



Comptroller of Maryland

Single Audit Findings Follow-up Governor's Grants Conference October 29, 2018

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GAD

- Comptroller of Maryland, General Accounting Division, Financial Reporting (GAD)
- Publish the Comprehensive Annual Financial Report (CAFR)
- Coordinate the Single Audit
- https://finances.marylandtaxes.gov/static_files/expenditures/singleaudit/Single_Audit_Report-FY2017.pdf

Single Audit Findings Follow-up

- Findings as a result of a Federal single audit conducted in accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- **Uniform Guidance**

Single Audit Findings Follow-up

- Auditees are responsible for Current year audit findings.
- Auditors are responsible for oversight of Prior year audit findings, but Auditee must describe actions taken until corrected.
- Federal Agencies are responsible for overseeing corrective action plans.

Single Audit Findings Follow-up

- *Current year audit findings* response:
- **Views of responsible officials**
- **Auditee Corrective action plan**
- Updated response to *prior year audit findings*:
- **Auditee Update (and Corrective action plan)**

Current year audit findings.

- Paragraph 200.516
- (b) Audit findings must be presented in sufficient detail and clarity for the auditee to prepare a corrective action plan and take corrective action, and for Federal agencies and pass-through entities to arrive at a management decision. (10) **Views of responsible officials** of the auditee must be included.

Current year audit findings.

- Paragraph 200.511.
- (a) The auditee is responsible for follow-up and corrective action on all audit findings. The auditee must prepare a **corrective action plan** for current year audit findings.
- (c) **Corrective action plan.** At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in § 200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.

Current year audit findings.

- Please include in the corrective action plan (CAP) actions taken and a timetable for implementation.
- CAP can be on auditee letterhead to ensure understanding that it was prepared by the auditee.
- Views of responsible officials (VORO) must in the audit finding as described 200.516, not just in the separate CAP document. VOROs and CAPs can be printed in both the auditor's findings and the separate document.

Current year audit findings.

- The State recommends agencies agree or partially agree with a finding rather than disagree or partially disagree because of the importance of Federal funding and to demonstrate taking the finding seriously.
- Example: Student Enrollment Reporting.

Prior year audit findings.

- Paragraph 200.511.
- (b) The summary schedule of prior audit findings must report the **status** of all audit findings included in the prior audit's schedule of findings and questioned costs.
- (1) When audit findings were **fully** corrected, the summary schedule need only list the audit findings and state that corrective action was taken.
- (2) When audit findings were not corrected or were only **partially** corrected, the summary schedule must describe the reasons for the finding's recurrence and planned corrective action, and any partial corrective action taken.

Prior year audit findings.

- (3) A valid reason for considering an audit finding as not warranting further action is that all of the following have occurred: (i) **Two years** have passed since the audit report in which the finding occurred was submitted to the FAC; (ii) The Federal agency or pass-through entity is not currently following up with the auditee on the audit finding; and (iii) A management decision was not issued.

Prior year audit findings.

- Please include any correspondence you received from Federal agencies regarding these findings and recommendations.
- Auditors are responsible for a summary of fully corrected prior audit findings, but the State recommends describing all actions taken on all findings.
- Example: “The exceptions were corrected.”

Subrecipient Monitoring

- Schedule of Expenditures of Federal Awards (SEFA)
- Prepared by GAD
- Expenditures Passed Through to Subrecipients
- Paragraph 200.510
- (b)(4) Include the total amount provided to subrecipients from each Federal program.

Subrecipient Monitoring

- Federal Audit Clearinghouse
- Single Audits
- <https://harvester.census.gov/facides/Account/Login.aspx>
- Questions.

Thank you.

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