

2021 SINGLE AUDITS OVERVIEW FOR KNOWLEDGE COACH USERS

PURPOSE

This document is published for the purpose of communicating, to users of the toolset, updates and enhancements included in the current version. This document is not, and should not be used as an audit program to update the audit documentation of an engagement started in a previous version of this product.

WORKPAPER UPDATES AND ROLL FORWARD NOTES

General Roll Forward Note:

You must be the current editor of all Knowledge Coach workpapers to update to the latest content, and you must be the current editor upon opening the updated workpaper for the first time to ensure you see the updated workpaper.

The **2021 Knowledge-Based Single Audits** have been updated to help auditors conduct efficient and effective audit engagements in accordance with U.S. GAAS and to take into account the latest literature, standards, and guidance, including:

The tools in the 2021 edition of **Knowledge-Based Single Audits**TM have been updated to help auditors conduct efficient and effective audit engagements in accordance with U.S. GAAS and GAGAS and to take into account the latest literature, standards, and guidance, including the 2018 Revision of the Yellow Book (GAGAS). The tools incorporate the provisions of the following recent AICPA Statements on Auditing Standards (SAS):

- AICPA Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*;
- SAS No. 135, *Omnibus Statement on Auditing Standards – 2019*;
- SAS No. 137, *The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports*;
- SAS No. 138, *Amendments to the Description of the Concept of Materiality*;
- SAS No. 139, *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes From SAS No. 134*;
- SAS No. 140, *Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes From SAS Nos. 134 and 137*; and

With the issuance of SAS No. 141, *Amendment to the Effective Dates of SAS Nos. 134-140*, these standards are not effective until periods ending on or after December 15, 2021, although early implementation is permitted.

The 2021 tools include links to detailed analysis related to the steps and processes discussed in the workpapers. Many new tips and examples have been incorporated. Also included are revised financial statement disclosures checklists that provide a centralized resource of the required and recommended U.S. GAAP disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards CodificationTM.

The 2021 edition of *Knowledge-Based Single Audits* includes the following updates:

Knowledge-Based Audit Documents (KBAs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-101S Overall Uniform Guidance Compliance Audit Strategy					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Section III step3 removed column titled “ Date Operating Effectiveness Was Last Tested”	Table	Clarification		
Modify	Updating any “CFDA” headers to “Assistance Listing #”	Table	Clarification		These headers will retain on roll forward if user selects to keep all responses on roll forward.
KBA-104S Evaluating and Communicating Deficiencies in Internal Control Over Compliance					
Modify	Added Column 12 titled “Describe Any Compensating Control(s) that Limit the Severity of the Deficiency” to table titled Evaluation of Internal Control Deficiencies This will be a user entry column with no unanswered question diagnostic.	Table	Enhancement		
KBA-303S Inquiries of Management and Others Within the Entity About the Risks of Fraud in a Uniform Guidance Compliance Audit					
Delete	Deleted step, “Are you aware of any federal program transactions entered into with related parties?” from tables “Inquiries of Those Charged With Governance” and “Inquiries of Internal Audit Function”	Procedure	Enhancement		
KBA-401S Understanding Entity-Level Controls Over Compliance					
New	<p>New Practice Points as follows:</p> <p>Practice Alert: In August 2020, the AICPA’s Auditing Standards Board (ASB) issued an exposure draft of Proposed Statement on Auditing Standards (SAS) <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>. This proposed SAS would supersede section 315 of SAS No. 122, as amended, of the same title. It also would amend various AU-C Sections in AICPA <i>Professional Standards</i>. The proposed SAS is based on International Standard on Auditing (ISA) 315 (Revised), <i>Identifying and Assessing the Risks of Material Misstatement</i>.</p> <p>The AICPA has identified the following overall objectives of the proposed new SAS:</p> <ul style="list-style-type: none"> To enhance the requirements and guidance on identifying and assessing the risks of material misstatement, in particular the guidance that addresses the entity’s system of internal control and information technology (IT). To revise the definition of significant risks. The current definition focuses on risks that require special audit considerations. The revised definition focuses on where those risks lie on the spectrum of inherent risk and it includes new guidance intended to enhance an auditor’s professional skepticism. 				

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	<ul style="list-style-type: none"> To further converge GAAS with ISAs. <p>If <i>adopted</i> as proposed, the new SAS would be effective for audits of financial statements for periods ending on or after December 15, 2023.</p> <p>Practice Alert: In July 2020, the AICPA's Auditing Standards Board (ASB) issued SAS No. 142, <i>Audit Evidence</i>. SAS No. 142 supersedes the extant AU-C Section 500, <i>Audit Evidence</i>, and amends various other AU-C Sections. SAS No. 142 addresses the evolving nature of transacting business, the evolution of audit services, as well as the use of emerging technologies and techniques by both preparers and auditors, including the expanding use of external information sources.</p> <p>The revised AU-C Section 500 explains what constitutes audit evidence in an audit of financial statements and sets out attributes of information that are taken into account by the auditor when evaluating information to be used as audit evidence (attributes of reliable information include its accuracy, completeness, authenticity, and susceptibility to bias), and states that taking these attributes into account assists the auditor in maintaining professional skepticism. Significant changes to AU-C Section 500 include:</p> <ul style="list-style-type: none"> Providing that the auditor's objective under AU-C Section 500 is to evaluate information to be used as audit evidence, including the results of audit procedures, in order to form the auditor's overall conclusion about whether sufficient appropriate audit evidence has been obtained; Revising the definition of "<i>audit evidence</i>" to "information used by the auditor in arriving at the conclusions on which the auditor's opinion is based. Audit evidence is information to which audit procedures have been applied and consists of information that corroborates or contradicts assertions in the financial statements"; Providing that an auditor may use automated tools and techniques to (a) process, organize, structure, or present data in order to generate useful information that can be used as audit evidence, (b) perform both risk assessment procedures and substantive procedures concurrently, or (c) obtain audit evidence about the operation of the entity's internal control; Including an Exhibit (Exhibit A, <i>Using ADAs to Simultaneously Accomplish Multiple Audit Procedures</i>) that illustrates the use of an audit data analytic (ADA) that simultaneously accomplishes the objectives of both risk assessment procedures and substantive procedures; and Relocating content and requirements related to management's specialists from AU-C Section 500 to AU-C Section 501, <i>Audit Evidence—Specific Considerations for Selected Items</i>. <p>SAS No. 142 is effective for audits of financial statements for periods ending on or after December 15, 2022. Early implementation is permitted. The amendments in SAS No. 142 are not incorporated in this edition, but will be fully addressed in a future update of this publication.</p>				
Modify	Modified detailed tables as follows:	Instructions, Tables	Improved Workflow		Any columns defaulted prior to removal of these columns will still default to the

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<ul style="list-style-type: none"> Removed Columns 6-7 regarding compensating controls (now documented in KBA-104S) Minor wording changes 				old response so users should always recheck any defaults on roll forward.
Modify	<p>Control Environment Table. Relevant Principles and Points of Focus in first column under #1 have been modified and clarified including:</p> <p>“Sets Tone at the Top” modified to read “A code of conduct is developed, documented, communicated and periodically updated”</p> <p>“There is a sense of conducting operations ethically, as evidenced by a code of conduct or other verbal or written directive.” modified to read: “A code of conduct explicitly prohibits inappropriate management override of established Controls.”</p> <p>“Evaluates adherence to standards of conduct on a regular basis.” , “Addresses deviations in a timely manner.”, and “Management makes evident its support of adequate information and reporting systems.” Combined and modified to read: “Conflict of interest statements are obtained periodically from those charged with governance (TCWG) and key management.”</p>	Table	Enhancement		This entire table will reset on roll forward due to all the content changes.
Modify	<p>Control Environment Table. Relevant Principles and Points of Focus in first column under #2 have been modified and clarified including:</p> <p>“Establishes oversight responsibilities.” modified to read: “TCWG have the requisite skills and knowledge to provide effective oversight pertaining to federal award compliance issues and related risk.”</p> <p>“Applies relevant expertise.” modified to read: “TCWG periodically review ethical and moral conduct violations including stakeholder complaints regarding issues of federal award compliance with senior management.”</p> <p>“Operates independently.” modified to read: “A whistle blower submission process exists to receive and evaluate concerns by employees regarding questionable practices inclusive of issues impacting federal award</p>	Table	Enhancement		This entire table will reset on roll forward due to all the content changes.

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	<p>compliance/non-compliance.”</p> <p>“Provides oversight for the system of internal control over compliance.” Modified to read: “An audit committee charter exists and addresses federal compliance oversight.”</p> <p>“The governing Board (or equivalent) engages the auditor and ensures that audit findings and recommendation are adequately addressed, and they fulfill those responsibilities.” Modified to read: “The effectiveness and performance of the audit committee is evaluated annually.”</p> <p>“TCWG have effective two-way communication with external and internal auditors” added.</p> <p>“TCWG review risk assessments including the risks of fraud for impact on federal compliance objectives” added</p>				
Modify	<p>Control Environment Table. Relevant Principles and Points of Focus in first column under #3 have been modified and clarified including:</p> <p>“Considers all structures of the entity.” Modified to read: “Policies, procedures and organizational charts provide for segregation of duties within and among processes and controls.”</p> <p>“Establishes reporting lines and flow of information.”, “Defines, assigns, and limits authorities and responsibilities of key managers.”, and “The Board has an established, active Audit Committee.” Combined and modified to read: “Policies and procedures are in place to ensure that compliance responsibilities are assigned to particular positions.”</p>	Table	Enhancement		This entire table will reset on roll forward due to all the content changes.
Modify	<p>Control Environment Table. Relevant Principles and Points of Focus in first column under #4 have been combined and clarified. The 8 points of focus have been clarified and combined into 3 items that read:</p> <p>“Job descriptions include appropriate knowledge and skill requirements.”;</p> <p>“Appropriate training is provided that is relevant to responsibilities over compliance objectives.”; and</p>	Table	Enhancement		This entire table will reset on roll forward due to all the content changes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	ersonnel with federal award compliance responsibilities are properly trained on their responsibilities.”				
Modify	Control Environment Table. Relevant Principles and Points of Focus in first column under #5 have been combined and clarified. The 6 points of focus have been combined and clarified into 4 items that read; “Appropriate performance evaluations are provided that establish goals, accountability, and feedback” “Violations of the code of conduct result in remedial actions to deter others.” “Consequences for noncompliance with the code of conduct are communicated and Enforced.” “Penalties for inappropriate behavior are adequate and publicized.”	Table	Enhancement		This entire table will reset on roll forward due to all the content changes.
KBA-402S Understanding Compliance Requirement-Level Controls: Activities Allowed and Unallowed and Allowable Costs/Cost Principles – KBA-414S Understanding Compliance Requirement-Level Controls: Special Tests and Provisions					
Modify	Modified Step 2, 3, 4, and 5 subprocess table as follows: <ul style="list-style-type: none"> Added Column 5, “Identify Any Complementary Control(s) Necessary to Meet the Control Objective” for documentation of complementary controls Removed Columns regarding compensating controls (now documented in KBA-104S) Minor wording changes 	Instructions, Tables	Improved Workflow		Column 5 is a new column for documenting any complementary controls necessary to meet the control objective(s). Other columns will retain on roll forward. Any columns defaulted prior to removal of these columns will still default to the old response so users should always recheck any defaults on roll forward.
KBA-502S Summary of Assessments of Risks of NonCompliance					
Modify	Updated AICPA Audit Guide, Audit Sampling matrix table to determine the risk of material noncompliance.	Instructions, Table	Enhancement		Responses to the “RMNC” column will retain on roll forward but review your responses as the recommended answer may have been updated.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Note that this will update the recommended answer for Column 6, “RMNC” (Risk of Material Non-Compliance). Please review your responses here.				
KBA-503S Basis for Assessment of Inherent Risk of Noncompliance					
New	<p>New Practice Point as follows:</p> <p>Practice Alert: In August 2020, the AICPA’s Auditing Standards Board (ASB) issued an exposure draft of Proposed Statement on Auditing Standards (SAS) <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>. This proposed SAS would supersede section 315 of SAS No. 122, as amended, of the same title. It also would amend various AU-C Sections in AICPA <i>Professional Standards</i>. The proposed SAS is based on International Standard on Auditing (ISA) 315 (Revised), <i>Identifying and Assessing the Risks of Material Misstatement</i>.</p> <p>The AICPA has identified the following overall objectives of the proposed new SAS:</p> <ul style="list-style-type: none"> • To enhance the requirements and guidance on identifying and assessing the risks of material misstatement, in particular the guidance that addresses the entity’s system of internal control and information technology (IT). • To revise the definition of significant risks. The current definition focuses on risks that require special audit considerations. The revised definition focuses on where those risks lie on the spectrum of inherent risk and it includes new guidance intended to enhance an auditor’s professional skepticism. • To further converge GAAS with ISAs. <p>IF ADOPTED AS PROPOSED, THE NEW SAS WOULD BE EFFECTIVE FOR AUDITS OF FINANCIAL STATEMENTS FOR PERIODS ENDING ON OR AFTER DECEMBER 15, 2023.</p>				
Modify	Added “Factors” and “Understanding needed” items to the table in the instructions.	Instructions, Table	Enhancement		
KBA-901S Schedule of Expenditures of Federal Awards Presentation and Disclosure Checklist					
Modify	<p>Updated step and added new Practice Point under step 1(e) as follows:</p> <p>Provide total federal awards expended for each individual federal program and the Assistance Listing number <i>or</i> other identifying number when the Assistance Listing Number is not available, including amounts provided to subrecipients?</p>	Table	Clarification		Step will retain on roll forward if user selects to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Practice Point: If the assistance listing number is unavailable, the nonfederal entity should indicate the two digit code of the federal agency. Then the first award that is unknown would be labelled U01. The second U02. Entities can choose to restart for each federal agency of continue numbering.				
KBA-902S Uniform Guidance Compliance Audit Review and Approval Checklist					
Modify	Minor wording changes throughout	Instructions, Table	Clarification		
KBA-903S Uniform Guidance Compliance Audit Documentation Checklist					
Delete	Deleted substep b. from step 10 as follows: The risks identified and related controls evaluated for significant risks that require special audit considerations and risks.	Procedures	Enhancement		

Audit Programs (AUDs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
AUD-100S Engagement-Level Tailoring Questions					
Deleted	Deleted TQ, "Evaluation of whether the entity's accounting policies are appropriate for its federal program environment and consistent with the applicable financial reporting framework?" and flow to AUD-101S removed.	TQ Table	Clarification		
AUD-101S Overall Audit Program					
New	New Practice Point as follows: Practice Alert: In February 2021, the AICPA's Auditing Standards Board (ASB) issued an exposure draft of Proposed Statement on Auditing Standards (SAS), <i>Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations</i> . This proposed SAS would amend section 210 of SAS No. 122, as amended, <i>Terms of Engagement</i> . The proposed SAS would require a successor auditor, once management authorizes the predecessor auditor to respond to inquiries from the auditor, to inquire of the predecessor auditor about identified or suspected fraud or noncompliance with laws and regulations (NOCLAR) matters. Examples of NOCLAR matters include, but are not limited to, noncompliance with tax or pension laws and regulations.				

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	<p>The proposed SAS also aligns with the International Ethics Standards Board of Accountants (IESBA) standards which became effective on July 15, 2017 and proposes a narrow amendment to AU-C Section 210 to require a successor auditor, once management approves communication between auditors, to inquire about suspected fraud and matters involving NOCLAR.</p> <p>If adopted as proposed, the new SAS would be effective for audits of financial statements for periods ending on or after December 15, 2022.</p>				
Modified	<p>Step 3 modified to read:</p> <p>3. Evaluate, conclude on, and document whether the auditor has the ability to adhere to the fundamental principles and requirements of professional and ethics standards including:</p> <ul style="list-style-type: none"> a. The Public Interest b. Integrity; c. Objectivity; d. Independence; e. Proper use of government information, resources, and positions f. Professional behavior. 	Procedures	Enhancement		Step will reset on roll forward due to content changes.
Modified	<p>Step 17 modified to read:</p> <p>17. Perform procedures to assist in planning the nature, timing, and extent of compliance audit procedures and to identify:</p> <ul style="list-style-type: none"> a. Unusual or new federal programs. b. Prior audit findings, their status, and the effect on the current compliance audit engagement. 	Procedures	Enhancement		Step will retain on roll forward using default settings.
Deleted	Delete step, "Evaluate whether the entity's accounting policies are appropriate for its federal program environment and consistent with the applicable financial reporting framework."	Procedures	Enhancement	AU-C Section 935	
AUD-602S Audit Program: Involvement of a Component Auditor					
Modify	<p>Modified Practice Point as follows:</p> <p>Practice Alert: In May 2019, the AICPA's Auditing Standards Board (ASB) issued Statement on Auditing Standards No. 135 (SAS-135), <i>Omnibus Statement on Auditing Standards - 2019</i>. The purpose of this standard is to better align AICPA auditing standards with the PCAOB auditing standards. Since the ASB completed its auditing</p>				

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	<p>standards clarity project, which clarified generally accepted auditing standards (GAAS) and converged them with the International Standards on Auditing (ISAs) issued by the IAASB, the PCAOB has issued Auditing Standard (AS) 1301, <i>Communications With Audit Committees</i>; AS 2701, <i>Auditing Supplemental Information Accompanying Audited Financial Statements</i>; and AS 2410, <i>Related Parties</i>. The ASB has issued amendments to GAAS for requirements in the PCAOB auditing standards that the ASB believes does not have an equivalent in GAAS.</p> <p>SAS-135 is effective for audits of financial statements for periods ending on or after December 15, 2021 as amended by SAS 141. However, early adoption is permitted. The AICPA recommends adopting SAS 134-140 as a suite of standards.</p>				
Deleted	Deleted substeps g. and h. of step 5, “Communications with the Component Auditor”	Procedures	Enhancement	AU-C Section 935	Step will retain on roll forward if user selects to keep all responses on roll forward.
Modify	<p>Modified step 9 response selections as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Whether procedures by the component auditor will be completed in time to meet the group reporting schedule. <input type="checkbox"/> Whether there are differences in the auditing and other standards applied by the component auditor and those applied in the audit of group financial statements. <input type="checkbox"/> Whether it is impracticable for the group engagement team to be involved in the work of a component auditor. <input type="checkbox"/> Whether the component auditor meets the independence requirements that are relevant to the group audit. <input type="checkbox"/> Whether we have any other serious concerns about other matters (e.g., competence of component auditor or whether the audit has been performed in accordance with the Government Auditing Standards). 	Procedures	Enhancement		Step will reset on roll forward due to content changes.
Deleted	Step 10, “If the component prepares financial statements using a different financial reporting framework or reports on a different period-end than that used by the group, we have evaluated following:” deleted	Procedures	Enhancement	AU-C Section 935	
Modify	<p>Modified step 11 response selections as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Read the compliance report of the component. <input type="checkbox"/> Review of audit documentation of the component auditor. 	Procedures	Enhancement		Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <input type="checkbox"/> Review of summary memo and other concluding documents of the component auditor. <input type="checkbox"/> Meetings with team members to discuss the significant matters, findings, and conclusions of the component auditor. <input type="checkbox"/> We have inquired about subsequent events or performed subsequent procedures on the components and documented them in AUD-901S Audit Program: Subsequent Events. 				
New	<p>New Practice Point as follows:</p> <p>Practice Alert: In July 2020, the AICPA's Auditing Standards Board (ASB) issued SAS No. 142, <i>Audit Evidence</i>. SAS No. 142 supersedes the extant AU-C Section 500, <i>Audit Evidence</i>, and amends various other AU-C Sections. SAS No. 142 addresses the evolving nature of transacting business, the evolution of audit services, as well as the use of emerging technologies and techniques by both preparers and auditors, including the expanding use of external information sources.</p> <p>The revised AU-C Section 500 explains what constitutes audit evidence in an audit of financial statements and sets out attributes of information that are taken into account by the auditor when evaluating information to be used as audit evidence (attributes of reliable information include its accuracy, completeness, authenticity, and susceptibility to bias), and states that taking these attributes into account assists the auditor in maintaining professional skepticism. Significant changes to AU-C Section 500 include:</p> <ul style="list-style-type: none"> • Providing that the auditor's objective under AU-C Section 500 is to evaluate information to be used as audit evidence, including the results of audit procedures, in order to form the auditor's overall conclusion about whether sufficient appropriate audit evidence has been obtained; • Revising the definition of "<i>audit evidence</i>" to "information used by the auditor in arriving at the conclusions on which the auditor's opinion is based. Audit evidence is information to which audit procedures have been applied and consists of information that corroborates or contradicts assertions in the financial statements"; • Providing that an auditor may use automated tools and techniques to (a) process, organize, structure, or present data in order to generate useful information that can be used as audit evidence, (b) perform both risk assessment procedures and substantive 				

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	<p>procedures concurrently, or (c) obtain audit evidence about the operation of the entity's internal control;</p> <ul style="list-style-type: none"> • Including an Exhibit (Exhibit A, <i>Using ADAs to Simultaneously Accomplish Multiple Audit Procedures</i>) that illustrates the use of an audit data analytic (ADA) that simultaneously accomplishes the objectives of both risk assessment procedures and substantive procedures; and • Relocating content and requirements related to management's specialists from AU-C Section 500 to AU-C Section 501, <i>Audit Evidence—Specific Considerations for Selected Items</i>. <p>SAS No. 142 is effective for audits of financial statements for periods ending on or after December 15, 2022. Early implementation is permitted. The amendments in SAS No. 142 are not incorporated in this edition, but will be fully addressed in a future update of this publication.</p>				
AUD-603S Audit Program: Using the Work of an Auditor's Specialist					
New	<p>New Practice Point:</p> <p>Practice Alert: In November 2020, the AICPA's Auditing Standards Board (ASB) issued an exposure draft of Proposed Statement on Auditing Standards (SAS), <i>Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Information Sources</i> (Exposure Draft). The ASB has issued the Exposure Draft in response to comment letters received on the exposure draft of SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>, requesting additional guidance relating to PCAOB Auditing Standard (AS) 2501, <i>Auditing Accounting Estimates, Including Fair Value Measurements</i>. The proposed SAS, if adopted as proposed, would amend:</p> <ul style="list-style-type: none"> • SAS No. 122, <i>Statements on Auditing Standards: Clarification and Recodification</i>, as amended, sections 501, <i>Audit Evidence — Specific Considerations for Selected Items</i>, and 620, <i>Using the Work of an Auditor's Specialist</i> (AU-C Sections 501 and 620); and • SAS No. 143 (AU-C Section 540). <p>As noted in the Explanatory Memorandum to the Exposure Draft, the proposed amendments would:</p> <ul style="list-style-type: none"> • Provide guidance on application of SAS No. 143 when management has used the work of a specialist in making accounting estimates as well as other proposed amendments to enhance guidance about evaluating the work of the management's specialist; 				

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	<ul style="list-style-type: none"> Provide that using the work of an external inventory-taking firm would not constitute using the work of a management's specialist; Add a new appendix to AU-C Section 500, <i>Audit Evidence</i>, to provide guidance on the use of pricing information obtained from external information sources to be used as audit evidence for estimates related to the fair value of financial instruments; and Amend AU-C Section 620 to enhance guidance on using the work of an auditor's specialist. <p>If adopted as proposed, the amendments to AU-C Sections 501, 540, and 620 will be effective for audits of financial statements for periods ending on or after December 15, 2023.</p>				
AUD-801S Audit Program: Activities Allowed or Unallowed – AUD-817S Audit Program: Schedule of Expenditures of Federal Awards					
Modified	<p>Modified Practice Point under Section II: Linking Risks To Further Compliance Audit Procedures as follows:</p> <p>Practice Point: Management override of internal controls. Planned response must incorporate:</p> <ul style="list-style-type: none"> An element of unpredictability in designing further audit procedures as follows: [Describe] Obtaining an understanding of the entity's rationale for significant and unusual transactions. 	Procedures	Enhancement	AU-C Section 935	
New	<p>New Practice Points as follows:</p> <p>Practice Point: If the program is not in the Compliance Supplement, the auditor should consider the requirements in Part 7 in identifying audit procedures for compliance testing.</p> <p>Practice Alert: In July 2020, the AICPA's Auditing Standards Board (ASB) issued SAS No. 142, <i>Audit Evidence</i>. SAS No. 142 supersedes the extant AU-C Section 500, <i>Audit Evidence</i>, and amends various other AU-C Sections. SAS No. 142 addresses the evolving nature of transacting business, the evolution of audit services, as well as the use of emerging technologies and techniques by both preparers and auditors, including the expanding use of external information sources.</p> <p>The revised AU-C Section 500 explains what constitutes audit evidence in an audit of financial statements and sets out attributes of information that are taken into account by the auditor when evaluating information to be used as audit evidence (attributes of reliable information include its accuracy, completeness, authenticity, and susceptibility to bias), and states that taking these attributes into</p>				

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	<p>account assists the auditor in maintaining professional skepticism. Significant changes to AU-C Section 500 include:</p> <ul style="list-style-type: none"> • Providing that the auditor's objective under AU-C Section 500 is to evaluate information to be used as audit evidence, including the results of audit procedures, in order to form the auditor's overall conclusion about whether sufficient appropriate audit evidence has been obtained; • Revising the definition of "audit evidence" to "information used by the auditor in arriving at the conclusions on which the auditor's opinion is based. Audit evidence is information to which audit procedures have been applied and consists of information that corroborates or contradicts assertions in the financial statements"; • Providing that an auditor may use automated tools and techniques to (a) process, organize, structure, or present data in order to generate useful information that can be used as audit evidence, (b) perform both risk assessment procedures and substantive procedures concurrently, or (c) obtain audit evidence about the operation of the entity's internal control; • Including an Exhibit (Exhibit A, <i>Using ADAs to Simultaneously Accomplish Multiple Audit Procedures</i>) that illustrates the use of an audit data analytic (ADA) that simultaneously accomplishes the objectives of both risk assessment procedures and substantive procedures; and • Relocating content and requirements related to management's specialists from AU-C Section 500 to AU-C Section 501, <i>Audit Evidence—Specific Considerations for Selected Items</i>. <p>SAS No. 142 is effective for audits of financial statements for periods ending on or after December 15, 2022. Early implementation is permitted. The amendments in SAS No. 142 are not incorporated in this edition, but will be fully addressed in a future update of this publication.</p>				
AUD-802S Audit Program: Allowable Costs and Cost Principles (States, Local, and Tribal Governments)					
New	<p>New Practice Point as follows:</p> <p>Practice Point: Several COVID19 programs provide exceptions to Subpart E. It is important to review the terms and conditions. The AICPA has provided a list of programs and the related applicability which can be accessed at https://www.aicpa.org/content/dam/aicpa/interestareas/governmental/auditquality/resources/singleaudit/uniformguidanceforfederalrewards/downloadabledocuments/gaqc-summary-of-applicability-for-new-coronavirus-related-fed-programs-20200616.pdf</p>				
New	<p>New note in Compliance Procedures Table as follows:</p> <p>Note: Effective on November 12, 2020, per the update to the Uniform Guidance any non-federal entity can use the de</p>				

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	minus rate. Such a rate may be used indefinitely or until the non-federal entity chooses to negotiate a rate, which the non-federal entity may do at any time.				
Modify	Modified step 2(e) under “Direct Costs” as follows: We evaluated whether costs conformed to any limitations or exclusions set forth in the Uniform Guidance or in the federal award as to types or amount of cost items.	Procedures	Enhancement		Step will retain on roll forward if user selects to keep all responses on roll forward.
AUD-803S Audit Program: Allowable Costs and Cost Principles (Institutions of Higher Education)					
Modify	Minor wording changes in procedures	Procedures	Enhancement		
AUD-804S Audit Program: Allowable Costs and Cost Principles (Non-Profit Organizations)					
New	New Practice Point under step, De Minimis Indirect Cost Rate as follows: Practice Point: Effective on November 12, 2020, any non-federal entity can use the de minimis rate. Such a rate may be used indefinitely or until the non-federal entity chooses to negotiate a rate, which the non-federal entity may do at any time. This step may not be applicable depending on the timing of the use of the rate.				
New	New substep under step, De Minimis Indirect Cost Rate as follows: For a non-federal entity conducting a single function, which is predominately funded by federal awards, we determined whether use of the de minimis indirect cost rate resulted in the non-federal entity double-charging or inconsistently charging costs as both direct and indirect.	Procedures	Enhancement		
AUD-805S Audit Program: Cash Management					
Modify	Minor wording changes in procedures	Procedures	Enhancement		
AUD-808S Audit Program: Equipment and Real Property Management					
Modify	Modified Practice Point as follows: Practice Point: The acquisition, accounting, internal controls, operations, and disposal of equipment is discussed throughout the Uniform Guidance. Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use. The acquisition cost of equipment is the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is	Instructions	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (U.S. GAAP). Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-federal entity's regular accounting practices. (2 CFR 200.1)</p> <ul style="list-style-type: none"> • Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equal or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000. . (2 CFR 200.1) • Computing devices are defined in the Uniform Guidance (200.1) as machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. • General purpose equipment is defined as equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. (200.1) • Information technology systems means as computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. (200.1) • Special purpose equipment means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers. (200.1) • Supplies means all tangible personal property other than those described in the definition of equipment. NOTE: A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. This means that many computers and similar peripherals may be judged as supplies. <p>For all equipment acquired in accordance with a federal award (200.313): Subject to the requirements and conditions set forth in Subpart D of the Uniform Guidance, title to equipment acquired under a Federal award will vest upon acquisition in the non-Federal entity. Unless a statute specifically authorizes the Federal agency to vest title in the non-Federal entity without further responsibility to the</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>Federal Government, and the Federal agency elects to do so, the title must be a conditional title. Title must vest in the non-Federal entity subject to the following conditions:</p> <ul style="list-style-type: none"> • Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project. • Not encumber the property without approval of the Federal awarding agency or pass-through entity. • Use and dispose of the property in accordance with requirements in 200.313. <p>A <i>state</i> must use, manage and dispose of equipment acquired under a federal award by the state in accordance with state laws and procedures.</p> <p><i>Non-Federal Entities OTHER THAN STATES</i></p> <p>Non-federal entities other than States must follow Uniform Guidance sections 313(c) through (e) which require that:</p> <ul style="list-style-type: none"> • Equipment must be used by the non-Federal entity in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award, and the non-Federal entity must not encumber the property without prior approval of the Federal awarding agency. The Federal awarding agency may require the submission of the applicable common form for equipment. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority: <ul style="list-style-type: none"> ○ Activities under a Federal award from the Federal awarding agency which funded the original program or project, then ○ Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems. (200.313(c)) • During the time that equipment is used on the project or program for which it was 				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>acquired, the non-Federal entity must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally-funded programs or projects is also permissible. User fees should be considered if appropriate. (200.313(c))</p> <ul style="list-style-type: none"> • Notwithstanding the encouragement in §200.307 to earn program income, the non-Federal entity must not use equipment acquired with the Federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the equipment. (200.313(c)) • When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property. (200.313(c)) • Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements: <ul style="list-style-type: none"> ○ Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number (FAIN)), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs 				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property (Section 313(d)(1)).</p> <ul style="list-style-type: none"> ○ A physical inventory of the property must be taken and the results reconciled with the property records at least once every 2 years (Section 313(d)(2)). ○ A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated (Section.313(d)(3)). ○ Adequate maintenance procedures must be developed to keep the property in good condition (Section 313(d)(4)). ○ If the non-federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return (Section 313(d)(5)). <ul style="list-style-type: none"> • When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. (200.313(e)) • Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions: <ul style="list-style-type: none"> ○ Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of 				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>with no further responsibility to the Federal awarding agency.</p> <ul style="list-style-type: none"> ○ Except as provided in §200.312(b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses. ○ The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property. ○ In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions. <p>Practice Point: See 200.315 for rules for Intangible Property and 200.311 for Real Property.</p>				
AUD-809S Audit Program: Matching, Level of Effort, EarMarking					
New	<p>New Note in instructions, as follows: Note: “Matching,” “level of effort,” and “earmarking” are defined as follows:</p>	Instructions	Clarification		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>1. Matching or cost sharing includes requirements to provide contributions (usually nonfederal) of a specified amount or percentage to match federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third party inkind contributions).</p> <p>2. Level of effort 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.</p> <p>3. Earmarking 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. Earmarking may also be specified in relation to the types of participants covered.</p>				
AUD-810S Audit Program: Period of Performance of Federal Funds					
New	<p>New Note in instructions, as follows:</p> <p>Note: In 2020 OMB updated the Uniform Guidance including significant changes to terminology in 200.1 The definition of period of performance was changed. Effective 11/12/20, the definition of period of performance is the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the period of performance in the Federal award per §200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.</p> <p>The requirements for the period of performance are contained in 2 CFR section 200.1 Definitions for “budget period,” “financial obligations,” “period of performance,” 2 CFR section 200.308 (revision of budget and program plans), 2 CFR section 200.309 (modifications to period of performance), 2 CFR section 200.344 (closeout), program</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	legislation, federal awarding agency regulations; and the terms and conditions of the award.				
AUD-811S Audit Program: Procurement and Suspension and Debarment					
Modify	Modified Practice Point at beginning of instructions of update the Uniform Guidance methods of procurement	Instructions	Enhancement		
New	New Practice Point as follows: Practice Alert: Note that the 2 CFR was revised on August 12, 2020 and the revisions were effective November 13, 2020. The revisions included higher thresholds for micro-purchase (\$10,000) and simple acquisitions (\$250,000). Although the UG revisions were effective on November 12, 2020, for awards provided by agencies that had adopted the revisions as of that date, certain agencies adopted the revisions after that date or have not adopted them as of the date of the 2021 Supplement. The status of adoption by agency is provided in Part 8, Appendix 2 to the 2021 Supplement. Due to the challenge and burden for an entity of adopting increased purchase thresholds policies for awards provided by certain agencies, but not for awards provided by other agencies, auditors are not expected to develop audit findings for entities that have implemented increased the purchase thresholds for all awards after November 12, 2020..	Instructions	Enhancement		
Modify	Minor wording changes in procedures	Procedures	Enhancement		
AUD-812S Audit Program: Program Income					
Modify	Modified step under “Identification of Potential Program Income” as follows: We reviewed the statutes, regulations, and the terms and conditions of the federal award applicable to the program and ascertained if program income was anticipated. If so, we ascertained the requirements for determining fo assessing the amount of program income, and the requirements for recording and using program income.	Procedures	Enhancement		
AUD-814S Audit Program: Reporting					
Modify	Modified Practice Point as follows: Practice Point: Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the “Transparency Act” that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). In accordance with OMB	Instructions	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>Memorandum M-20-21, Implementation Guidance for Supplementing Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19), existing Transparency Act subaward reporting requirements may be leveraged to meet the transparency requirements outlined in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Information input to FSRS is available at USASpending.gov as the publicly available website for viewing this information (https://www.usaspending.gov/search).</p> <p>Where the Reporting type of compliance requirement is marked as a “Y” in the Part 2 Matrix of Compliance Requirements, indicating it is subject to audit, auditors must test the compliance with the reporting requirements of 2 CFR Part 170 using the guidance in this section when the auditor determines Reporting to be direct and material and the recipient makes first tier awards. .</p> <p>See the 2021 <i>Compliance Supplement</i> for the Key Data Elements and Source of Governing Requirements.</p>				
Modify	<p>Modified step under “Special Testing of Reports – Uniform Guidance” as follows:</p> <p>We selected a sample of each of the following report types, and tested for accuracy and completeness by performing the following procedures.</p>	Procedures	Enhancement		
Modify	Minor wording changes in procedures	Procedures	Enhancement		
AUD-817S Audit Program: Schedule of Expenditures of Federal Awards					
New	<p>New Practice Points as follows:</p> <p>Practice Point: Provider Relief Funds have unique reporting requirements for the SEFA. Auditors should refer to the chart in Section IV. Other Information in Part 4 for for Assistance Listing Number 93.498.</p> <p>Practice Point: Although AU-C Section 725B does not require the auditor to obtain a separate understanding of the entity’s internal control or to assess fraud risk with respect to supplementary information, the auditor has additional responsibilities regarding internal control related to the schedule of expenditures of federal awards in a uniform guidance compliance audit for example, as part of the uniform guidance compliance audit, the auditor has a responsibility to consider internal control over compliance, including a consideration of internal control over the accuracy and completeness of the expenditure amounts reported in the schedule of expenditures of federal awards.</p> <p>Practice Point: When the auditor identifies deficiencies in internal control that relate to the auditee’s preparation of a complete and</p>	Instructions	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	accurate schedule of expenditures of federal awards, the auditor should evaluate the severity of each deficiency in internal control identified to determine whether the deficiency, individually or in combination, is a significant deficiency or material weakness in internal control over financial reporting, internal control over compliance, or both.				
Modify	Modified step 3(c) as follows: We evaluated whether COVID-19 expenditures are identified on a separate line by CFDA number with “COVID-19” as a prefix to the program name. (Primary Assertions: UC)	Procedures	Enhancement		Step will retain on roll forward if user selects to keep all responses on roll forward.
Modify	Modified step 7 as follows: We tested accuracy of the information presented on the SEFA, including Assistance Listing (FKA CFDA) numbers; federal agency names; cluster names; individual federal programs within clusters; pass-through entity names; and pass-through identifying numbers, by comparison to various source and other documents, such as underlying federal awards and grant records, OMB <i>Compliance Supplement</i> and https://sam.gov/content/assistance-listings for accuracy of the Assistance Listing (FKA CFDA) number and related program information. (Primary Assertions: AV, UC)	Procedures	Enhancement		Step will retain on roll forward if user selects to keep all responses on roll forward.

Practice Aids (AIDs) have been modified and updated, where applicable, with additional tips, references, and examples.

- **AID-301S Single Audit Applicability and Major Program Determination Form** Updated practice points and instructions providing guidance on the expenditures related to the American Rescue Plan (ARP) act. **AID-401S** Previous edition columns describing compensating controls have been incorporated into the overall consideration of controls effectiveness.
- **AID-401S Understanding General Controls for Information Technology** Updated Section III tables to remove columns regarding compensating controls and updating headers on other columns.
- **AID-402S Understanding Controls Over Compliance Maintained by a Service Organization** Updated to gather additional information about the service auditor’s report.
- **AID-702S Matrix of Compliance Requirements** Updated based on the 2021 Compliance Supplement.
- **AID-903S Audit Report Preparation Checklist** Divided into (Pre-SAS-134) and “**AID-903SB Audit Report Preparation Checklist (Post SAS-134)**” (Post SAS-134) versions.

Auditor’s Reports (RPTs) have been modified, updated and re-indexed, where applicable, in accordance with current guidance.

- **RPTs 0901S – 0907S** Added practice alerts regarding SASs, as applicable.
- **NEW RPTs 0920S – 932S**

Correspondence Documents (CORs) have been modified, updated and re-indexed, where applicable, in accordance with current guidance. Where needed, CORs with the appendix “A” are for use in Pre-134 engagements. Those appended “B” are for use in engagements conducted in accordance with SASs 134-141.

- **CORs 201S through 205S (Engagement Letters)** Moved language regarding nonattest services; Added step 4. To management’s responsibilities, added language regarding hosting; added footnote regarding preparation of financial statements
- **CORs 901S, 902S, 903S** Removed language addressing election to defer implementation sections of the uniform guidance.
- **NEW COR-201SB, 202SB, 203SB, 204SB, 205SB, 901SB, 902SB, 903SB**

Resource Documents (RESs)

- **RES-001S Knowledge-Based Audit Methodology Overview for Single Audits** Minor updates
- **RES-002S Index of Audit Programs, Forms, and Other Practice Aids** Updated as needed
- **RES-004S Audit Sampling Guidance for Tests of Controls over Compliance** Minor updates.

In addition, forms and practice aids throughout have been updated to include new examples and tips and, where applicable, to take into account:

New literature, standards, and developments, reflected in the following current audit and accounting guidance:

Statements on Auditing Standards (SASs):

SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*

SAS No. 135, *Omnibus Statement on Auditing Standards – 2019*;

SAS No. 137, *The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports*;

SAS No. 138, *Amendments to the Description of the Concept of Materiality*;

SAS No. 139, *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes From SAS No. 134*;

SAS No. 140, *Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes From SAS Nos. 134 and 137*

Government Auditing Standards, 2018 Revision

2019 Compliance Supplement

2019 Data Collection form and discussion of the Uniform Guidance

Users of this content should consider guidance issued subsequent to these items to determine their effect on engagements conducted using this product.

RELATED, FOUNDATIONS AND ASSOCIATION WORKPAPERS FOR THIS TITLE

Related workpapers are Knowledge Coach Word workpapers where information flows in or out of tables within the workpaper. Some of these related workpapers are Foundation workpapers or associated workpapers.

Foundation Workpapers include most of the Communication Hub workpapers, which are central to the Knowledge-Based Audit Methodology used by the Knowledge Coach titles.

Associated workpapers require you to associate them with custom values, such as audit areas, specialists, service organizations, and other items. Workpapers require an association when you need to have more than one instance of a particular Knowledge Coach workpaper in your binder for each type of item to which the workpaper is related.

Making this association allows Knowledge Coach information to flow properly between workpapers.

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA s	KNOWLEDGE-BASED AUDIT DOCUMENTS		
KBA-101S	Overall Uniform Guidance Compliance Audit Strategy	X	
KBA-102S	Uniform Guidance Compliance Audit Significant Matters	X	
KBA-103S	Summary and Evaluation of Noncompliance	X	X
KBA-104S	Evaluating and Communicating Deficiencies in Internal Control over Compliance	X	
KBA-301S	Determination of Materiality at the Major Program and Compliance Requirement Levels		
KBA-302S	Understanding the Entity's Program Environment		
KBA-303S	Inquiries of Management and Others within the Entity about the Risks of Fraud in a Uniform Guidance Compliance Audit		
KBA-400S	Identification of Applicable Compliance Requirements	X	
KBA-401S	Understanding Entity-Level Controls over Compliance		
KBA-402S	Understanding Compliance Requirement-Level Controls: Activities Allowed and Unallowed and Allowable Costs/Cost Principles		X

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-403S	Understanding Compliance Requirement-Level Controls: Cash Management		X
KBA-404S	[Not in Use]		
KBA-405S	Understanding Compliance Requirement-Level Controls: Eligibility		X
KBA-406S	Understanding Compliance Requirement-Level Controls: Equipment and Real Property Management		X
KBA-407S	Understanding Compliance Requirement-Level Controls: Matching, Level of Effort, and Earmarking		X
KBA-408S	Understanding Compliance Requirement-Level Controls: Period of Performance of Federal Funds		X
KBA-409S	Understanding Compliance Requirement-Level Controls: Procurement and Suspension and Debarment		X
KBA-410S	Understanding Compliance Requirement-Level Controls: Program Income		X
KBA-411S	[Not in Use]		
KBA-412S	Understanding Compliance Requirement-Level Controls: Reporting		X
KBA-413S	Understanding Compliance Requirement-Level Controls: Subrecipient Monitoring		X
KBA-414S	Understanding Compliance Requirement-Level Controls: Special Tests and Provisions		X
KBA-501S	Team Discussion of the Risks of Material Noncompliance		
KBA-502S	Summary of Assessments of Risks of Noncompliance	X	X
KBA-503S	Basis for Assessment of Inherent Risk of Noncompliance		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-902S	Uniform Guidance Compliance Audit Review and Approval Checklist		
KBA-903S	Uniform Guidance Compliance Audit Documentation Checklist		
AUDs	AUDIT PROGRAMS		
AUD-100S	Engagement-Level Tailoring Questions	X	
AUD-101S	Overall Audit Program: Uniform Guidance Audit of Federal Awards	X	
AUD-601S	Audit Program: Testing and Evaluating Internal Auditors' Work		
AUD-602S	Audit Program: Involvement of a Component Auditor		X
AUD-603S	Audit Program: Using the Work of an Auditor's Specialist		X
AUD-604S	Audit Program: Using the Work of a Management's Specialist		X
AUD-701S	Audit Program: Designing Tests of Controls over Compliance		
AUD-801S	Audit Program: Activities Allowed or Unallowed		X
AUD-802S	Audit Program: Allowable Costs and Cost Principles (States, Local and Tribal Governments)		X
AUD-803S	Audit Program: Allowable Costs and Cost Principles (Institutions of Higher Education)		X
AUD-804S	Audit Program: Allowable Costs and Cost Principles (Non-Profit Organizations)		X
AUD-805S	Audit Program: Cash Management		X

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-806S	[Not in Use]		
AUD-807S	Audit Program: Eligibility		X
AUD-808S	Audit Program: Equipment and Real Property Management		X
AUD-809S	Audit Program: Matching, Level of Effort, Earmarking		X
AUD-810S	Audit Program: Period of Performance of Federal Funds		X
AUD-811S	Audit Program: Procurement and Suspension and Debarment		X
AUD-812S	Audit Program: Program Income		X
AUD-813S	[Not in Use]		
AUD-814S	Audit Program: Reporting		X
AUD-815S	Audit Program: Subrecipient Monitoring		X
AUD-816S	Audit Program: Special Tests and Provisions		X
AUD-817S	Audit Program: Schedule of Expenditures of Federal Awards		
AUD-901S	Audit Program: Subsequent Events		
AIDs	PRACTICE AIDs		
AID-401S	Understanding General Controls over Compliance for Information Technology		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AID-402S	Understanding Controls over Compliance Maintained by a Service Organization		X
AID-601S	Considering Reliance on the Work of Internal Auditors		
AID-701S	Audit Sampling Worksheet for Tests of Controls over Compliance		
AID-901S	Differences of Professional Opinion: Uniform Guidance Compliance Audit		

Additional Information for Associated Workpapers

The following tables list the workpapers that require association in this title, along with the information that must be completed before you can insert each workpaper.

<i>Workpaper Requiring Association</i>	<i>What is it associated with?</i>		
	<i>Workpaper</i>	<i>Table/Question</i>	<i>Association Item (Custom Value)</i>
KBA-411 Understanding Ctrl: Service Org (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the entity use service organizations? Shows the "Document the service organizations used by the entity." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the service organizations used by the entity.	Service Organization
AUD-602 Audit Program: Component Auditor Involvement (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor plan to rely on audit evidence provided by a component auditor? is "Yes" Shows the "Document the audit evidence provided by the component auditor(s) that the engagement team will rely on in our engagement." table in KBA- 101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the audit evidence provided by the component auditor(s) that the engagement team will rely on in our engagement.	Audit Firm Name
AUD-603 Audit Program: Auditor's Specialist (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor intend to use a specialist on this engagement? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Auditor's Specialist from the Type of Specialist Column	Specialist Firm Name
AUD-604 Audit Program: Management's Specialist (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor intend to use a specialist on this engagement? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Management's Specialist from the Type of Specialist Column.	Specialist Firm Name
AUD-800 Audit Program: (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	What financial statement audit areas are applicable to this engagement? "Customize Audit Area" link within the answer selection box.	Custom Audit Area