for each grant:***
 - ***Assistance Listing # (used to be CFDA)***
 - ***Federal Awarding Agency***
 - ***Title of Federal program***
 - *Beta.sam.gov*
 - ✓ *Search Assistance Listing*
 - ***Whether the grant is direct or pass-through***
 - ***Pass-through entity, if applicable***
 - ***Whether the grant is on an advance or reimbursement basis***



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SEFA Reporting

- ***Determination of amounts reported:***
 - ***Disbursements are reported for advance grants***
 - ***Receipts are reported for reimbursement grants***
 - *If a different method is used, the notes should be updated to reflect that*



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SEFA Reporting

- ***The SEFA that is approved for audit will include clusters (for applicable programs) in addition to the elements already mentioned***
 - ***These are added to the SEFA by the macro we use to compile***



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SEFA Reporting

- **Clusters can be verified in Part 5 of the Compliance Supplement**

- <https://www.whitehouse.gov/omb/management/office-federal-financial-management/>



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OFFICE OF MANAGEMENT AND BUDGET

OFFICE OF FEDERAL FINANCIAL MANAGEMENT

The Chief Financial Officers Act (CFO) of 1990 created OFFM as the Executive Branch's focal point in a framework for more effective Federal financial management. OFFM responsibilities include implementing the financial management improvement priorities of the President, establishing government-wide financial management policies of executive agencies, and carrying out the financial management functions of the CFO Act.

OFFM's mission is to develop and implement coordinated policy with Federal Chief Financial Officers to assure that Federal financial management practices support effective delivery of service across the United States Federal government.

Resources and Other Information

- 2021 Compliance Supplement – 2 CFR Part 200 Appendix XI (August 12, 2021) (1,787 Pages, 29,513 KB)



- OMB Circular A-126, Financial Reporting Requirements, Revised (August 2011)



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July 2021 Clusters of Programs - Introduction

PART 5 - CLUSTERS OF PROGRAMS

INTRODUCTION

Part 5 identifies those programs that are considered to be clusters of federal programs. As defined by 2 CFR section 200.1, a cluster of programs means a grouping of closely related programs that share common compliance requirements. The clusters of programs included in this Part are research and development (R&D) and student financial assistance (SFA), as well as certain other programs included in Part 4, "Agency Program Requirements," that are deemed to be clusters. A cluster of programs must be considered as one program for determining major programs, as described in 2 CFR section 200.518 (major program determination), and, with the exception of R&D as described in 2 CFR section 200.501(c), determining whether a program-specific audit may be elected.


"Other clusters" also may be designated by a state for federal awards the state provides to its subrecipients that meet the definition of a "cluster of programs." When designating an "other cluster," a state must identify the federal awards included in the cluster and advise the subrecipients of compliance requirements applicable to the cluster, consistent with 2 CFR section 200.331(a). This part of the Supplement does not identify any state-designated clusters of programs.

For the R&D and SFA clusters, this part is the equivalent of Part 4 coverage. In developing the audit procedures to test for compliance with the requirements for the R&D and SFA clusters, the auditor must determine which of the eight types of compliance requirements apply and then determine which of the applicable requirements is likely to have a direct and material effect on the cluster at the auditee. For each such requirement other than N, "Special Tests and Provisions," the auditor must use Part 3 (which includes generic details about each compliance requirement, including audit objectives and suggested audit procedures) and this Part 5 (which includes any cluster-specific requirements) to perform the audit. For N, "Special Tests and Provisions," Part 3 includes only audit objectives and suggested audit procedures for internal control; all other information is included in Part 5.

The descriptions of the compliance requirements in parts 3 and 5 are a general summary of the actual compliance requirements. The auditor must refer to the referenced citations (e.g., statutes and regulations) for the complete compliance requirements.

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Indiana State Board of Accounts - 2021

Auditing of the SEFA

- **All information reported will be audited**
 - **Assistance Listing #**
 - **Title of Program**
 - **Federal Awarding Agency**
 - **Etc.**



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Auditing of the SEFA

- ***Internal control procedures over the preparation of the SEFA also audited***
 - ***Documentation of controls important***
- ***Internal control deficiencies & errors on the SEFA are common report findings***



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Auditing of the SEFA

- ***Once the accuracy of the SEFA has been determined, the amounts will be used to determine the major programs in the manner required by Federal regulations***



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Auditing of the SEFA

- ***A preliminary review of the SEFA occurs shortly after the Annual Financial Report is submitted.***
- ***This will allow for better planning of the audits and will provide efficiencies***



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Audits of Major Programs

- ***Each program is unique.***
- ***Each program has certain compliance requirements applicable to every program***
- ***As well as requirements unique to that specific program***



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Audits of Major Programs

• Compliance Requirements

- › Activities Allowed or Unallowed
- › Allowable Costs/Cost Principles
- › Cash Management
- › Eligibility
- › Equipment and Real Property Management
- › Matching, Level of Effort, Earmarking
- › Period of Performance
- › Procurement, Suspension, & Debarment
- › Program Income
- › Reporting
- › Subrecipient Monitoring
- › Special Tests & Provisions



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Audits of Major Programs

- ***Documentation is needed for all activity that occurs to a grant***
 - ***Grant agreements important – get a copy***
- ***Internal controls must be in place to ensure requirements of the grant are met***
 - ***Documented in writing***
 - ***Lack of controls common report finding***



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CARES Act Funding

- ***CARES Act funds were distributed both directly and as pass-through funds***
 - ***Passed-through through Indiana Finance Authority***
 - ***Some that were direct:***
 - *Transit*
 - *Airport*
 - *Provider Relief*



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CARES Act Funding

- ***CARES Act funds fall into one of two categories***
 - ***A new Assistance Listing (CFDA) number***
 - ***Additional funds to an existing Assistance Listing (CFDA) number***
- ***2 most common***
 - ***21.019 Coronavirus Relief Fund***
 - ***93.498 Provider Relief Fund***



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10.130	Coronavirus Food Assistance Program	Department of Agriculture
10.574	Team Nutrition Grants	Department of Agriculture
10.579	Child Nutrition Discretionary Grants Limited Availability	Department of Agriculture
14.225	CDBG / Special Purpose Grants	Department of Housing and Urban Development
16.034	Coronavirus Emergency Supplemental Funding Program	Department of Justice
21.106	Airport Improvement Program	Dept of Transportation / FAA
20.507	Federal Transit Formula Grants	Dept of Transportation / Transit Admin
20.530	Public Transportation innovation	Dept of Transportation / Transit Admin
32.006	COVID-19 Telehealth Program	Federal Communications Commission
93.155	Rural Health Research Centers	Health and Human Services
93.211	Telehealth Programs	Health and Human Services
93.461	COVID-19 Testing for the Uninsured	Health and Human Services
93.527	Grants for New & Expanded Services under the Health Care Program	Health and Human Services
93.568	Low Income Home Energy Assistance	Health and Human Services
93.569	Community Services Block Grant	Health and Human Services
93.391	Activities to Support State, Tribal, Local, and Territorial Health Department Response to Public Health or Healthcare Crisis	Health and Human Services
97.042	Emergency Management Performance Grants	Department of Homeland Security
97.044	Assistance to Firefighters Grant	Department of Homeland Security



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CARES links on IFA Website -> <https://www.in.gov/ifa/coronavirus-relief-fund-program/helpful-links/>

Helpful Links

Please Read the Frequently Asked Questions and Directions to the Reimbursement Request Form First.

[AIM Webinar – CARES Act Reimbursement for Cities and Towns – July 2, 2020*](#)

[Coronavirus Relief Fund: Guidance for State, Territorial, Local, and Tribal Governments](#)

[U.S. Treasury - Coronavirus Relief Fund Frequently Asked Questions](#)

[Department of the Treasury Office of Inspector General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping \(Revised\)](#)

[U.S. Treasury - CARES Act - Policy Issues](#)

[Coronavirus Relief Fund: Background and State and Local Data](#)

[3548 CARES Act \(NOTE: Refer to pages 221 to 224\)](#)



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