

Governmental Audit  
Quality Center



# 2020 Compliance Supplement and Single Audit Update

June 30, 2020

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### Earning CPE

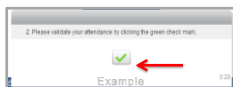
Disable all pop-up blockers



Any answer counts towards CPE credit

Earn credit by responding to 75% of these pop-ups

Click the CPE button at the end of this webcast



A post event e-mail with CPE information will be sent to you

**Questions? Problems?**  
 Contact: 888.777.7077 or [service@aicpa.org](mailto:service@aicpa.org)

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### More Helpful Hints

	<p><b>Adjust your volume</b></p> <ul style="list-style-type: none"> <li>Be sure your computer's sound is turned on as well.</li> <li>Click this button. Slide the control up or down to fit your needs.</li> </ul>
	<p><b>Ask your questions</b></p> <ul style="list-style-type: none"> <li>Feel free to submit content related questions to the speaker by clicking this button.</li> <li>Someone is available to assist with your technology and CPE related questions as well.</li> </ul>
	<p><b>Download your materials</b></p> <ul style="list-style-type: none"> <li>Access today's slides and learning materials by clicking this download button at any time during this presentation.</li> <li>If you need help accessing these materials send a message through the Q&amp;A application.</li> </ul>
	<p><b>Evaluations</b></p> <ul style="list-style-type: none"> <li>Access evaluation for today's GAQC Web event. Tell us how much you like or dislike the content, resources and technology provided.</li> <li>Provide suggestions for future Web event topics.</li> </ul>

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Today's speakers.



John Good,  
CPA,  
Managing  
Director,  
EY



Lindsey  
Oakley,  
CPA,  
Partner,  
BKD LLP

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What we will cover

- An introduction to Novel Coronavirus (COVID-19) funding
- OMB COVID-19 Memos
- The 2020 OMB *Compliance Supplement* (Supplement)
- Planning and performance considerations for 2020 single audits
- Other single audit developments and looking forward
- Resources

**CAUTION!**

Many areas relating to COVID-19 are developing. Our goal is to communicate the best information we have. However, due diligence will be needed as things may change. Watch for GAQC update communications.

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Terminology and abbreviations

CFDA	Catalog of Federal Domestic Assistance	HUD	Housing and Urban Development
CAP	Corrective Action Plan	IDES	Internet Data Entry System
CHIP	Children's Health Insurance Program	IC	Internal Control
CSBG	Community Services Block Grant	IFAP	Information for Financial Aid Professionals
CPE	Continuing Professional Education	IHE	Institutions of Higher Education
DCF	Data Collection Form	NASA	National Aeronautics and Space Administration
D&M	Direct and Material	NFP	Not for Profit Organization
ED	U.S. Department of Education	OIGs	Office of Inspectors General
EPA	U.S. Environmental Protection Agency	OMB	Office of Management and Budget
FAC	Federal Audit Clearinghouse	SAS	Statement on Auditing Standards
FAR	Federal Acquisitions Regulations	SBA	Small Business Administration
FIPSIIE	Fund for Improvement of Postsecondary Education	SEFA	Schedule of Expenditures of Federal Awards
FIS	Financial Statements	SFA	Student Financial Assistance Cluster
GAO	Government Accountability Office	SSA	Social Security Administration
GAS-SA Guide	AICPA Audit Guide, <i>Government Auditing Standards and Single Audits</i>	UG	Uniform Guidance
HHS	U.S. Department of Health and Human Services	USDA	U.S. Department of Agriculture

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### Supplement Sections and Titles

Table of Contents (TOC)	Appendix II, <i>Federal Agency Codification of Governmentwide Requirements and Guidance for Grants and Cooperative Agreements</i>
Part 1, <i>Background, Purpose and Applicability</i>	Appendix III, <i>Federal Agency Single Audit, Key Management Liaison, and Program Contacts</i>
Part 2, <i>Matrix of Compliance Requirements</i>	Appendix IV, <i>Internal Reference Tables</i>
Part 3, <i>Compliance Requirements</i>	Appendix V, <i>List of Changes for the 2019 Compliance Supplement</i>
Part 4, <i>Agency Program Requirements</i>	Appendix VI, <i>Program-Specific Audit Guides</i>
Part 5, <i>Clusters of Programs</i>	Appendix VII, <i>Other Audit Advisories</i>
Part 6, <i>Internal Control</i>	Appendix VIII, <i>Examinations of EBT Service Organizations</i>
Part 7, <i>Guidance for Auditing Programs Not Included in This Supplement</i>	Appendix IX, <i>Compliance Supplement Core Team</i>
Appendix I, <i>Federal Programs Excluded from the A-102 Common Rule and Portions of 2 CFR Part 200</i>	

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### COVID-19 Funding - New and Existing Programs

New programs: At least 20 new programs

CARES Act provided many existing programs with additional funding

Some existing federal programs have been granted significant flexibilities and/or waivers of compliance requirements by federal agencies

- Applicable Laws**
- Coronavirus Preparedness and Response Supplemental Appropriations Act
  - Families First Coronavirus Response Act
  - Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
  - Future relief funding?

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### COVID-19 Funding – The Largest 4 New Programs

<b>Payment Protection Program</b> (>\$600B) Federal Agency: SBA For-profits, NFPs Is <b>not</b> subject to single audit CFDA: 59.073	<b>Provider Relief Fund **</b> (\$175B) Federal Agency: HHS For-Profits, NFPs, Governmental Entities Is <b>subject</b> to single audit CFDA: 93.498
<b>Coronavirus Relief Fund</b> (\$150B) Federal Agency: Treasury Governmental Entities and Tribes Is <b>subject</b> to single audit CFDA: 21.019	<b>Educational Stabilization          Fund (\$30.75B)</b> Federal Agency: Education States, Schools, IHE Is <b>subject</b> to single audit CFDA: 84.425 (see next slide)

\*\* Beta.sam.gov indicates the Provider Relief Fund **is** subject to single audit. Check beta.sam.gov regularly as HHS is still discussing this.

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### Education Stabilization Fund sections

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|--|---|
| <b>Education Stabilization Fund Discretionary Grants</b> <ul style="list-style-type: none"> <li>84.425B - Rethink K12 Education Models Grants</li> <li>84.425G - Reimagining Workforce Preparation Grants</li> </ul> | <b>Higher Education Emergency Relief Fund</b> <ul style="list-style-type: none"> <li>Student Portion (84.425E)</li> <li>Institutional Portion (84.425F)</li> <li>Historically Black Colleges and Universities (84.425J)</li> <li>American Indian Tribally Controlled Colleges and Universities (84.425K)</li> <li>Minority Serving Institutions Strengthening Institutions Program (84.425L)</li> <li>Strengthening Institutions Program (84.425M)</li> </ul> |
|--|---|
- Governor's Emergency Education Relief Fund (84.425C)**
- Elementary and Secondary School Emergency Relief Fund (84.425D)**
- FIPSE (84.425N)**
- Formula Grants to the Outlying Areas**
- SEAs (84.425A)
  - Governors (84.425H)

84.425 is considered one program for major program determination purposes

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### Summary of New COVID Programs and Related Guidance

- GAQC has prepared a nonauthoritative summary of new federal COVID-19 programs and whether each is subject to single audit
- Developed based on public information in <https://beta.sam.gov/>
- Open to the public
- Includes relevant links to federal agency Web sites and other pertinent information the GAQC is aware of regarding each program



The summary is non-authoritative. The GAQC will update it on a periodic basis. If you print the summary, be sure to check the GAQC web site regularly to check the "as of" date. If it has changed, you will know there has been an update. Auditors and auditees should refer to the final 2020 Supplement, once issued, for authoritative guidance on new COVID-19 programs.

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Many existing federal programs received new CARES funding



**CARES Act provided additional funds to many existing CFDA numbers**



**All federal agencies, except for NASA, EPA, and SSA received additional funds under CARES Act that have been applied to many existing CFDA numbers**



**For example, HHS has indicated it has 99 programs that received additional funding under CARES Act**

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Some existing programs also had compliance requirement changes due to COVID-19

Examples include:

- SFA
- USDA food programs
- Certain HUD housing programs

There is much uncertainty about whether/how federal agencies will update their Part 4 Supplement sections for compliance requirement changes

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Governmental Audit Quality Center

# OMB COVID-19 Memos

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### Single Audit - OMB memos on COVID

OMB Memo M-20-17, [Administrative Relief for Applicants of Federal Financial Assistance from the Novel Coronavirus \(COVID-19\) during 2020](#)

- Federal awarding agencies need to be implementing guidance for provisions in the act
- "Blanket" 6-month single audit submission extension provided beyond the normal due date for recipients with fiscal year-ends through March 31, 2020 that had not filed their single audits with the OIG by the date of memo (March 19)
- Other provisions:
  - expiring awards
  - salaries and other project activities
  - availability of costs not normally chargeable to awards

**RESCINDED June 18, 2020 by OMB Memo M-20-26**

**Tip:** View the latest news on COVID-19-related issuances and extensions in a [GAQC Summary Table](#)

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### Single Audit – Example agency approaches for adopting M-20-17

HHS - [Administration for Children and Families](#)

HHS - [Centers for Disease Control and Prevention](#)

Department of Defense – [Waivers](#) (there are also similar waivers issued for army, army medical research, etc.)

Department of Justice - [Waivers](#)

ED - [Indirect Costs](#)

ED - [Audit Extensions](#)

ED – [Salaries and Other FAQs](#)

Some agencies adopted M-20-17 agency-wide. Others by department or branches. Others by topic.

**Tip:** A google search of "federal agency adoption of OMB Memo M-20-17" is a good way to find agency actions

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### OMB Update to Memo M-20-26

[Extension of Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus \(COVID-19\) due to Loss of Operations](#)

Issued June 18, 2020; Expires September 30, 2020

Rescinds previous 6-month audit submission extension for June 30, 2020, year-ends

A 6-month submission extension is provided for single audits not yet submitted at March 19, 2020, with normal due dates from March 30 2020, through June 30, 2020

Audits with normal due dates of July 30, 2020, and September 30, 2020, also get a 3-month submission extension

Allowability of salaries and other project activities

Clarifies no "double-dipping"

Separate SEFA presentation for "COVID Emergency Acts funding"

Extension date changes are difficult to decipher in M-20-26. See tables on next slides for a snapshot.

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Year-ends still provided with a 6-month single audit extension under M-20-26

Fiscal Year End	Normal Due Date	Extended Due Date
June 30, 2019	March 31, 2020	September 30, 2020
July 31, 2019	April 30, 2020	November 2, 2020*
August 31, 2019	May 31, 2020	November 30, 2020
September 30, 2019	June 30, 2020	December 31, 2020

\*Per section 200.512 of the UG, if the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day. Dates have been adjusted accordingly.

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Year-ends that have been reduced to a 3-month single audit extension under M-20-26

Fiscal Year End	Normal Due Date	Extended Due Date
October 31, 2019	July 31, 2020	November 2, 2020*
November 30, 2019	August 31, 2020	November 30, 2020
December 31, 2019	September 30, 2020	December 31, 2020

\*Per section 200.512 of the UG, if the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day. Dates have been adjusted accordingly.

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Year-ends that are no longer provided with an extension

Fiscal Year End	Normal Due Date	Extended Due Date
January 31, 2020	November 2, 2020*	No Extension – Normal UG due date applies
February 29, 2020	November 30, 2020	No Extension – Normal UG due date applies
March 31, 2020	December 31, 2020	No Extension – Normal UG due date applies
April 30, 2020	February 1, 2021*	No Extension – Normal UG due date applies
May 31, 2020	March 1, 2021*	No Extension – Normal UG due date applies
June 30, 2020	March 31, 2021	No Extension – Normal UG due date applies

\*Per section 200.512 of the UG, if the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day. Dates have been adjusted accordingly.

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### Single Audit – Other OMB Memos on COVID-19

**OMB Memo M-20-11**, [Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus \(COVID-19\) due to Loss of Operations](#)

- Expires July 26, 2020

**M-20-20**, [Repurposing Existing Federal Financial Assistance Programs and Awards to Support the Emergency Response to the COVID-19](#)

- Rescinded by OMB Memo M-20-26

**M-20-21**, [Implementation Guidance for Supplemental Funding Provided in Response to COVID-19](#)




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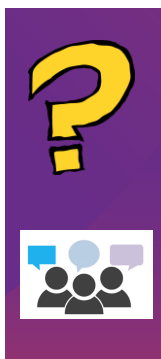
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### Using “other available funding”

Please clarify, if you can, the section in OMB Memo M-20-26 that addresses using "other available funding" first.

Per OMB Memo M-20-26: *“Due to the limited funding resources under each federal award to achieve its specific public program goals, awarding agencies must inform recipients to exhaust other available funding sources to sustain its workforce and implement necessary steps to save overall operational costs (such as rent renegotiations) during this pandemic period in order to preserve Federal funds for the ramp-up effort. Recipients should retain documentation of their efforts to exhaust other funding sources and reduce overall operational costs.”*




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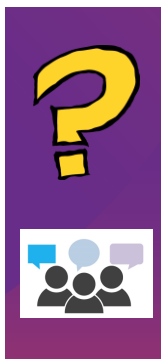
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### Double-dipping

Can you confirm that expenses paid with/ applied to PPP federal funds, may not also be applied to other federal grants?

Per OMB Memo M-20-26: *“...payroll costs paid with the Paycheck Protection Program (PPP) loans or any other Federal CARES Act programs must not be also charged to current Federal awards as it would result in the Federal government paying for the same expenditures twice.”*




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# 2020 OMB Compliance Supplement

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## Background, timing, and effective date

Supplement likely to be issued in 2 parts this year

- First part will be primarily what was developed prior to COVID-19 pandemic
  - Currently in OMB clearance; OMB is hoping for July issuance
- Addendum to be issued early fall and will cover COVID-19 matters

Will be effective for audits of fiscal years beginning after June 30, 2019

Watch GAQC Web site and future *GAQC Alerts* for updates

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Warning!  
OMB decisions about timing and content of 2020 Supplement could change based on volatility of current environment!

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## Expectations for first 2020 Supplement release

- Regular updates unrelated to COVID-19
- 6-requirement mandate maintained; some agencies may have modified the requirements subject to audit
- Removal of Part 3-1
- A Part 5 cluster list that is not expected to change
- An addition to Appendix VII to identify new COVID-19 programs and information on future addendum

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2020 Supplement, Appendix V

Appendix V is a roadmap of changes

- It identifies all changes at a high level
- Identifies specific programmatic changes by CFDA number
- Should be one of the first things you review




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Expected new programs or existing with significant change in first 2020 Supplement release (non-COVID-19-related)

New

- 14.275 Housing Trust Fund
- 16.575 Crime Victim Assistance Grant Program
- 21.016 Equitable Sharing Program
- 93.686 Ending the HIV Epidemic: A Plan for America

Existing with significant change

- Medicaid, CHIP, CSBG, Head Start
- 11.300/11.307 Economic Development Cluster and 11.611 Hollings Manufacturing Extension Partnership
- 20.223 Transportation Infrastructure Finance and Innovation Act Program
- 97.036 Federal Emergency Management Agency Disaster Grants
- SFA and various K-12 programs
- Cross-cutting sections

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Expected SFA changes in first 2020 Supplement release (non-COVID-19)

Proposed changes to wording of sampling table requirements (e.g., Office of Postsecondary Education Identification; sample population vs. total population)

Enrollment reporting testing expanded

GLBA requirements and procedures continue (ED has issued a related memo [Enforcement of Cybersecurity Requirements under the Gramm-Leach-Bliley Act](#))




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Other reminders for first 2020 Supplement release

Procurement

- [Changes have been proposed to the FAR](#) to increase micro-purchase and simplified acquisition thresholds
- Appendix VII expected to continue to instruct auditors not to report related findings for use of increased thresholds

Internal Control

- Don't forget about Part 6 - refreshed in 2019 Supplement

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Other reminders - 6-requirement mandate will continue

OMB limit of 6 compliance requirements subject to the compliance audit per program or cluster will continue for programs in the Supplement

- Exception: The R&D cluster is permitted to identify 7
- Some agencies may have less than 6 requirements

For "counting" purposes, the requirements relating to A. Activities Allowed and Unallowed, and B. Allowable Costs and Cost Principles, are counted as one requirement

Agencies may have changed the requirements subject to audit from those chosen in 2019

- Not expected to be widespread

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Review of Part 2 matrix is critical to identify requirements subject to audit!

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Other reminders - 6-requirement mandate will continue

The 6-requirement mandate does not apply to programs not included in the Supplement

Auditors will continue to use Part 7 guidance to identify the types of compliance requirements to test

As a result, the auditor may test more than 6 requirements for these programs

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Other reminders - 6-requirement mandate will continue

- For "Y" Part 2 matrix entries, auditors will still determine whether those requirements could have a D&M effect for their particular client situation
- If auditor determines that a "Y" requirement will not be tested as part of the compliance audit because it is not D&M, auditors will still have to document the related rationale for not testing
- That is, N/A is still not an appropriate way to document why a requirement subject to audit is not being tested

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What do we expect for Supplement Addendum?

Part 2 matrix changes

- New COVID-19 programs

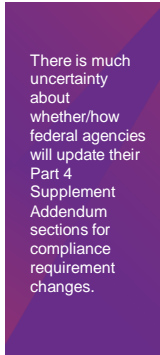
Part 3

Possible additions to background section to incorporate unique COVID-19 requirements

Part 4

Federal agencies will develop program specific sections for new programs with highest impact

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Governmental Audit Quality Center

# Planning and performance considerations for 2020 single audits

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### What is the one certainty for 2020 single audits? Challenges!

Since COVID-19 funds were released very quickly, many federal agencies are having to develop program and audit policy on the back end

Has led to numerous questions and uncertainty

- [See letter from GAQC to OMB](#) for single audit issues/questions submitted to date

The result will be significant challenges for your 2020 single audits

Documentation of key decisions by both auditees and auditors is more critical than ever this year!

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### You may also have more single audits than in previous years

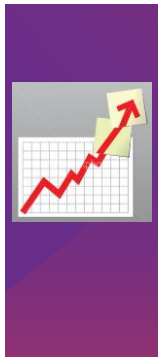
Many states and large localities received significant amounts of Coronavirus Relief Funds directly from the federal government

- These direct recipients may also be passing the funds down to smaller entities that may not have had single audits in prior years

Healthcare entities that have not previously had single audits may have received significant Provider Relief Funds

Other funding through the CARES Act to existing CFDA numbers may take recipients over the \$750K threshold

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### Client resources for first time single audits

Certain entities may have never received enough federal funding to be required to have single audit

- Those entities may be small enough that they also have not had a financial statement audit

GAQC resources for auditees

- [Single Audit Tools, Practice Aids, and Other Resources for Auditees](#)
- Access archived GAQC event on, [Preparing for a Single Audit Under the Uniform Guidance: An Auditee Perspective](#)

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2020 planning considerations – new COVID-19 programs

Determining whether client has funding under new COVID-19 programs that are subject to single audit is important

- Critical to major program determination process
- May affect type A/B program threshold
- New COVID-19 programs may be high-risk type A programs because they have not been audited before
- New COVID-19 programs could also be type B programs
  - In evaluating type B risk need to consider the newness of the programs, among other factors
  - Currently no requirement to select these type B programs for audit or consider them "higher" risk

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2020 planning considerations – existing federal programs receiving funding under CARES Act

Effect on type A risk assessments

- Remember that inherent risk is not a criteria for identifying a type A program as high risk (UG section 200.518(c))

Effect on type B risk assessments

- Need to consider whether influx of additional funds triggers any new risk factors
- Inherent risk may be considered in type B risk assessment

For all existing programs: Type A programs that would have otherwise been low-risk would change to high-risk if determination made that changes in personnel or systems due to COVID-19 significantly increased program risk.

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2020 planning considerations – existing federal programs with changed compliance requirements due to COVID-19

Auditors will need to identify whether client's existing programs have compliance requirements subject to audit that have been revised or relaxed for part of the year

- Talk to clients about how they are identifying changed requirements
- Review of federal guidance issued for various programs is critical
- Check the future Supplement addendum to determine if it includes revised sections for existing programs with changes

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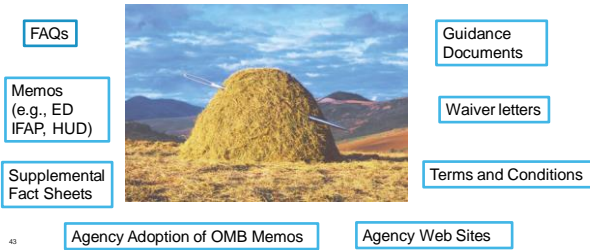
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2020 planning considerations – identifying requirement changes for existing programs a challenging task!



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Example of one requirement for an existing program affected by agency guidance: 14.850 – Public and Indian Housing

Eligibility is subject to audit for this program:

- Periodic verification of income, value of assets; third-party verifications; recalculation of rent payments; etc.

Flexibility for eligibility requirements for this program provided by HUD due to COVID-19:

[https://www.hud.gov/sites/dfiles/PIH/documents/COVID19\\_FA\\_QSRound4final.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/COVID19_FA_QSRound4final.pdf)  
[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/covid\\_19\\_resources](https://www.hud.gov/program_offices/public_indian_housing/covid_19_resources)

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Example of more complex impact of agency guidance – auditee Web site for R&D program

<https://rsp.wisc.edu/COVID/FederalAgencyImplementationsofOMBMemoM-20-17.cfm>



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Communication with clients during planning will be key

Consideration of whether audit work will need to be performed remotely due to COVID-19 restrictions  
Gaining an understanding of client's funding and what will go on the SEFA

- Nontraditional awards received?
- This will take partner and high-level management involvement

Understanding how the client:

- is addressing the challenge of new CARES money covering expenses already incurred
- Is ensuring the same expenditures are not being charged to more than one federal program

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Panel discussion – Do you have any best practice tips to share for planning single audits in this environment



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2020 performance considerations

Testing completeness of SEFA will be especially important this year

- Programs and amounts may be harder to identify for SEFA purposes

Changes in client I/C for one part of the year may result in:

- need for more I/C testing due to control changes;
- the potential for increased compliance sample sizes if controls cannot be relied upon
- Check out AICPA article: [Tips for auditing with changed controls during the pandemic](#)

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2020 performance considerations

Issues may arise relating to client documentation evidencing compliance due to COVID-19 shutdowns or changes

Preparing audit documentation of key audit decisions reached and judgments made will be critical

Check out this AICPA podcast:

<https://www.journalofaccountancy.com/podcast/corona-virus-guidance-for-auditors-and-financial-statement-preparers.html>.



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2020 performance considerations – a reminder on findings

Even prior to the COVID-19 pandemic, federal agencies have been emphasizing that auditor’s findings could be improved

Auditors should ensure findings include all required elements

Will be even more important in light of the COVID-19 pandemic due to the potential for an increased number of findings and the likely focus of federal agencies on COVID-19-related findings follow-up



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2020 performance considerations - questions

One of my June 30, 2020, year-end clients wants their single audit finished in the early fall. They have significant expenditures from new COVID-19 funding that will likely be a major program. Do I need to wait for the Supplement addendum?

What should I do if, once issued, the Supplement addendum doesn’t include the program(s) I need to test?

If existing programs receive CARES money will additional compliance requirements be included in the 2020 Supplement in the individual program section?



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### Significant federal oversight expected

CARES Act includes almost \$275 million for federal agency oversight and establishes:

- Pandemic Response Accountability Committee (<https://pandemic.oversight.gov/>)
- Office of the Special Inspector General for Pandemic Recovery
- Congressional Oversight Commission

Many individual agency OIGs and GAO also received oversight funds

- Agencies likely to perform direct engagements on recipients of COVID-19 funding
- Unclear how/whether this will increase federal reviews of audit work

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Governmental Audit Quality Center

# Other Single Audit Developments

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### Single Audit - DCF/FAC developments



Backdating of submissions between 11/20/19 - 12/31/19 due to IDES outages

FAC experienced delays in processing submissions due to COVID-19

FAC staff are reviewing each CAP and rejecting in some cases

FAC highly recommend users not use Google Chrome with IDES

Announcement on FAC home page requests reporting package mention if delayed filing due to COVID-19 was taken (permitted under OMB Memo M-20-17)

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Auditing Standards Board (ASB) delays reporting standards

-  **SAS 141, *Amendment to the Effective Date of SAS Nos. 134 Through 140* (Issued May 2020)**
-  **One-year delay issued to provide relief to auditors amid the challenges created by the coronavirus pandemic**
-  **The standards will now be effective for audits of F/S for periods ending on or after December 15, 2021**
-  **One change is that early implementation of the standards will now be permitted**
-  **The ASB recommends that SASs 134-140 be implemented concurrently**

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AU-C 935, *Compliance Audits* (SAS 140)

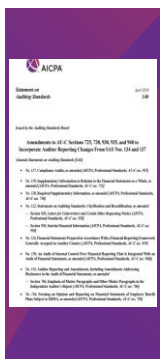
Updates report elements and illustrative reports to be consistent with new reporting standards

- Will affect single audit reports

Amends definition of material noncompliance to align with SAS 138

Updates for consistency with the UG, the OMB *Compliance Supplement*, and the 2018 YB

Updates to Appendix, "AU-C Sections That Are Not Applicable to Compliance Audits"




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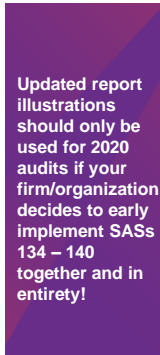
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Timing of updated single audit report illustrations

- 2020 GAS-SA Guide to include Appendix with summary information on SAS Nos. 134 - 141
- Updated illustrations are being developed
- Examples will include F/S reports, Yellow Book reports, and single audit reports
- Initial release will occur through the GAQC Web site in late summer/early fall
- 2021 GAS-SA Guide will then incorporate the updates




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Other Developments – other development relating to SFA

ED updated financial responsibility ratios rules (primary reserve, equity and net income) in an [updated regulation](#) for private NFP institutions participating in SFA

New supplementary schedule and possible new footnote disclosure

- Auditor implications

Will have impact on F/S when the audit is submitted to EZ-Audit on or after 7/1/20; regardless of fiscal year-end

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GAO - 2018 YB summary of key changes

New format and organization

**Independence requirements related to nonaudit services**

CPE

Peer review requirements

Finding guidance

Waste and abuse

Standards for reviews of financial statements

Performance audits

Other



Effective for financial audits, attestation engagements, and reviews of financial statements for periods ending on or after June 30, 2020

See also alert issued by GAO providing relief from certain Yellow Book CPE requirements due to COVID-19 pandemic

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Archived GAQC Web events on the 2018 Yellow Book

Take advantage of following archived GAQC Web events to do a deep dive into the 2018 YB

- *Heard in the Hallways: Commonly Asked Yellow Book Questions*
- *Considering and Documenting Nonaudit Services under Government Auditing Standards*
- *The 2018 Yellow Book: What You Need to Know*

[Access these Web events](#)

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Single Audit - UG proposed revisions

[Read GAQC comments](#) and [GAQC Alert #402](#)

Not expected to have an impact on 2020 audits

Proposes to delay the date for performance of single audit quality study to audits submitted in 2021

- GAQC suggested the requirement be deleted and replaced with other quality improvement activities
- Alternatively, GAQC recommended study be delayed to 2023 due to COVID-19




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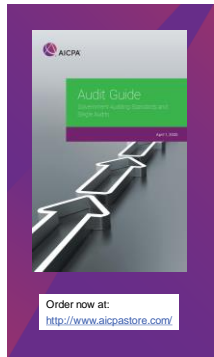
AICPA Audit Guide, *Government Auditing Standards and Single Audits*

Key resource for auditors; you should be using this Guide!

2020 update expected in eBook and paperback by late summer

Key changes:

- *Government Auditing Standards*, 2018 Revision
- Addition of concepts introduced in 2019 *Compliance Supplement* 6-requirement mandate, internal controls
- New SASs on reporting discussed in a new appendix




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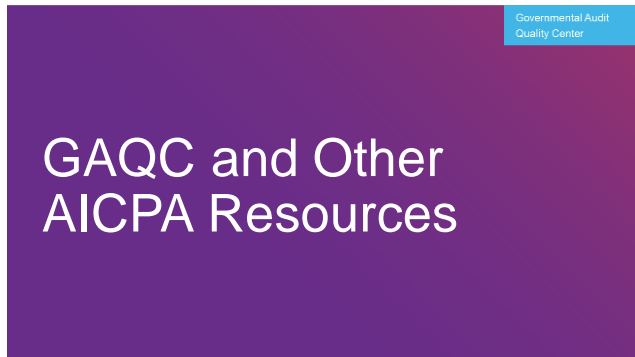
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GAQC resources - web site ([www.aicpa.org/GAQC](http://www.aicpa.org/GAQC))

Key areas to check out and/or bookmark:

- Access [archived GAQC Alerts](#) in chronological order
- Access [archived GAQC Web events](#)
- [Uniform Guidance auditor resources](#) Web page (including COVID-19 section)
- [Yellow Book tools and resources](#)
- [Other Compliance Audit Information](#) Web page
- [GASB Matters](#)
- [HUD Information](#) Web page
- [GAQC Membership Listings](#)
- [Auditee Resource Center](#)
  - [Auditee Single Audit Resources](#) Web page

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COVID-19 GAQC/AICPA resources

See [GAQC COVID-19 Resources](#)

Read [archived GAQC Alerts](#)

View [archived GAQC Web events](#)

[GAQC Summary of COVID-19 Related Deadline Extensions of Audited Financial Statements and Other Reports](#)

See also AICPA Coronavirus Resource Center ([www.aicpa.org/coronavirus](http://www.aicpa.org/coronavirus))

- Includes audit and accounting resources - see next slide (<https://www.aicpa.org/interestareas/frc/covid19.html>)

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AICPA COVID-19 A&A Resources

[A&A FAQs related to COVID-19 issues, 2nd edition](#)

[Tips for auditing with changed controls during the pandemic](#)

[Small Business Loans Under the PPP: Issues Related to CPA Involvement](#)

[Going concern tips for auditors during the pandemic](#)

[Pandemic-specific guidance for auditors and preparers](#)

[CPEA report: Consequences of COVID-19 Potential Audit Challenges](#)

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# Questions?

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Panel discussion – If participants take away one or two key things from this event, what would they be?



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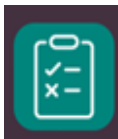


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## Evaluation survey



Please click on the green survey button located below this slide in the video player to complete an evaluation of today's event.



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# Thank you

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