

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<p>The following applicable compliance requirements should be tested in conjunction with the other tests of detail or through other appropriate tests:</p> <p><b>A. ACTIVITIES ALLOWED OR UNALLOWED:</b></p> <ol style="list-style-type: none"> <li>1. Identify the types of activities allowed and unallowed for the program(s) tested.</li> <li>2. If allowability is determined based upon summary level data, verify allowability of the activity and that individual transactions were properly classified and accumulated into the activity total.</li> <li>3. If allowability is determined based upon individual transactions, select a sample of transactions and verify allowability of the activity. Be alert for any large dollar transfers from program accounts, which may have been used to fund unallowable activities.</li> </ol> <p><b>B. ALLOWABLE COSTS/COST PRINCIPLES:</b></p> <ol style="list-style-type: none"> <li>1. For transactions selected which involve federal funds determine whether the costs meet the following criteria (include direct charges to federal awards as well as charges to cost pools allocated wholly or partially to Federal awards or used in formulating indirect cost rates): <ol style="list-style-type: none"> <li>a. Costs were necessary and reasonable for the performance of the Federal award and allocable to the federal award under the principles in 2 CFR part 200, subpart E.</li> <li>b. Conform to any limitations or exclusions set forth in 2 CFR part 200, subpart E, or in the Federal award as to types or amount of cost items.</li> <li>c. Consistent with policies and procedures that apply uniformly to both federal and non-federal activities of the Agency.</li> <li>d. Not allocable to or included as a direct cost of a federal program if the same or similar costs are allocated to the Federal award as an indirect cost.</li> <li>e. Not included as a cost or used to meet cost sharing or matching requirements of another federally supported activity in either the current or a prior period.</li> </ol> </li> </ol>					

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<ul style="list-style-type: none"> <li>f. Supported by underlying documentation.</li> <li>g. Determined in conformity with general accepted accounting principles, except, as otherwise provided for in 2 CFR part 200.</li> </ul> <p>2. If unallowable direct costs have been identified, determine whether “directly associated costs” have also been charged.</p> <p>3. Determine costs were approved by the federal awarding agency if required, or in accordance with 2 CFR section 200.407 for selected items of costs.</p> <p>4. Determine costs did not consist of improper payments including:</p> <ul style="list-style-type: none"> <li>a. Payments which should not have been made or were for incorrect amounts (including overpayments and underpayments) under statutory, contractual, administrative or other legally applicable requirements.</li> <li>b. Payments which do not account for credit for applicable discounts.</li> <li>c. Duplicate payments.</li> <li>d. Payments to an ineligible party or for an ineligible good or service.</li> <li>e. Payments for goods and services not received (except where authorized by law).</li> </ul> <p>5. If the Agency is using a De Minimis indirect cost rate:</p> <ul style="list-style-type: none"> <li>a. Determine the Agency has not previously claimed indirect costs on the basis of a negotiated rate. Auditors are required to test only for the three fiscal years immediately prior to the current audit period.</li> <li>b. Test selected transactions for conformance with 2 CFR section 200.414 (f). <ul style="list-style-type: none"> <li>1) Verify the de minimis rate was used consistently, the rate was applied to the proper base and amounts claimed were the product of applying the rate to a modified total direct costs base.</li> </ul> </li> </ul>					

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June 30, 2023

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<p>2) Verify the costs included in the base are consistent with the costs included in the base year, i.e. verify current year modified total direct costs do not include costs items that were treated as indirect costs in the base year.</p> <p>c. Determine if the Agency's use of the de minimis rate resulted in the Agency double-charging or inconsistently charging costs as both direct and indirect.</p> <p>6. Cost Allocation Plans/Indirect Cost Rate Agreements</p> <p>Determine whether material indirect costs or centralized or administrative services are being charged to federal programs. If such costs are being charged, perform the following procedures:</p> <p>a. Obtain and read the Indirect Cost Rate Agreement (ICRA) and/or the current Cost Allocation Plan (CAP) and determine the types of rates and procedures required.</p> <p>b. Determine the terms of the allocation plan and/or rate agreement in effect (i.e., predetermined, fixed with carryforward provisions or provisional/final)</p> <p>c. Verify the methods of charging costs to federal awards are in accordance with the provisions of the approved Indirect Cost Rate Proposal (ICRP) or CAP, or prepared ICRP or CAP, on file.</p> <p>d. Determine whether the CAP or ICRP includes the required documentation in accordance with 2 CFR part 200, Appendix VII, paragraph D or Appendix V, paragraph E, as applicable.</p> <p>e. If the Agency does not have a negotiated ICRA, determine whether documentation exists to support costs. Report Question Costs if no support.</p> <p>f. If ICRP is not complete, consider whether interim testing is necessary of the costs charged to the cost pools and the allocation bases to minimize questioned costs, if any.</p> <p>g. Examine claims submitted to the federal agency for reimbursement. Determine if the amounts charged and rates used are in accordance with the plan and if rates are being applied to the appropriate base.</p>					

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<p>h. Review, on a test basis, supporting documentation to determine whether:</p> <ol style="list-style-type: none"> <li>1) The indirect cost pool or centralized service costs contain only allowable costs in accordance with 2 CFR part 200.</li> <li>2) The methods of allocating the costs are in accordance with the provisions of 2 CFR part 200, other applicable regulations and negotiated agreements.</li> <li>3) Employee time report system results are mathematically and statistically accurate, allowable and properly allocated to the various functional and programmatic activities to which the salary and wage costs are charged.</li> <li>4) If ICRP uses the multiple allocation base method, test statistical data to determine if the proposed allocation or rate bases are reasonable, updated as necessary and do not contain any material omissions.</li> <li>5) The indirect costs charged to federal programs are supported by amounts recorded in the accounting records from which the most recently issued financial statements were prepared.</li> </ol> <p>7. When material charges are made from internal service, central service, pension or similar activities or funds, verify the charges from these activities or funds are in accordance with the 2 CFR part 200:</p> <p>a. For activities accounted for in separate funds, ascertain if:</p> <ol style="list-style-type: none"> <li>1) Net position/fund balances (including reserves) were computed in accordance with cost principles.</li> <li>2) Working capital was not excessive in amount (generally not greater than 60 days for cash expenses for normal operations incurred for the period exclusive of depreciation, capital costs and debt principal costs).</li> <li>3) Adjustments were made when there is a difference between the revenue generated by each billed service and the actual allowable costs.</li> </ol>					

**AGENCY** 2023 Audit Programs

June 30, 2023

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<p>4) Refunds were made to the federal government for its share of any amounts transferred or borrowed from internal service or central service funds for purposes other than to meet the operating liabilities, including interest on debt, of the fund.</p> <p>b. Verify all users of services were billed in a consistent manner.</p> <p>c. Verify the billing rates exclude unallowable costs.</p> <p>d. Where billing rates are not accounted for in separate funds, verify the billing rates are developed based on actual costs and were adjusted to eliminate profit.</p> <p>e. For organizations which have self-insurance and certain type of fringe benefit program (e.g. pension funds), verify independent actuarial studies appropriate for such activities are performed at least biennially and current costs were allocated based on an appropriate study which is not over two years old.</p> <p>8. State-wide Central Service CAPs – Ascertain the amounts used for reimbursement of central service costs for federal awards are in accordance with the approved CAPs or plans on file.</p> <p>9. Public Assistance CAPs – Verify the methods of charging costs to federal awards are in accordance with the provisions of the approved public assistance CAP and the provisions of the approval documents issued by the Department of Health and Human Services (HHS).</p> <p><b>C. CASH MANAGEMENT:</b></p> <p>For major programs not subject to the Cash Management Improvement Act (CMIA) Treasury/State agreement:</p> <p>1. Select a sample of advances, drawdowns and other receipts of federal funds and compare to the dates the funds were disbursed and/or checks were presented to the banks for payment.</p> <p>2. Verify cash balances were for the Agency's immediate needs.</p> <p>3. For advances to other recipients and subrecipients, determine established procedures to minimize the time between drawdown and disbursement were followed.</p>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
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<p>4. Where applicable, select a sample of reimbursement requests and trace to supporting documentation showing the costs for which reimbursement was requested were paid prior to the date of the reimbursement request. (2 CFR section 200.305(b)(3))</p> <p>For programs subject to the CMIA Treasury/State agreement:</p> <p>1. Review the State of Iowa Single Audit Planning Memo and the Treasury/State Agreement to identify specific programs covered under CMIA being tested as major programs for Single Audit and the funding techniques used. (Files are located on SharePoint Office, Audit and Exam Resources – Audit and Examination Resources/Single Audit.)</p> <p>a. Obtain an understanding of the cash advance or reimbursement process for program and administrative costs from the Agency and the Treasury/State Agreement and evaluate the process(es) for adequacy.</p> <p>b. For program costs, determine the timing of disbursements were in compliance with the CMIA Treasury/State Agreement or default procedures, whichever is applicable.</p> <ul style="list-style-type: none"> <li>For cash advance programs, funds must be deposited in a state account not more than three days prior to the day the state makes a disbursement. The amount of the request should be the amount the state expects to disburse. If funds are not requested on a timely basis (limited number of days after disbursement), consider the need for an Agency finding, taking into account the frequency and materiality of the untimely draws.</li> <li>For payroll costs, the Agency should usually draw down Federal funds on the Tuesday before payday. The clearance pattern assumes the expense is incurred on Sunday following payday. However, there are certain circumstances (e.g. holidays) when the draw down may be appropriately made on a day other than Tuesday. Ensure Federal funds are drawn on the appropriate day for payroll costs.</li> </ul>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
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<p>c. Utilizing I/3 ledger cards and AOS DP report #J035A150 (CMIA Report), determine whether the draw down method used by the Agency for program costs is in compliance with the Treasury/State agreement.</p> <p>2. Each Agency provides information to the DAS State Accounting Enterprise for each program included in the Treasury/State Agreement so the state can monitor cash balances on a daily basis and calculate a federal interest liability or refund.</p> <p>a. Obtain the payroll draw down information provided to the DAS State Accounting Enterprise. On a sample basis for each applicable program, determine whether the Agency has requested Federal funds within the period of time established by the DAS State Accounting Enterprise (see SWSA Planning Memo for the ranges for each pay period).</p> <p>3. A confirmation will be provided to the In-charges of Agencies with programs covered by the CMIA agreement. Verify the following information is accurate.</p> <p>a. I/3 account numbers used. Also, administrative (payroll) costs and program (non-payroll) expenditures are tracked separately so they should be given different account numbers.</p> <p>b. Federal Funding Percentage (FFP).</p> <p>c. Beginning of year cash balances.</p> <p>d. Obtain an authorized signature from appropriate Agency personnel to confirm the information.</p> <p>4. Refund Liabilities – The state is liable for interest on refunds greater than \$50,000 from the date the refund is credited to a state account until the date the refund is debited from the state account for program purposes.</p> <p>a. For programs using cash advance funding, ensure the Agency is maintaining records identifying the amount and date of the refund, the date the refund is offset against a subsequent deposit of federal funds and the check issue date for the disbursement related to the subsequent deposit of federal funds.</p>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

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<p>b. Ensure the Agency is reporting refunds greater than \$50,000 to the DAS State Accounting Enterprise for reporting purposes.</p> <p>For all programs:</p> <ol style="list-style-type: none"> <li>1. Review selected cash reports submitted by sub recipients and determine if the Agency implemented procedure to ensure that the time elapsed between transfer of federal funds and disbursement for program purposes was minimized.</li> <li>2. For loans, loan guarantees, interest subsidies and insurance, perform tests to ascertain if the Agency complied with applicable program requirements.</li> </ol> <p><b>D. RESERVED</b></p> <p><b>E. ELIGIBILITY:</b></p> <ol style="list-style-type: none"> <li>1. Individuals: <ol style="list-style-type: none"> <li>a. For some federal programs with a large number of individuals receiving benefits, the Agency may use a computer system for the processing of individual eligibility determinations and the delivery of benefits. U.S. generally accepted auditing standards provide guidance for the auditor when computer processing relates to accounting information that can materially affect the financial statements being audited. When eligibility is material to a major program, and a computer system is integral to eligibility compliance, the auditor should follow this guidance and consider the Agency's computer processing. <ol style="list-style-type: none"> <li>1) Perform audit procedures relevant to the computer system as needed to support the opinion on compliance for the major program.</li> <li>2) These tests may be performed as part of testing the internal controls for eligibility.</li> </ol> </li> <li>b. For split eligibility functions, determine that testing for internal controls and compliance objectives are performed regardless of whether the State performs part of the determination.</li> </ol> </li> </ol>					



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June 30, 2023

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<ul style="list-style-type: none"> <li>c. Perform procedures to determine completeness of the population.</li> <li>d. Select a sample of individuals receiving benefits and perform tests to determine if the: <ul style="list-style-type: none"> <li>1) Individuals were eligible in accordance with the compliance requirements of the program. (Note: Some programs have initial and continuing eligibility requirements. Some programs require periodic redeterminations of eligibility.)</li> <li>2) Benefits paid to or on the behalf of the individuals were calculated correctly and in compliance with the requirements of the program.</li> <li>3) Benefits were discontinued when the period of eligibility expired, or if the person became ineligible.</li> </ul> </li> <li>e. Review the quality control process and perform tests to ascertain if it is operating to effectively meet the objectives of the process and in compliance with applicable program requirements.</li> </ul> <p>2. Group of Individuals or Area of Service Delivery:</p> <ul style="list-style-type: none"> <li>a. Test information used in determining eligibility and determine if the population or area of service delivery was eligible.</li> <li>b. Perform test to determine if: <ul style="list-style-type: none"> <li>1) The population or area served were eligible.</li> <li>2) The benefits paid to or on behalf of the individuals or area of service delivery were calculated correctly.</li> </ul> </li> </ul> <p>3. Subrecipients:</p> <ul style="list-style-type: none"> <li>a. If the determination of eligibility is based on an approved application or plan, obtain a copy of the document and identify the applicable eligibility requirements.</li> <li>b. Select a sample of the awards to the subrecipients and perform procedures to verify that the subrecipients were eligible and amounts awarded were within funding limits.</li> </ul>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

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<b>F. EQUIPMENT AND REAL PROPERTY MANAGEMENT:</b>  1. Inventory Management:  a. Identify equipment acquired under federal awards during the audit period and trace selected purchases to the property records. Verify the property records contain the following required information about the equipment (2 CFR section 200.313(d)(1): 1) Description (including serial numbers or other identification numbers). 2) Source of funding for the property (including the federal award identification number). 3) Title holder. 4) Acquisition date and cost. 5) Percentage of federal participation in the cost. 6) Location, use and condition of the property. 7) Condition. 8) Ultimate disposition data, including the date of disposal, sale price or method used to determine fair market value. b. Verify the required physical inventory of equipment was performed. (A physical inventory of property must be taken and results reconciled with the property records at least once every two years per 2 CFR section 200.313(d)(2)). Test whether any differences between the physical inventory and equipment records were resolved. c. Select a sample of equipment identified under federal awards from the property records and observe the equipment to ensure equipment is appropriately safeguarded and maintained. (2 CFR section 200.313(d)(2), (4))  2. Disposition of Equipment  a. Determine equipment dispositions for the audit period and verify the dispositions were properly reflected in the property records.					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

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<p>b. Perform procedures to verify the dispositions were properly reflected in the property records.</p> <p>c. For dispositions of equipment acquired under grants and cooperative agreements with a current per-unit fair market value in excess of \$5,000, determine whether the awarding agency was reimbursed for the appropriate federal portion.</p> <p>d. For dispositions of equipment acquired under cost-reimbursement contracts, verify the Agency followed the federal awarding agency disposition instructions.</p> <p>3. Disposition of Real Property:</p> <p>a. Identify real property dispositions for the audit period and determine whether such property was acquired or improved under federal awards.</p> <p>b. Perform procedures to verify the Agency followed the instructions of the awarding agency or pass-through entity, which will normally require reimbursement to the awarding agency of the federal portion of net sales or fair market value at the time of disposition, as applicable.</p> <p><b>G. MATCHING, LEVEL OF EFFORT, EARMARKING:</b></p> <ul style="list-style-type: none"> <li>• <u>Matching</u> – includes requirements to provide contributions (usually non-federal) of a specified amount or percentage to match federal awards. Match may be in the form of cash or in-kind contributions.</li> <li>• <u>Level of Effort</u> – includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-federal or federal sources for specified activities to be maintained from period to period and (c) federal funds to supplement and not supplant non-federal funding of services.</li> <li>• <u>Earmarking</u> – includes requirements that specify the minimum and/or maximum amount or percentage of the program's funding that must/may be used for specified activities, including funds provided to subrecipients.</li> </ul> <p>Matching:</p> <p>1. Perform test to verify the required matching contributions were met.</p>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

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<p>2. Determine the sources of matching contributions and perform tests to verify they were from an allowable source.</p> <p>3. Test records to corroborate the value placed on in-kind contributions are in accordance with 2 CFR sections 200.306, 200.434 and 200.414, and the terms and conditions of the award.</p> <p>4. Test transactions used to match for compliance with allowable costs/cost principles requirements. This test may be performed in conjunction with the testing of the requirements related to allowable cost/cost principles.</p> <p>Level of Effort:</p> <p>1. Identify the required level of effort and perform tests to verify the level of effort requirement was met.</p> <p>2. Perform tests to verify only allowable categories of expenditures or other effort indicators (e.g., hours, number of people served) were included in the computation and the categories were consistent from year to year.</p> <p>3. Perform procedures to verify the amounts used in the computation were derived from the books and records from which the audited financial statements were prepared.</p> <p>4. Perform procedures to verify the non-monetary effort indicators were supported by official records.</p> <p>Level of Effort - Supplement not Supplant:</p> <p>1. Determine if the Agency used federal funds to provide services which it was required to make available under federal, state or local law and were also made available by funds subject to the supplement not supplant requirement.</p> <p>2. Determine if the Agency used federal funds to provide services which were provided with non-federal funds in prior years.</p> <p>a. Identify the federally funded services.</p> <p>b. Perform procedures to determine whether the federal program funded services that were previously provided with non-federal funds.</p>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

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<p>c. Perform procedures to determine if the total level of services applicable to the requirement increased in proportion to the level of federal contribution.</p> <p>Earmarking:</p> <ol style="list-style-type: none"> <li>1. Identify the applicable percentage or dollar requirements for earmarking.</li> <li>2. Perform procedures to verify the amounts recorded in the financial records meet the specified requirements (e.g. minimum amounts determine the records show at least the minimum was charged).</li> <li>3. When requirements specify a minimum percentage or amount, select a sample of transactions supporting the specified amount or percentage and perform tests to verify proper classification to meet the minimum percentage or amount.</li> <li>4. When requirements specify a maximum percentage or amount, review the financial records to identify transactions for the specified activity were not improperly classified in another account. (e.g. If administrative costs are limited to 10%, review other accounts charged to the activity for administrative expense which, if incorrectly coded, would cause the maximum percentage to be exceeded).</li> <li>5. When requirements prescribe the minimum number or percentage of specified types of participants that can be served, select a sample of participants that are counted toward meeting the minimum requirement and perform test to verify that they were properly classified.</li> <li>6. When requirements prescribe the maximum number or percentage of specified types of participants that can be served, select a sample of other participants and perform test to verify that they were not of the specified type.</li> </ol> <p><b>H. PERIOD OF PERFORMANCE:</b></p> <ol style="list-style-type: none"> <li>1. Review the award documents and regulations pertaining to the program and determine any award specific requirements related to the period of performance and document the performance period.</li> <li>2. Test selected transactions for the following:</li> </ol>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
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<ul style="list-style-type: none"> <li>a. For costs recorded during the beginning of the period of performance, verify costs were not incurred prior to the start of the period of performance unless authorized by the Federal awarding agency or the pass-through entity.</li> <li>b. For costs recorded during the latter part and after the period of performance, verify the costs had been incurred within the period of performance.</li> <li>c. For costs for which the obligation had not been liquidated (payment made) as of the end of the period of performance, verify the liquidation occurred within the allowed time period.</li> </ul> <p>3. Select a sample of adjustments to the federal funds and verify these adjustments were for transactions that occurred during the period of performance.</p> <p><b>I. PROCUREMENT AND SUSPENSION AND DEBARMENT:</b></p> <ul style="list-style-type: none"> <li>1. Obtain the Agency's procurement policies and verify the policies comply with applicable federal requirements.</li> <li>2. Determine the Agency has written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts. (2 CFR section 200.318(c) and 48 CFR sections 52.203-13 and 52.203-16)</li> <li>3. Determine if the Agency has a policy to use statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals. If such policy exists, verify these limitations were not applied to federal procurements except where applicable federal statutes expressly mandate or encourage geographical preference. (2 CFR section 200.31(c))</li> <li>4. Select a sample of procurements and perform the following: <ul style="list-style-type: none"> <li>a. Examine contract files and verify they document the history of the procurement, including the rationale for the method of procurement, selection of contract type, basis for contractor selection or rejection and the basis of contract price. (2 CFR section 200.318(i) and 48 CFR Part 44 and section 52.244-2)</li> </ul> </li> </ul>					

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<p>b. For grants and cooperative agreements, verify the procurement method used was appropriate based on the dollar amount and conditions specified in 2 CFR section 200.320. Current micro-purchase and simplified acquisition thresholds can be found in the FAR (48 CFR Subpart 2.1, "Definitions")</p> <p>c. Verify procedures provide for full and open competition. (2 CFR section 200.319 and 48 CFR section 52.244-5)</p> <p>d. Examine documentation in support of the rationale to limit competition in those cases where competition was limited and determine if the limitation was justified. (2 CFR sections 200.319 and 200.320(f) and 48 CFR section 52.244-5)</p> <p>e. Determine a cost or price analysis was performed in connection with procurement actions exceeding the simplified acquisition threshold, including contract modifications and that this analysis supported the procurement action taken. (2 CFR section 200.323 and 48 CFR section 15.404-3)</p> <p>Note: A cost or price analysis is required for each procurement action, including each contract modification, when the total amount of the contract and related modifications is greater than the simplified acquisition threshold.</p> <p>f. Verify the policies and procedures used for procuring property and services under a Federal award were the same as procurements from the Agency's non-Federal funds, as specified in 2 CFR section 200.317.</p> <p>g. Verify consent to subcontract was obtained when required by the terms and conditions of a cost reimbursement contract specified in 48 CFR section 52.244-2.</p> <p>5. Test a sample of procurements and subawards to determine if the Agency performed a verification check for covered transactions by checking the System for Award Management (SAM) website (<a href="http://www.sam.gov">www.sam.gov</a>), collecting a certification from the entity or adding a clause or condition to the covered transaction with the entity. (2 CFR section 180.300)</p>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARK S</b>
<p>6. Test a sample of procurement and subawards against SAM and determine if contracts or subawards were awarded to suspended or debarred parties.</p> <p>7. Test a sample of procurement agreements for infrastructure projects subject to "Build America, Buy America Act (BABAA)". Determine whether the entity include the Buy America domestic preference provisions in each agreement or obtained a BABAA waiver.</p> <p><b>J. PROGRAM INCOME:</b></p> <p>1. Identify any program income.</p> <p style="padding-left: 40px;">a. Review laws, regulations and terms and conditions of the federal award applicable to the program and determine if program income was anticipated. If so, determine the requirements for recording and using program income.</p> <p style="padding-left: 40px;">b. Inquire of management and review accounting records to determine if program income was received.</p> <p>2. Perform tests to verify that program income was properly determined or calculated in accordance with stated criteria and classified as program income only if collected from allowable sources.</p> <p>3. Perform tests to verify all program income was properly recorded in the accounting records.</p> <p>4. Perform tests to determine if program income was used in accordance with 2 CFR section 200.307€ and the program requirements set by the federal awarding agency in its regulations and the terms and conditions of the award.</p> <p><b>K. RESERVED</b></p> <p><b>L. REPORTING:</b></p> <p>1. Review applicable statutes, regulations and terms and conditions of the federal award pertaining to reporting requirements.</p> <p>2. Determine the types and frequency of required reports.</p> <p>3. Obtain and review federal awarding agency, or pass-through entity in the case of a subrecipient, instructions for completing the reports.</p>					



**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARK S</b>
<ul style="list-style-type: none"> <li>a. For financial reports, determine the accounting basis used in reporting the data (i.e. cash or accrual).</li> <li>b. For performance and special reports, determine the criteria and methodology used in compiling and reporting the data.</li> </ul> <p>4. Perform appropriate analytical procedures and determine the reason for any unexpected differences. Examples of analytical procedures include:</p> <ul style="list-style-type: none"> <li>a. Comparing current period reports to prior periods.</li> <li>b. Comparing anticipated results to the data included in the reports.</li> <li>c. Comparing information obtained during the audit of the financial statements to the report.</li> </ul> <p>5. Select a sample of each of the following report types and test for accuracy and completeness.</p> <ul style="list-style-type: none"> <li>a. Financial reports: <ul style="list-style-type: none"> <li>1) Determine if the financial reports were prepared in accordance with the required accounting basis.</li> <li>2) Review accounting records and determine if all applicable accounts were included in the sampled reports.</li> <li>3) Trace the amounts reported to accounting records that support the audited financial statements and the Schedule of Expenditures of Federal Awards and verify agreement.</li> <li>4) For any discrepancies noted in SF-425 reports concerning cash status when the advance payment method is used, review subsequent SF-425 reports to determine if the discrepancies were appropriately resolved with the applicable payment system.</li> </ul> </li> <li>b. Performance reports and special reports: <ul style="list-style-type: none"> <li>1) Review supporting records and determine if all applicable data elements were included in the sampled report.</li> </ul> </li> </ul>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARK S</b>
<p>2) Trace reported data to records that accumulate and summarize data.</p> <p>3) Perform tests of the underlying data to verify the data were accumulated and summarized in accordance with the required or stated criteria and methodology including the accuracy and completeness of the reports.</p> <p>c. Special reports for Federal Funding Accountability and Transparency Act (FFATA)</p> <p>1) Document understanding of the recipient's methodology used to identify which, if any, awards were subject to the Transparency Act based on inclusion of the award term, assignment by the federal awarding agency of a new FAIN, the effective date of the reporting requirement and whether the Entity passed funds through to first tier subrecipients.</p> <p>2) Select a sample of first tier subawards. Obtain related subaward agreements/ amendments/modifications and determine if the subaward/subcontract was subject to reporting under the Transparency Act based on (a) the date of the award and (b) the amount of the obligating action for subawards or face value of the first-tier subcontracts.</p> <p>If the subaward/subcontract was subject to reporting under the Transparency Act:</p> <p>i) Using the FAIN, find the award in FSRS. FSRS is the portal where the recipient enters the award information; it is only accessible by the subrecipient. Therefore, in order for recipients to demonstrate that information has been properly input, they should coordinate with the auditor regarding the auditor's review of the information, physically or virtually (e.g., by logging into its FSRS account either in the auditor's presence or remotely using technology such as screensharing, screenshot evidence, etc.) so that the auditor is able to find the awards in the system as required in this procedure.)</p>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARK S</b>
<p>ii) Compare the award information accessed in Step 2(i) to the subaward/subcontract documents maintained by the recipient to assess if:</p> <p>(1) Applicable subaward obligations/modifications have been reported.</p> <p>(2) Key data elements (see below) were accurately reported and are supported by the source documentation.</p> <p>(a) Subawardee name.</p> <p>(b) Subawardee UEI #.</p> <p>(c) Amount of subaward.</p> <p>(d) Subaward obligation/action date.</p> <p>(e) Date of report submission.</p> <p>(f) Subaward number.</p> <p>(g) Subaward project description.</p> <p>(h) Subawardee names and compensation of highly compensated officers.</p> <p>iii) The action was reported in FSRs no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award/subcontract modification was made.</p> <p>d. The auditor must provide the following information for non-compliance findings as the results of step 2b.</p> <p>1) The Entity did not report the subaward information.</p> <p>2) The Entity did not report the subaward information timely.</p> <p>3) The Entity reported incorrect amount.</p> <p>4) The Entity did not report all the key data elements.</p> <p>e. For each type of report:</p>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<p>1) When intervening computations or calculations are required between the records and the reports, trace reported data elements to supporting worksheets or other documentation that link reports to data.</p> <p>2) Test mathematical accuracy of reports and supporting worksheets.</p> <p>6. Obtain written representation from management the reports provided to the auditor are true copies of the reports submitted or electronically transmitted to the federal awarding agency, the applicable payment system or pass-through entity in the case of a subrecipient.</p> <p><b>M. SUBRECIPIENT MONITORING:</b></p> <p>Note: The auditor may consider coordinating the tests related to subrecipients performed as part of C “Cash Management” (tests of cash reporting submitted by subrecipients); E “Eligibility” (tests that subawards were made only to eligible subrecipients), I “Procurement and Suspension and Debarment” (tests of ensuring that a subrecipient is not suspended or debarred); and L “Reporting” (tests of performance data reported to funding sources) with the testing of “Subrecipient Monitoring”.</p> <p>1. Review the Agency’s subrecipient monitoring policies and procedures to gain an understanding of the process used to identify subawards (2 CFR section 200.331 (a)(1-3), evaluate risk of noncompliance (2 CFR section 200.332(b)) and perform monitoring procedures (2 CFR sections 200.332(d) through (f) and 2 CFR section 200.521) based upon identified risks.</p> <p>If subrecipients are for-profit entities, determine the procedures the entity required to ensure compliance. The agreement must describe applicable compliance requirements and the for-profit subrecipient compliance responsibility. Methods to ensure compliance may include pre-award audits, monitoring during the agreement and post-award audits (2 CFR Section 200.501(h)).</p>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARK S</b>
<p>2. Test subaward documents, including the terms and conditions of the subaward to ascertain if, at the time of subaward (or subsequent modification), the Agency is sufficiently notifying subrecipients of the award information required by 2 CFR 200.331(a) in order for the Agency to comply with federal statutes, regulations and terms and conditions of the award.</p> <p>Ensure the subaward is clearly identified to the subrecipient as a subaward and the following information is provided at the time when the subaward is made (2 CFR 200.332):</p> <ul style="list-style-type: none"> <li>• Subrecipient's name (which must match the Agency's registered name in the Data Universal Numbering System, UEI).</li> <li>• Subrecipient's UEI number.</li> <li>• Federal Award Identification Number (FAIN).</li> <li>• Federal award date (see the definition of Federal award date in §200.1) of award to the recipient by the Federal agency.</li> <li>• Subaward period of performance, including a start and end date.</li> <li>• Subaward budget period start and end date.</li> <li>• Amount of federal funds obligated by this action by the pass-through entity to the subrecipient.</li> <li>• Total amount of federal funds obligated to the subrecipient.</li> <li>• Total amount of the federal award committed to the subrecipient by the pass-through entity.</li> <li>• Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA).</li> <li>• Name of federal awarding agency, pass-through entity and contact information for awarding official of the pass-through entity.</li> <li>• Assistance Listing number and name; the pass-through entity must identify the dollar amount made available under each Federal award and assistance listing number.</li> <li>• Identification of whether the award is R&amp;D (research and development).</li> </ul>					

**AGENCY** 2023 Audit Programs

June 30, 2023

**SINGLE AUDIT**  
**COMPLIANCE REQUIREMENTS**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARK S</b>
<ul style="list-style-type: none"> <li>Indirect cost rate for the federal award (including if the de minimis rate is charged) per §200.414.</li> </ul> <p>Note: If any of this information changes over the course of the subaward, include the changes in subsequent subaward modifications.</p> <ol style="list-style-type: none"> <li>Review the Agency's documentation of monitoring the subaward to determine if the Agency's monitoring provides reasonable assurance that subrecipients used the subaward for authorized purposes and complied with federal statutes, regulations, and the terms and conditions of the subaward.</li> <li>Determine if the Agency verifies that subrecipients expected to be audited as required by 2 CFR Part 200, Subpart F, met this requirement (2 CFR section 200.331(f). This verification may be performed as part of the required monitoring under 2 CFR section 200.331(d)(2) to ensure the subrecipient takes timely and appropriate action on deficiencies detected through audits.</li> </ol> <p><b>N. SPECIAL TESTS AND PROVISIONS:</b></p> <ol style="list-style-type: none"> <li>Review the laws, regulations and provisions of grant and contract agreements to identify special tests and provisions.</li> <li>Develop procedures to test these requirements.</li> </ol>					