







Single Audits: New Insights on Factors Driving Single Audit Quality

A Governmental Audit Quality Center Web Event

September 20, 2017

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Presenters

- Diane Edelstein, CPA – Maher Duessel, Pittsburgh, PA
- Erica Forhan, CPA – Moss Adams, Seattle, WA (Moderator)
- Anita Supinski, CPA – CliftonLarsonAllen LLP, Brainerd, MN

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What We Will Cover

- Overview of the 2016 Peer Review Program (PRP) study of single audits
- Factors that correlated to quality
- Common misconceptions and areas of non-conformity identified
- Steps to strengthen single audit quality
- Resources

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Overview of the 2016 Peer Review Study of Single Audits

About the PRP Study

- Population of audits
 - 1,100 single audits subject to peer review
 - Year-ends of 11/30/15 or prior
- Sample
 - 87 randomly selected single audits (performed under Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*)
- Methodology
 - Firm completed questionnaire addressing 37 quality factors
 - Subject matter experts reviewed engagement
 - AICPA assessed correlation between factors and conformity



Overall Results

- **48% non-conformity rate overall**
- Virtually all firms (81+ out of 87):
 - Performed single audits before year under review
 - Did not identify a non-conforming engagement or systemic issues in their most recent internal inspection
 - Did not engage a knowledgeable third party to serve on any engagement team (single audit or otherwise)
 - Did not disengage from any audit or attest clients
 - Did not have staff holding either an intermediate or advanced AICPA Single Audit Certificate



Factors Collected for Each Engagement

- GAQC membership
- Experience and education
 - Firm
 - Engagement partner
 - Senior staff
- Engagement Quality Control Review (EQCR)
- Internal inspection results
- Engagement specifics
- General Quality Control

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Factors that Correlated to Single Audit Quality

Results: Single Audit Practice Size

# of single audits performed annually	Non-conformity %
1	62%
2 to 10	49%
11 or more	15%

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Single Audits: Quality Factors

GAQC members?	Non-conformity %
Yes	32%
No	58%



GAQC members who performed 11 or more single audits annually



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Results: Engagement Partner Competency

# of single audits performed by partner annually	Non-conformity %
1	68%
2 to 10	44%
11 or more	25%

- Non-conformity spiked when engagement partner had:
 - < 6 years of experience
 - < 9 hours of single audit CPE in previous 3 years
 - A history of performing non-conforming engagements



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Raising Awareness

An infographic was issued depicting the following:

- Factors that led to higher quality
- Next steps firms can take to enhance quality

A Journal of Accountancy article titled, [Tactics for Driving Quality in a Single Audit](#)

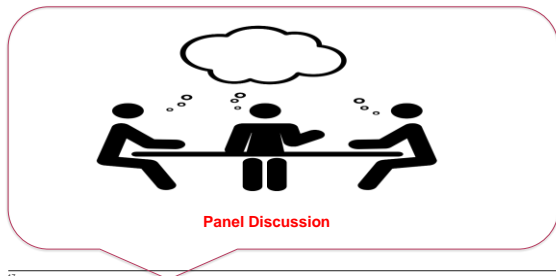
[GAQC Alert #340](#)



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Common Misconceptions and Areas of Non-Conformity Identified

Panel Discussion: Overall Experience of Being a Subject Matter Expert in the PRP Study



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Analyzing Oversight Results

- What AICPA PRP did
 - Reviewed detailed reports from 42 oversights of non-conforming engagements
 - Identified common areas of non-conformity and examples of why it occurred
- What was found: common problem areas
 - Identifying direct and material compliance requirements
 - Control testing (planning and performance)
 - Compliance testing (planning and performance)
 - No other "common" issues but various other problems noted



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Most Common Problems Noted: Identifying Direct and Material Compliance Requirements and Assessing Risk

Description	# of engagements
Indicated an applicable compliance requirement was not direct and material, but didn't document rationale	8
No evidence in the file that the auditor considered which compliance requirements were direct and material	6
Failed to assess risk of material noncompliance due to fraud	6
Missed compliance requirements by using out-of-date <i>Compliance Supplement</i>	4

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Determining Direct and Material Compliance Requirements

- Obtain an understanding of each major program
 - Discuss program with appropriate members of management
 - Review contracts and grant documents
 - Determine key elements (e.g., amount, timing, applicable compliance requirements, indirect cost considerations, regulations, etc.)
 - Look at expenditure patterns (e.g., wages, benefits, equipment, etc.)



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Overview of Using Part 2 of the OMB Compliance Supplement

- Part 2, *Matrix of Compliance Requirements*, identifies 12 compliance requirements
 - Indicates which compliance requirements are generally applicable for each program in Supplement
- Auditors use Part 2 to determine actual applicability for each major program
- Auditor then determines which applicable compliance requirements are direct and material to each major program

CFDA	Types of Compliance Requirements											
	General	Administrative	Financial	Personnel	Procurement	Real Property	Information Management	Information Technology	Statutory	Regulatory	Other	Unfunded
Part 2: Matrix of Compliance Requirements of Supplement 1 (CFR)												
48 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
49 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
50 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
51 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
52 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
53 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
54 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
55 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
56 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
57 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
58 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
59 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
60 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
61 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
62 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
63 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
64 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
65 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
66 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
67 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
68 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
69 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
70 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
71 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
72 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
73 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
74 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
75 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
76 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
77 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
78 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
79 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
80 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
81 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
82 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
83 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
84 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
85 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
86 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
87 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
88 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
89 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
90 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
91 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
92 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
93 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
94 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
95 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
96 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
97 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
98 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
99 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
100 CFR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

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A Note About Part 2 and Applicability

- "Y" may appear in matrix, even though a requirement may not apply to a particular entity
 - Entity may not have activity subject to the compliance requirement; or
 - Activity could not have a material effect on major program
- Auditor should exercise professional judgment when determining which compliance requirements marked with a "Y" need to be tested at a particular entity
- **Documentation is key if overriding a "Y"**

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Determining Direct and Material Compliance Requirements

- Which applicable compliance requirements are direct and material?
 - Subjective
 - Auditor judgment
 - Experience
 - Accepted risk
 - Industry expectation
 - Use information gained from steps taken to obtain an understanding of each major program at the outset
 - Qualitative and quantitative factors

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Applicable Versus Direct and Material Requirements

I am auditing program XX.XXX. The Part 2 matrix indicates that 6 types of compliance requirements apply. After evaluating those requirements, I have concluded that only 4 of the requirements are direct and material for my client. How much audit documentation do I need to prepare regarding this analysis?



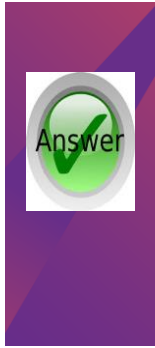
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Applicable Versus Direct and Material Requirements

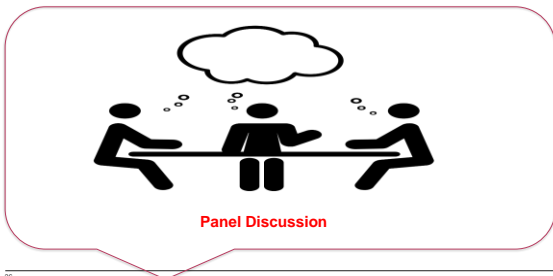
Quick Answer: N/A is not enough! Keep in mind that AU-C 230, *Audit Documentation*, and *Government Auditing Standards* (also referred to as the Yellow Book) require documentation that would allow an experienced auditor with no previous connection to the audit, to understand your rationale.

Example Documentation: While the Part 2 Matrix identifies Procurement as being applicable to CFDA No. XX.XXX, Client ABC made only one small purchase during the year that is immaterial overall to the program expenditures. Therefore, the procurement type of compliance requirement for CFDA No. XX.XXX is not direct and material to Client ABC.

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Panel Discussion: Applicable Versus Direct and Material



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Audit Risk of Noncompliance Due to Fraud

- The auditor should specifically assess the risks of material noncompliance with a major program's compliance requirements occurring due to fraud (fraud risk)
- The auditor should consider that assessment in designing the audit procedures to be performed
- Assessment of fraud risk should be ongoing throughout the audit
- Using professional judgment, the auditor should adapt AU-C section 240, *Consideration of Fraud in a Financial Statement Audit*, to the objectives of the compliance audit
 - Chapter 6 of the Audit Guide, *Government Auditing Standards and Single Audits* (GAS-SA Guide), provides guidance on how to adapt AU-C section 240

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Most Common Problems Noted: Control Testing

Description	# of engagements
Insufficient evidence in file that the firm tested controls around each major program's direct and material compliance requirements	25
Failed to document understanding of controls for each major program's direct and material compliance requirements	22
No evidence that the firm tested controls over compliance at all	12

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Control Testing: Examples of Problems Found in Planning

- Thought it was OK to combine internal control assessments for all major programs
- Could orally explain their understanding of internal control but did not document it
- Used a generic questionnaire that was not tailored to the client
- Thought a walkthrough of internal controls over financial reporting was sufficient
- Relied on controls at the grantor to eliminate the need for control testing
- Relied heavily on audit programs without understanding the steps they were signing off on

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Control Testing: Examples of Problems Found in Performance

- "Powerticked" generic audit programs, signing off on procedures where there was no indication work was performed
- Thought no testing of controls was OK when "100% of disbursements were tested"
- Did not test controls over compliance because asserted that "federal awards follow the same internal control system as non-federal awards"
- Did not test controls thinking such tests are required every three years
- Did not test controls because they assessed control risk at "high"

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Single Audit Internal Control Requirements

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 (UG or Uniform Guidance)
 - Establishes additional auditee and auditor requirements for internal control over compliance for single audits
- Uniform Guidance now effective for both auditees and auditors



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Uniform Guidance – Internal Control Responsibility – Auditors (§200.514(c)(2))

Auditors must:

- Perform procedures to obtain an understanding of internal control over federal programs sufficient to plan the audit to support a low assessed level of control risk of noncompliance for major programs.
- Plan testing of internal control over the relevant compliance requirements for each major program
- Perform testing of internal control as planned
- Report on internal control over compliance



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Auditor Consideration of Internal Control Over Compliance in a Single Audit



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Auditor Consideration of Internal Control Over Compliance in a Single Audit

- Use COSO/GAO's Green Book
- Test of design and implementation AND test of effectiveness
- Need evidence of who, when, what
- Evaluate results of test of controls on tests of compliance
- Control must be effective or you should have a finding!

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Design and Implementation Versus Effectiveness

- Test of design and implementation
 - Walkthrough auditor understanding
 - Conclusion: Control has been properly designed and implemented
- Test of operating effectiveness
 - Test key control attributes
 - Conclusion: Control is effective
- Remember - If control is not effective, a finding must be reported!

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Differences Between Internal Control Work for Financial Statements vs. Single Audit

- Financial statement audit
 - internal control relating to assertions such as occurrence/existence, accuracy, and completeness
 - What activities does an auditee perform to ensure the financial statements are reported accurately?
- Single audit
 - internal control relating to compliance requirements
 - What activities does an auditee perform to ensure the compliance requirements are met?

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Differences Between Internal Control Work for Financial Statements vs. Single Audit

- Testwork requirements differ
 - For example, low assessed level of control risk of noncompliance requirement in a single audit
 - This equates to a requirement to plan for a high level of assurance obtained from internal control

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Best Practice Tips: Internal Control Over Compliance

- Be sure to come full circle on risk of material noncompliance
 - Identify, Assess, Respond, Evaluate
- Preliminary assessment of control risk may be facilitated through a checklist or narrative
- Internal controls should be continually re-evaluated throughout the audit process
- Understand the difference between testing controls and testing compliance
 - Controls: What did entity do to ensure compliance?
 - Compliance: Did entity comply?

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Best Practice Tips: Internal Control over Compliance

- Testing compliance gives indirect evidence on controls, but cannot serve as the basis for assessing controls as operating effectively
- 2-step testing process
 - Controls are designed effectively and placed into operation
 - Key controls are operating effectively (low control risk)
- Important to identify and document the key controls to be tested
- Remember to consider Information Technology (IT) controls when evaluating design and when testing for operating effectiveness

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Most Common Problems Found: Compliance Testing

Description	# of engagements
Insufficient evidence that the firm tested each major program's direct and material compliance requirements	17
Insufficient documentation of the sufficiency of the sample and/or how it was selected	8
No evidence that the firm tested compliance at all	4
Performed financial statement audit procedures (e.g., traced invoices to general ledger) in lieu of compliance audit procedures	4

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Compliance Testing: Examples of Problems Found in Planning

- Believed "vouching" reimbursements was sufficient testing of direct and material compliance requirements
- Thought cash management was not applicable because "funds were received only after they were incurred"
- Considered allowability of expenditures not applicable because "funds were used to offset charges to low-income individuals"



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Best Practice Tips: Compliance Testing

- Make sure audit documentation is clear about the criteria used to perform tests (i.e., the old rules versus the new UG rules)
- Use appropriate sample sizes (use AICPA GAS-SA Guide!) and prepare documentation to support
- Ensure that compliance sample sizes are appropriately adjusted for results of internal control testing
- Train staff about the nuances of some of the more difficult compliance areas
- Ensure staff have an appropriate understanding of when to use of Part 3.1 and Part 3.2 of the *Compliance Supplement*



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Other Problems Noted in the PRP Study

- Type A/B determinations
- Risk assessments to identify major programs
- Low-risk auditee determinations
- Subsequent events
- Documentation of known and likely questioned costs
- Evaluation and disposition of internal control exceptions and compliance exceptions
- Reporting in Schedule of Findings and Questioned Costs (SFQC)
- Reporting on the Schedule of Expenditures of Federal Awards (SEFA)

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Examples of Other Matters Noted Outside of Study in Recent Peer Reviews

- Failure to include all of the required elements in the Independent Auditor's Report
- Failure to include all of the required elements in the Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters
- Failure to properly document independence considerations required by Yellow Book
- Failure to identify and test sufficient and appropriate major programs.
- See [AICPA PRP Web site](#) for more examples

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Best Practice Tips: Major Program Determination

- Ensure an appropriate understanding by all staff of changes to determination rules due to the Uniform Guidance
- Recheck that all necessary Type A and Type B risk assessments were performed and documented
- Be sure that programs are aggregated correctly and pay special attention to clusters
- Be alert for potential changes to major programs if the SEFA changes between planning and concluding the audit
 - If the auditor determines major programs during interim phase of audit, recalculate at the end.
- Determine percentage of coverage at the end of the process

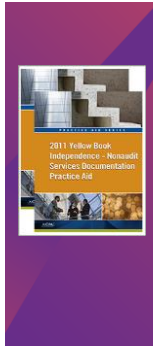
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Best Practice Tips: Focus on Evaluation and Documentation of Nonaudit Services

- Identify nonaudit services and meet preconditions
- Evaluate and document Skills, Knowledge, or Experience (SKE) of management
- Assess threats (consider individually and in the aggregate)
- Document consideration of significant threats
- Document your understanding of nonaudit services with the auditee
- Apply effective safeguards when significant threats exist
- Use the free GAQC Practice Aid, [2011 Yellow Book Independence—Nonaudit Services Documentation Practice Aid](#), as a tool

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Best Practice Tips: Use Your GAQC SEFA Toolbox

- [GAQC Auditor Practice Aids](#)
 - Audit Plan Supplement for SEFA
 - Disclosure Checklist for SEFA
 - Auditor’s Report Checklist for the in-relation-to opinion on SEFA
- [GAQC Auditee Practice Aids](#)
 - Worksheet for Identifying Federal Program Information
 - Auditee Disclosure Checklist for SEFA
- AICPA GAS-SA Guide, includes chapter on SEFA considerations and has illustrations

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Best Practice Tips: Reporting

- Utilize illustrative audit reports
 - AICPA GAS-SA Guide, Chapters 4 and 13
 - GAQC Web site includes [a sampling of reports available to the public](#)
- Review tips
 - Use of second reviewer
 - Trace major programs in SFQC and Data Collection Form (DCF) to audit documentation
 - Ensure that SFQC and DCF reflect actual results of audit

Key Point
Audit reports = SFQC = DCF = Documentation

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A Final Word: Documentation Was a Global Weakness!

If it was not documented it was not done!
Key areas of documentation include:

Materiality levels and basis for how determined	Major program determination = including individual program risk assessments	Understanding and testing of I/C over compliance	Compliance testing and support for sampling used	Overall Conclusions
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Need to meet overall documentation requirements of AU-C section 230, *Audit Documentation and Government Auditing Standards* - "the experienced auditor concept"

Internal Control Documentation Requirements

- The auditor should document:
 - The risk assessment procedures performed, including those relating to gaining an understanding of internal control over compliance
 - Responses to the assessed risk of material noncompliance, the procedures performed, and the results of those procedures, including any test of controls over compliance
 - Materiality levels and the basis for which they were determined
 - How complied with the specific governmental audit requirements that are supplementary to GAAS and *Government Auditing Standards*



Internal Control Documentation Requirements

- With regard to the understanding, the auditor should document the following:
 - The discussion among the audit team regarding the susceptibility of the entity's major programs to material noncompliance
 - Key elements of the understanding obtained regarding each of the aspects of the entity and its environment as it relates to internal control over compliance and the risk assessment procedures performed
 - The identified and assessed risks of material noncompliance
 - The risks identified and related controls about which the auditor has obtained an understanding



Internal Control Documentation Requirements

- AU-C section 330 contains requirements regarding documentation of the testing of controls
- Among the matters discussed of particular relevance to a Uniform Guidance compliance audit is that the auditor should document the following:
 - The overall responses to address the assessed risks of noncompliance as it relates to compliance requirements of major programs
 - The nature, timing, and extent of further audit procedures
 - The linkage of those procedures with the assessed risks
 - The results of the audit procedures

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Steps to Strengthen Single Audit Quality

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Key Takeaways From the Study

- Accept only engagements that you are competent to perform.
- Use practice aids and Audit and Accounting Guides that are up to date.
- Make sure the engagement team is your "A" team (and "A" doesn't stand for "available").
- Establish policies requiring engagement partners to take robust single audit-specific continuing professional education.
- Consider the engagement team's experience and single audit-specific education.
- Engage a knowledgeable third party where appropriate.

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Key Takeaways From the Study

- Provide appropriate resources for consultations and ensure that engagement teams perform appropriate consultations throughout the engagement
- Consider the need for engagement quality control review (EQCR) and use EQCR criteria that are appropriate in light of the risks of operating in this area
 - Ensure selection of an adequate cross-section of governmental audits
- Follow the "shadow/bench/door" best practice for partners that perform materially non-conforming engagements

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GAQC Membership

- If you are a firm or state audit organization that has not joined the GAQC, consider doing so
 - See information about the Center in the later resources section
- If you are already a member of the GAQC you have taken an important step in enhancing your quality
 - However, keep in mind that GAQC members performing under 11 single audits had a 32% nonconformity rate
 - Make sure you are using the information and resources we provide and put them to good use in your practice

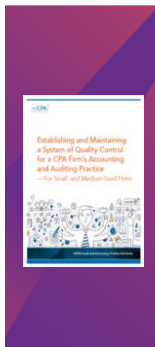
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AICPA – Quality Control Standards

- Statements on Quality Control Standards No. 8 (QC section 10)
 - Firms must establish a system of quality control
 - Continuance of focus in peer review
- Effectiveness of QC System Directly Impacts the Quality of the Work Product
 - Similar to internal controls over financial reporting
 - Better quality controls help mitigate risks
- [Free AICPA QC Practice Aids](#) Issued!
- [GAQC Alert #324](#) provides guidance on how to tailor the AICPA Practice Aid for your governmental audit practice

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What Else Should Auditors be Doing?

- Focus QC systems on known problem areas:
 - Understanding and testing internal control
 - Use of *Compliance Supplement* and compliance testing
 - Audit documentation
 - UG effective dates and requirements (i.e., major program determination rules)
 - SEFA requirements
 - Reporting
- Select a peer reviewer that has adequate experience and knowledge in the type of engagements your firm performs

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What Else Should Auditors be Doing?

- Obtain appropriate CPE for staff each year and ensure competency
 - [AICPA Competency Framework: Governmental Auditing](#) and assessment tool relevant to single audits offered at [AICPA Competency and Learning Website](#)
 - Encourage staff to obtain AICPA exam-based single audit certificate(s)
 - Utilize various checklists to assist in reviewing single audit engagements (e.g., [peer review checklists](#) or federal quality checklists)
- Proactively review your firm's Data Collection Forms and reporting packages in the Federal Audit Clearinghouse

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Be On the Lookout and Be Prepared!

- The area of single audits is likely to be even more of a focus by peer reviewers in light of this PRP study
- Federal agencies are currently individually doing quality control reviews and desk reviews
- Uniform Guidance includes a requirement for a quality study every 6 years
 - Timing uncertain at this point
- Proposed Yellow Book Revisions coming
 - Comments were due in July 2016; final Yellow Book sometime in 2018 (see [GAQC Alert No. 331](#) for more information).

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Next Steps by PRP

- Continue analysis of available data sources
 - Peer Review Matters for Further Consideration
 - Ethics investigation results
- Raising awareness about study results
- Peer reviewer training and tools
- Provide findings (including pervasiveness and examples) to
 - GAQC staff
 - AICPA Member Learning and Competency team
 - Other stakeholders

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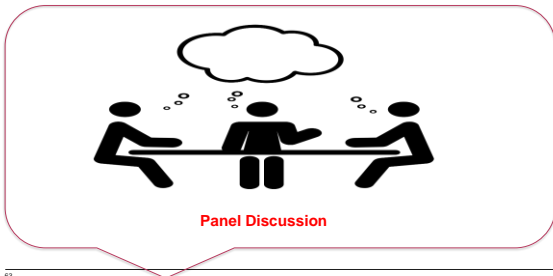
Next Steps by GAQC

- Analyzing data from peer review and identifying opportunities for new tools, web events, and practice aids
- Raising awareness about the study results
- Established a task force to focus specifically on internal control in a single audit
 - Working now to identify ways to improve practice in this area
- Will continue to advocate with the federal agencies area where requirements are unclear or overly complex
- Auditee education about the importance of audit quality and related factors

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Panel Discussion: Most Important Takeaway



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Resources

Keep up with the Latest from the PRP and Enhancing Audit Quality (EAQ) Project

- [PRP Infographic](#) on factors driving single audit quality
- [PRP Reviewer Alerts](#)
- [PRP Review Checklists](#)
- [EAQ Web page](#)



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AICPA Governmental Audit Quality Center www.aicpa.org/GAQC

- Firm-based membership center supporting the performance of quality "governmental audits"
- "Governmental audits" include single audits, Yellow Book audits, and governmental financial statement audits
- Over 2,000 member firms and state audit organizations
- [Access more information](#) about membership requirements or to join
- Provides resources (e.g., alerts, web events, tools, etc.)
- GAQC Web site provides useful information for both auditors and auditees



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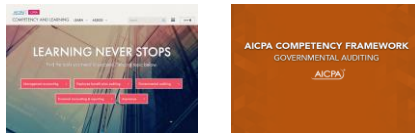
GAQC Web Site (www.aicpa.org/GAQC)

- Access [archived GAQC Alerts](#) in chronological order
- Access archived GAQC Web events [by topic](#) or in [chronological order](#)
- [Illustrative auditor reports](#)
- [Uniform Guidance auditor resources](#) Web page
- [Yellow Book tools and resources](#)
- [Other Compliance Audit Information](#) Web page
- [HUD Information](#) Web page
- [GAQC Membership Listings](#)
- [Auditee Resource Center](#)



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Other AICPA Resources – AICPA Competency Framework:
 Governmental Auditing (competency.aicpa.org)



- FREE resource designed to help CPAs understand the knowledge and skills necessary to perform high-quality governmental audit engagements
- "Knowledge checks" help you identify growth areas, and recommend learning resources such as reports, self-study courses, publications, webcasts and more to bolster your competency.

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Single Audit Certificates

- Program information at: <http://sacert.aicpastore.com/>
- Tests knowledge on Uniform Guidance requirements
 - Offered at [Intermediate](#) and [Advanced](#) levels (participants do not have to take intermediate to take advanced)
- Passing exam results in a digital certificate
 - [Learn more about these digital badges and how to access and use them](#)
- AICPA offers learning options aligned with exam content
- Participants can opt to take the exam(s) without the learning options



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Key Auditing Standards of AICPA and GAO

- [AU-C section 230](#)
- [AU-C section 240](#)
- [AU-C section 315](#)
- [AU-C section 330](#)
- [AU-C section 935](#)
- [QC Standard 10](#)
- [Government Auditing Standards](#)

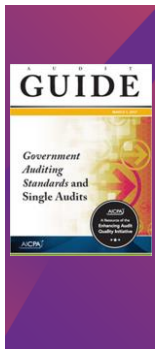
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AICPA Audit Guide: *Government Auditing Standards and Single Audits*

- Key resource for auditors; you should be using this Guide!
- 2017 edition now available!
- Changes made to:
 - Clarify some of more challenging UG areas; and
 - Revised certain illustrative auditor's reports
- Order now at: <http://www.aicpastore.com/>
- Covers internal control over financial reporting in *Government Auditing Standards* section
- Includes chapters on internal control over compliance and compliance

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Single Audit-Related Information

- Uniform Guidance
 - [Electronic Code of Federal Regulations \(e-CFR\)](#) version
- OMB
 - Access 2017 [Compliance Supplement](#)
 - Access [prior editions of the Compliance Supplement](#)
 - Find various additional UG related documents
- Access grant guidance at <https://cfo.gov/>
 - Access latest UG [FAQ document](#) (July 2017)
- FAC Web site: <https://harvester.census.gov/facweb/Default.aspx>

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How to Access Internal Control Frameworks

- COSO framework
 - Update to COSO released in May 2013
 - Available for purchase
 - [Access information](#)
- Government Accountability Office (GAO) Green Book
 - Update to the Green Book released in September 2014
 - Available for free
 - [Access Green Book](#)

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Questions?

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How Do I Get My CPE Certificate?

- Access your CPE certificate by clicking the orange "CPE" icon
 - If at the end of this presentation you are eligible for but unable to print your CPE certificate, please log back in to this webcast in 24 hours and click the orange "Get CPE" button. Your certificate will still be available.
 - If you need assistance with locating your certificate, please contact the AICPA Service Center at 888.777.7077 or service@aicpa.org.

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Thank you

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