

ENTITY 2019 ICQs

SINGLE AUDIT
ACTIVITIES ALLOWED OR UNALLOWED
AND ALLOWABLE COST PRINCIPLES

June 30, 2019

QUESTION	YES	NO	N/A	REMARKS
<p>Instructions: Complete the Single Audit questionnaire for only <u>major</u> programs.</p> <p>CONTROL OBJECTIVES: To provide reasonable assurance federal awards are expended only for allowable activities and that the costs of goods and services charged to federal awards are allowable and in accordance with the applicable cost principles.</p> <p><u>Control Environment</u></p> <ol style="list-style-type: none"> Does management set reasonable budgets for federal and non-federal programs so no incentive exists to miscode expenditures? Does management enforce appropriate penalties for misappropriation or misuse of funds? Does the entity realize the need for separate identification of allowable federal costs? Does management provide a list of allowable and unallowable expenditures to personnel who approve and pre-audit expenditures? <p><u>Risk Assessment</u></p> <ol style="list-style-type: none"> Does the entity have a process for assessing risks resulting from changes to cost accounting systems? Does management have a sufficient understanding of staff, processes and controls to identify where unallowable activities or costs could be charged to a federal program and not be detected? <p><u>Control Activities</u></p> <ol style="list-style-type: none"> Is there accountability for charges and costs between federal and non-federal activities? Is there a process in place for timely updating of procedures for changes in activities allowed and cost principles? Are computations checked for accuracy? Is supporting documentation compared to a list of allowable and unallowable expenditures? Are adjustments to unallowable costs made where appropriate and is follow-up action taken to determine the cause? Are there adequate segregation of duties in the review and authorization of costs? Is there an individual who is knowledgeable of the requirements for determining activities allowed and allowable costs? 				

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<u>Information and Communication</u>				
1. Are reports, such as a comparison of budget to actual, provided to appropriate management for review on a timely basis?				
2. Have internal and external communication channels on activities and costs allowed been established?				
3. Do training programs, both formal and informal, provide knowledge and skills necessary to determine activities and costs allowed?				
4. Is there interaction between management and staff regarding questionable costs?				
5. Are grant agreements (including referenced program laws, regulations, handbooks, etc.) and the Uniform Guidance available to staff responsible for determining activities allowed and allowable costs under federal awards?				
<u>Monitoring</u>				
1. Does management review supporting documentation of allowable cost information?				
2. Does information flow from the federal agency to appropriate management personnel?				
3. Are comparisons made with budget and expectations of allowable costs?				
4. Are analytic reviews (e.g., comparison of budget to actual or prior year to current year) and audits performed?				