

2017 SINGLE AUDIT 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 2016 *Knowledge-Based Single Audit* has been updated where applicable to take into account new or pending compliance auditing standards and guidance, and their applicability to single audits, as well as the 2017 OMB Compliance Supplement. Many new tips and examples have been incorporated. The 2017 tools include links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers. The 2017 edition of Knowledge-Based Single Audits is current through Statement on Auditing Standards (SAS) No. 132, *The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern*; *Government Auditing Standards*, the revised AICPA Code of Professional Conduct (Code); ET Section 1.295, *Nonattest Services*; *Government Auditing Standards*, December 2011 Revision; and the 2017 OMB Compliance Supplement. The 2017 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 is guidance on the 2017 Data Collection form and discussion of the Uniform Guidance. Finally, where applicable, the provisions of the updated Committee of Sponsoring Organizations (COSO) 2013 update to *Internal Control—Integrated Framework* is referenced and incorporated.

The 2017 edition of *Knowledge-Based Single Audit* 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					
Modify	Renamed first column of Major Program Table to: Program (or Cluster) Name (Please limit to 15 character maximum). This will help to cut down on having to rename workpapers associated to a major program when inserting into Engagement due to the character limit of workpaper names	Table	N		The listed major programs will retain on roll forward.
New	Added a new column, “Description of Full Program or Cluster Name” to Major Program Table.	Table	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	This was added so that user could use the first column to use a shortened name and the user can describe the major program or list the full name in this new 2 nd column				
Modify	Moved information about the Uniform Guidance from a Practice Point to the main text of the Purpose Section	Purpose	N		
KBA-103S Summary and Evaluation of Noncompliance					
New	New flow of the “No.” column of Section 1 Table “Instances of Known and Likely Noncompliance” when the user as answered, “No” to column, “Included in Schedule of Findings and Questioned Costs?” will flow to the 2 nd table of this section where the user should explain why these instances of noncompliance were not included in the Schedule of Findings and Questioned Costs.	Table	N		
KBA-104S Evaluating and Communicating Deficiencies in Internal Control over Compliance					
Modify	Updated, modified, and reorganized throughout; added instructions and column as to whether prudent official would reach same conclusion; revised flow Table for accumulating and evaluating internal control deficiencies has been reorganized as two tables: Evaluation of Internal Control Deficiencies (15 columns) and Communication of Internal Control Deficiencies (11 columns); instructions modified accordingly. If the deficiency is noted in Column 12, 14, or 15 to be a Material Weakness, Significant Deficiency, or a Deficiency in Internal Control, respectively, the Deficiency Number, Description of Control Deficiency, and Description of the Potential Effect will flow to the first 3 columns in the new second table.	Purpose; Text; Table	Y	Peer review checklist	The following columns will be retained on roll forward as long as the setting from the associated workpaper where the deficiency is flowing from is set to keep: 1. Defic. No.; 2. WP. Ref.; 3. Description of Control Deficiency; 4. Description of the Potential Effect; 5. Major Program(s) or Award Amounts Affected; 6. New Deficiency or Previously Communicated Deficiency That Has Not Yet Been Remediated; 7. Relevant Type of Compliance Requirement Affected; 8. Internal Control Component Affected; 9. If there is a Commonality with Any Other Deficiency, List Defic. No. & Any Common Factor(s); 10. Is It at Least Reasonably Possible That the Entity’s Controls Will Fail to Prevent or Detect and Correct Noncompliance?; 11. Could Noncompliance That Is Not Prevented, or Detected and Corrected by Internal Control, Potentially Be Material?
New	Potential Error Diagnostic in Table 1: If column 13 is marked as “No” then column 12 should be “Yes”. Diagnostic will appear if column 13 is “No” and column 12 is “No”.				
New	Potential Error Diagnostic in Table 2: This deficiency has been determined to be a material weakness or significant deficiency which is REQUIRED to be communicated to those charged with governance IN WRITING.				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	If column 12 or 14 in Table 1 is marked as “Yes” and user selects “Orally” in column 4 of new table then diagnostic above will appear.				
KBA-303S Inquiries of Management and Others Within the Entity About the Risks of Fraud in a Uniform Guidance Compliance Audit					
Modify	Added “Date” line and field to the Name and Title panels throughout.	Table	N		
KBA-401S Understanding Entity-Level Controls Over Compliance: Complex Entities					
Modify	<p>Modified Instructions for Tables and moved “Describe the Deficiency” to the end; steps 7 through 12 now read as follows:</p> <p><i>If Column 6 Is “No”, Describe Compensating Controls, If Any.</i> Describe the nature of any compensating controls identified.</p> <p><i>If Column 6 Is “No”, Are Compensating Controls Selected for Operating Effectiveness Testing?</i> Determine whether the compensating controls identified mitigate the risk of material misstatement when controls are not effectively designed and implemented.</p> <p><i>Do Compensating Controls Adequately Reduce the Risks of Material Noncompliance.</i> Describe the risks of material misstatement when controls are not effectively designed and implemented.</p> <p><i>If Column 9 is “No,” Describe the Risks of Material Noncompliance?</i> Choose “Yes” or “No” to document whether the control identified will be further tested for operating effectiveness.</p> <p><i>Are the Relevant Principles Functioning for this Component of Internal Control?</i> Document whether the control activity is functioning effectively.</p> <p><i>If Column 2, 6, 9, or 11 Is “No”, Describe the Deficiency.</i> Control deficiencies noted here will flow to KBA-104S Evaluating and Communicating Deficiencies in Internal Control Over Compliance.</p> <p>If you select “No” in the following columns your control deficiency documented in the last column will flow to KBA-104S: Are Relevant Principles of Points of Focus Present, Are the Identified Controls Effectively Designed</p>	Instructions	N		These columns will retain on roll forward using the default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	and Implemented, Do Compensating Controls Adequately Reduce the Risks of Material Noncompliance, Are the Relevant Principles Functioning for this Component of Internal Control				
KBA-402S Understanding Compliance Requirement-Level Controls: Activities Allowed and Unallowed and Allowable Costs/Cost Principles through KBA-414S Understanding Compliance Requirement-Level Controls: Special Tests and Provisions					
Modify	Ability to insert custom rows anywhere in the subprocess table	Table	N		
Modify	<p>Step 4 Instructions modified and columns modified and reorganized.</p> <p>Column 8 now reads: <i>Compensating Controls, If Any</i></p> <p>Column 9 now reads: <i>Do Compensating Controls Adequately Reduce the Risks of Noncompliance Created by the Deficiency?</i></p> <p>Column 10 now reads: <i>If Column 9 Is “No”, Describe the Risks of Noncompliance</i></p> <p>Column 11 now reads: <i>If Column 9 is “Yes”, Are the Controls Selected for Operating Effectiveness Testing?</i></p> <p>Column 12 now reads: <i>Are Controls Functioning?</i></p> <p>Column 13 now reads: <i>If Controls Are Not Implemented, Not Designed Effectively, Only Partially Effective or Not Functioning, Describe the Control Deficiency</i></p> <p>Column 14 now reads: <i>Workpaper Reference, if applicable</i></p> <p>If you select “No” in the following columns your control deficiency documented will flow to the conclusion section: Are Controls Designed Effectively, Are Key Controls Implemented, Do Compensating Controls Adequately Reduce the Risks of Noncompliance Created by the Deficiency or Are Control Activities Functioning. Also, if you select “Partially” in column, Are Controls Designed Effectively, the control deficiency documented will flow to the conclusion section.</p>	Instructions; Table	N		These columns will retain on roll forward using the default settings.
KBA-403S Understanding Compliance Requirement-Level Controls: Cash Management					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Add	Added the following control objective: For non-federal entities that receive reimbursement payments under cost-reimbursement contracts under the Federal Acquisition Regulations (FAR) and cost-reimbursement subcontracts under these contracts, requested payments are in compliance with 48 CFR§52.216-7(b).	Table	N		
KBA-405S Understanding Compliance Requirement-Level Controls: Eligibility					
Modify	Modified the first control objective which now reads: To provide reasonable assurance that only eligible individuals and organizations (including obtaining any required documentation / verification) (or groups of participants including area of service delivery) receive assistance under federal award programs.	Table	N		This procedure will retain on roll forward
KBA-409S Understanding Compliance Requirement-Level Controls: Procurement and Suspension and Debarment					
Add	Added the following Practice Alert to the Instructions Practice Alert: 2 CFR section 200.110(a), Effective/Applicability Date was amended on May 17, 2017 to allow non-Federal entities to continue to comply with the procurement standards in OMB Circular A-110 or the A-102 common rule, as applicable, through December 25, 2017, extending the grace period from 2 years to 3 years. Implementation of the procurement standards in 2 CFR sections 200.317 through 200.326 is now required for auditee fiscal years beginning on or after December 26, 2017. For example, for a non-Federal entity with a June 30th year end, implementation is required for its fiscal year beginning July 1, 2018. ending June 30. If a non-Federal entity chooses to use the previous procurement standards for the additional three fiscal years before adopting the procurement standards in 2 CFR part 200, the non-Federal entity must document this decision in its internal procurement policies. Auditors will review procurement policies and procedures based on the documented standard. Once the grace period ends, all non-Federal entities will be required to comply fully with the procurement standards in the uniform guidance.	Instructions	Y	2 CFR section 200.110(a)	
KBA-413S Understanding Compliance Requirement-Level Controls: Subrecipient Monitoring					
Delete	Deleted the following Control Objective: To provide reasonable assurance that the PTE monitored subrecipient activities	Table	N		
KBA-502S Summary of Assessments of Risks of Noncompliance					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	<p>Instructions Section II, Assertion-Level Risks, added the following to step 3:</p> <p>Additionally, the Uniform Guidance does recognize that in certain cases internal control over some or all of the compliance requirements for a major program may be likely to be ineffective in preventing or detecting noncompliance. In those cases, the auditor does not have to plan the testing of internal control over compliance to support a “Low” control risk assessment. However, the auditor must report a significant deficiency or material weakness, assess the related control risk at maximum, and consider whether additional compliance tests are required because of ineffective internal control.</p>	Instructions	N		
Modify	<p>Added example (reminder) for user to document the planned overall response to management override in Section I: Financial-Statement-Level Risks</p> <p>Planned response must incorporate an element of unpredictability in designing further audit procedures (describe)</p>	Table	Y		This will only show in a new binder or if you roll forward using the default roll forward settings. If you keep all responses for KBA-502 on roll forward then this language will not show only what the user had here in the prior binder.
KBA-901S Schedule of Expenditures of Federal Awards Presentation and Disclosure Checklist					
Modify	<p>Added the following Practice Point to the Purpose:</p> <p>Practice Alert: Due to the ongoing effort to improve single audit quality, the AICPA Government Audit Quality Center has enhanced existing procedures with regard to documentation and compliance with the provisions of the Uniform Guidance. Those enhancements are included as part of this tool.</p>	Purpose	N		
Modify	<p>Modified all steps to more closely align with the suggested procedures in the AICPA’s <i>Guide to Government Auditing Standards and Single Audits</i>.</p>	Table	N	AICPA’s Guide to GAS and SAs	Entire workpaper will RESET on roll forward due to content changes.
KBA-903S Uniform Guidance Compliance Audit Documentation Checklist					
Modify	<p>Added the following Practice Point to step 28:</p> <p>Practice Point: Under the Uniform guidance, auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information.</p>	Procedures steps	N		

Audit Programs (AUDs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
AUD-101S Overall Audit Program: Uniform Guidance Audit of Federal Awards					
Modify	Modified step 16, which now reads: Obtain a copy of all significant federal awards, contracts, or agreements with federal compliance requirements, and review each contract or agreement for special compliance requirements or other issues that could affect the compliance audit scope.	Procedures steps	N		Step will retain on roll forward if using keep all responses.
Modify	Modified step 20, which now reads: 1. Obtain an understanding of the entity's business operational / compliance rationale for significant unusual transactions and whether that suggests the transactions may have been entered into to engage in fraudulent compliance or conceal misappropriation of assets. In obtaining such an understanding, consider the following: a. Whether the structure of such transactions is unnecessarily complex (e.g., involving multiple entities within a consolidated group or unrelated third parties). b. Whether management has informed those charged with governance about the nature of and accounting for such transactions. c. Whether management is emphasizing the need for a particular treatment over the underlying economics of the transaction.	Procedures steps	N		Step will retain on roll forward if using keep all responses.
Modify	Modified Step 22, which now reads: Review the minutes from governing body/board meetings and other relevant committee meetings. (May also be performed as part of a related financial audit).	Procedures steps	N		Step will retain on roll forward if using keep all responses.

Modify	<p>Modified step 32, which now reads: Perform and document risk assessment procedures to obtain an understanding of relevant entity-level controls over compliance, including consideration of information technology (IT) and “what could go wrong.”</p> <p><i>KBA-401S Understanding Entity-Level Controls over Compliance: Complex Entities</i> <i>KBA-401N Understanding Entity-Level Controls over Compliance: Noncomplex Entities</i></p> <p><i>AID-401S</i> Understanding General Controls over Compliance for Information Technology</p>	Procedures steps	N		Step will retain on roll forward if using keep all responses.
Add	<p>Added step 60, which reads:</p> <p>2. Verify that the determination of major programs is accurate given adjustments that may have been made after the initial determination.</p> <p><i>AID-301S Single Audit Applicability and Major Program Determination Form</i></p>	Procedures steps	N		
Modify	<p>Modified step 72, which now reads:</p> <p>3. Assess the reasonableness of the summary schedule of prior audit findings that was prepared by the entity and verify that it includes all of the elements required under the Uniform Guidance.</p> <p>Practice Point: The schedule should report the status of all audit findings included in the prior audit’s schedule of findings and questioned costs relative to federal awards. It also should include audit findings reported in the prior audit’s summary schedule of prior audit findings, except audit findings that have been corrected or are no longer valid. Prior audit findings that remain valid and uncorrected should be included in the schedule regardless of the year they were first reported.</p> <p><i>RPT-909S Summary Schedule of Prior Audit Findings</i></p>	Procedures steps	N		Step will retain on roll forward if using keep all responses.
Add	<p>Added step 73, which now reads:</p> <p>Obtain the corrective action plan that was prepared by the entity and verify that it included all of the elements required by the Uniform Guidance.</p> <p><i>RPT-910S Corrective Action Plan</i></p>	Procedures steps	N		
AUD-604S Audit Program: Using the Work of a Management’s Specialist					

Modify	Under “Evaluating the Competence, Capabilities, and Objectivity of the Management’s Specialist,” modified step 4, which now reads as follows: The following describes our understanding of the nature, scope and objectives of the work of management’s specialist, as well as, complexity and nature of the matter to which management’s specialist will perform work, including the risk of material misstatement related to the matter and the procedures we performed to gain that understanding:	Procedures steps	N		Step will retain on roll forward if using keep all responses.
Modify	Under “Evaluating the Competence, Capabilities, and Objectivity of the Management’s Specialist,” modified step 5, now reads as follows: The following describes our understanding of the management’s specialist’s relationship with the entity and the procedures we performed to gain that understanding, including the extent to which management exercises control over the specialist and the procedures we performed to gain that understanding:	Procedures steps	N		Step will retain on roll forward if using keep all responses.
AUD-701S Audit Program: Designing Tests of Controls Over Compliance					
Modify	Modified the first practice point in the Purpose to include the following: AU-C Section 935, <i>Compliance Audits</i> , par. 20 reminds the auditor that he or she should design and perform further audit procedures in response to assessed risks of material noncompliance. Those procedures should include performing the tests in this program if: <ul style="list-style-type: none">• The auditor’s risk assessment includes an expectation of the operating effectiveness of controls over compliance related to the direct and material compliance requirements;• Substantive procedures alone do not provide sufficient appropriate audit evidence; or• Such tests of controls over compliance are required by a governmental audit requirement.	Purpose	N		
Modify	Added the following sentence to the second paragraph of the instructions: Attributes sampling is typically used for tests of controls over compliance and compliance testing in a Uniform Guidance compliance audit.	Instructions	N		
AUD-801S Audit Program: Activities Allowed or Unallowed through AUD-816S Audit Program: Special Tests and Provisions					
Modify	Minor wording changes for consistency.	Procedures steps	N		

AUD-802S Audit Program: Allowable Costs and Cost Principles (States, Local, and Tribal Governments)					
Modify	<p>Modified step 1d, which now reads: For a non-Federal entity conducting a single function, which is predominately funded by federal awards, we determined whether the use of the de minimis indirect cost rate resulted in the entity receiving any indirect cost reimbursement for costs also charged as a direct cost (double-charging or inconsistently charging).</p> <p>Added Practice Point to step 4a: Practice Point: Paragraph D requires the submission of indirect cost proposals in order to claim indirect costs (if applicable,), retaining the documentation supporting the proposal for audit purposes and submitting the proper, required certification to the proposal.</p> <p>Added Practice Point to step 6: Practice Point: This documentation includes, but is not limited to organizational charts a copy of the comprehensive annual financial report (CAFR,) or the budget if budgeted costs are being proposed, certifications, a description of the allocated central services, a description and details on billed services and a required certification utilizing the required language in Appendix V.</p>	Procedures steps	N		Step will retain on roll forward if using keep all responses.
AUD-803S Audit Program: Allowable Costs and Cost Principles (Institutions of Higher Education)					
Modify	<p>Modified step 2a, which now reads: We ascertained if indirect costs or centralized or administrative services costs were allocated or charged to a major program. (If not, skip to item 12, marking the interim steps between this step and item 12 as “N/A” and documenting how this conclusion was made).</p>	Procedures steps	N		Step will retain on roll forward if using keep all responses.
AUD-811S Audit Program: Procurement and Suspension and Debarment					
Modify	<p>First two TQs have been modified but will have the same Mark N/A functions as the prior TQs.</p>				Both these TQ’s answers will retain on roll forward if using keep all responses.
Modify	<p>Added Practice Alert to the second practice point in the Purpose as follows: Practice Alert: There is considerable controversy to the \$3,000 threshold. The Federal Acquisition Regulation for certain federal agencies (Defense, General Services Administration and NASA) raised the threshold to \$3,500 in a federal register posting effective October 1, 2015. A proposed act (National Defense Authorization Act) further increases this threshold to \$5,000. At publication of this tool, the Act had not been finalized. Care must be taken by the auditor to determine which threshold applies. (See also further Practice Alert discussing election to delay these federal procurement provisions).</p>	Purpose	N		

Modify	<p>Added Practice Alert to the Purpose section as follows:</p> <p>Practice Alert: 2 CFR section 200.110(a), Effective/Applicability Date, was amended on May 17, 2017, to allow non-Federal entities to continue to comply with the procurement standards in OMB Circular A-110 or the A-102 common rule, as applicable, through December 25, 2017, extending the grace period from 2 years to 3 years. Implementation of the procurement standards in 2 CFR sections 200.317 through 200.326 is now required for auditee fiscal years beginning on or after December 26, 2017. For example, for a non-Federal entity with a June 30th year end, implementation is required for its fiscal year beginning July 1, 2018 ending June 30.</p> <p>If a non-Federal entity chooses to use the previous procurement standards for the additional three fiscal years before adopting the procurement standards in 2 CFR part 200, the non-Federal entity must document this decision in its internal procurement policies.</p> <p>Auditors will review procurement policies and procedures based on the documented standard. Once the grace period ends, all non-Federal entities will be required to comply fully with the procurement standards in the uniform guidance.</p>	Purpose	Y	2 CFR section 200.110(a)	
Modify	<p>Modified step 1, which now reads:</p> <p>We obtained a copy of the entity's procurement policies, and verified that the policies comply with applicable federal requirements, including documenting its decision to follow the procurement standards in OMB Circular A-110 or the A-102 common rule, as applicable, in its internal procurement policies.</p>	Procedures steps	N		Step will reset on roll forward due to content changes.
AUD-817S Audit Program: Schedule of Expenditures of Federal Awards					
Add	<p>Added Practice Alert to the Purpose as follows:</p> <p>Practice Alert: Due to the ongoing effort to improve single audit quality, the AICPA Government Audit Quality Center has enhanced existing procedures with regard to documentation and compliance with the provisions of the Uniform Guidance. Those enhancements are included as part of this tool.</p> <p>Added the following to the first Practice Point in the Purpose:</p> <p>The SEFA, which is prepared by the auditee and considered supplementary information to the financial statements, is a key part of the reporting package required by the Uniform Guidance. The auditor is required to determine whether the SEFA is fairly stated, in all material respects, in relation to the auditee's financial statements as a whole. AU-C section 725, Supplementary Information in Relation to the Financial Statements as a Whole, addresses the auditor's responsibility when engaged to provide an in-relation-to opinion. In addition, the Uniform Guidance places the responsibility for identifying major programs on the auditor, and the SEFA serves as the primary basis for the auditor's major program determination. Therefore, appropriate major program determination by the auditor is dependent on the accuracy and completeness of the information in the SEFA.</p>	Purpose	N		The entire Section III: Substantive Audit Procedures will reset on roll forward due to content changes.

Add	Added the following to Section III of the Instructions: <i>Conditions Necessary to Provide an In-Relation-To Opinion on the SEFA</i> The AICPA's <i>Guide to Government Auditing Standards and Single Audits</i> notes that AU-C section 725, Supplementary Information in Relation to the Financial Statements as a Whole (AU-C 725) identifies certain conditions that have to be met in order for an auditor to opine on the Schedule of Expenditures of Federal Awards (SEFA) in relation to the financial statements as a whole.	Instructions	N		
Modify	Modified all steps in Section III Substantive Audit Procedures to more closely align with the suggested procedures in the AICPA's <i>Guide to Government Auditing Standards and Single Audits</i> .	Procedures	N		

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

- **RPTs 901S Unmodified Opinion on Governmental Basic Financial Statements, with Required Supplementary Information, Supplementary Information Including Schedule of Expenditures of Federal Awards, and Other Information and 902S Unmodified Opinion on Not-for-Profit Organization Financial Statements, with Schedule of Expenditures of Federal Awards Supplementary Information (Uniform Guidance)** Minor modifications to the paragraph *Other Reporting Required by Government Auditing Standards*; Added additional guidance and practice points.
- **RPT-903S Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Unmodified Opinion on Compliance for Each Major Federal Program; No Reportable Audit Findings of Noncompliance; No Material Weaknesses or Significant Deficiencies in Internal Control over Compliance Identified)** Minor modifications to the first paragraph; Minor modifications to the paragraph *Management's Responsibility*; Updated the third paragraph of the section *Report on Internal Control over Compliance* to match the illustrative report in the AICPA's *Guide to Government Auditing Standards and Single Audits*; Modified guidance and practice points.
- **RPTs 904S, 905S, 907S, 908S, 913S** Minor modifications throughout to match the illustrative report in the AICPA's *Guide to Government Auditing Standards and Single Audits*.
- **NEW RPT-0904AS Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Unmodified Opinion on Compliance for Each Major Federal Program; Material Weakness in Internal Control over Compliance Identified, No Significant Deficiencies in Internal Control over Compliance Identified)**
- **RPT-906S Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Adverse Opinion on Compliance for One Major Federal Program; Unmodified Opinion on Compliance on Each of the Other Major Federal Programs; Material Weaknesses and Significant Deficiencies in Internal Control over Compliance Identified)** Modified the paragraph *Basis for Qualified Opinion* to match the illustrative report in the AICPA's *Guide to Government Auditing Standards and Single Audits*.
- **RPTs 909S Summary Schedule of Prior Audit Finding, 910S Corrective Action Plan** Added practice point regarding common deficiencies in the Corrective Action Plan and Summary Schedule of Prior Audit Findings.
- **RPTs 911S Unmodified Opinion on the Financial Statement of a Federal Program When Using the Program-Specific Audit Option to Satisfy the Uniform Guidance Audit Requirements and 912S Report on Compliance for a Federal Program and Report on Internal Control over Compliance When Using the Program-Specific Audit Option to Satisfy the Uniform Guidance (Unmodified Opinion on Compliance; No Material Weaknesses or Significant Deficiencies in Internal Control over Compliance Identified)** Modified to match the illustrative report in the AICPA's *Guide to Government Auditing Standards and Single Audits*.

Correspondence Documents (COR) have been modified and updated, where applicable, in accordance with current guidance.

- **CORs 201AS, 201CS, 202AS, 202CS, 203S** Updated management's responsibilities to be more consistent with the AICPA's *Guide to Government Auditing Standards and Single Audits*.
- **COR-204S Communication with Predecessor Auditor Prior to Client/Engagement Acceptance** Added additional guidance and practice points.
- **COR-213S Communication with Those Charged with Governance during Planning** Added footnote about group audit.
- **CORs 901S Management Representation Letter: Government Entity Single Audit and 902S Management Representation Letter: Not-for-Profit Entity Single Audit** Updated single audit representations to be more consistent with the AICPA's *Guide to Government Auditing Standards and Single Audits*; added practice point regarding Going Concern.
- **COR-903S Management Representation Letter: Single Audit Representations Only Updated** representations to be more consistent with the AICPA's *Guide to Government Auditing Standards and Single Audits*.

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

- **Deleted: AID-304S List of Clusters and Programs Contained in the OMB Compliance Supplement** (information is now available in AID-302S).
- **AID-201S Nonattest Services Independence Checklist** Modified and updated with additional examples and tips; columns added to Section I table on Nature of Nonattest Services Provided; Section II table column heading modified for document-specific considerations; clarifications added based on peer review checklist; changes also made based on industry author recommendations.
- **AID-301S Single Audit Applicability and Major Program Determination Form** Completely re-tooled to accumulate clusters and programs, verify cluster information based on the cluster list in the 2017 Compliance Supplement, and more easily evaluate federal programs in order to properly identify major programs.
- **AID-302S Subrecipient versus Contractor Considerations** Updated practice alert regarding contractor relationships with specific examples.
- **AID-401S Understanding General Controls over Compliance for Information Technology** Minor wording modifications throughout.
- **AID-601S Considering the Use of the Work of Internal Auditors** Removing flow on steps 9, 10, and 11 that flow to KBA-102S. Flow will remain on other steps within this workpaper.
- **AID-602S Understanding and Preliminary Assessment of the Entity's Internal Audit Function** Minor wording modifications throughout.
- **AID-701S Audit Sampling Worksheet for Tests of Controls over Compliance** Deleted Practice Alert; Added Practice Point.
- **AID-702S Matrix of Compliance Requirements** Updated for changes in the 2017 Compliance Supplement
- **AID-801S Audit Sampling Worksheet for Substantive Tests of Compliance** Modified and clarified; moved risk tables to a separate tab; updated formula to use the visible tables; updated formulas to prevent sample size from exceeding population size; added alerts if using a factor of less than 3 to determine ISI.
- **AID-903S Audit Report Preparation Checklist** Added Practice Alert re: the AICPA Governmental Audit Quality Center; Added and modified many TQs and procedural steps to more closely align with the AICPA's *Guide to Government Auditing Standards and Single Audits*.

Resource Documents (RESs)

- **RES-001S Knowledge-Based Audit Methodology Overview for Single Audits** modified and updated.
- **RES-002S Index of Audit Programs, Forms, and Other Practice Aids** modified as appropriate to incorporate new workpapers.
- **RES-003S Government Auditing Standards and Single Audits** modified and updated.
- **RESs 010S, 012S, 014S, 020S** updated for control objectives that were modified/added/deleted in the related KBA.

- **RES-016S Control Objectives and Examples of “What Can Go Wrong” and Related Controls That Address What Can Go Wrong: Procurement and Suspension and Debarment** added practice point regarding extension of grace period.
- **New KCO-003 Answer Effects for the Engagement-Level Tailoring Questions Workpaper**

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:

- Statement on Auditing Standards (SAS) No. 132, *The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern*;
- Government Auditing Standards;
- AICPA Code of Professional Conduct (Code); ET Section 1.295, *Nonattest Services*;
- 2017 OMB Compliance Supplement;
- 2CFR200, the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (the Uniform Guidance);
- AU-C Section 935, Compliance Audits;
- Committee of Sponsoring Organizations (COSO) 2013 update to *Internal Control —Integrated Framework*
- Government Auditing Standards, December 2011 Revision (Yellow Book).

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: Complex Entities		
KBA-302N	Understanding the Entity's Program Environment: Noncomplex Entities		
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: Complex Entities		
KBA-401N	Understanding Entity-Level Controls over Compliance: Noncomplex Entities		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-402S	Understanding Compliance Requirement-Level Controls: Activities Allowed and Unallowed and Allowable Costs/Cost Principles		X
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-901S	Schedule of Expenditures of Federal Awards Presentation and Disclosure Checklist		
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

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-805S	Audit Program: Cash Management		X
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-201S	Nonattest Services Independence Checklist		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AID-302S	Subrecipient versus Contractor Considerations		
AID-401S	Understanding General Controls over Compliance for Information Technology		
AID-402S	Understanding Controls over Compliance Maintained by a Service Organization		X
AID-601S	Considering Reliance on the Work of Internal Auditors		
AID-602S	Understanding and Preliminary Assessment of the Entity's Internal Audit Function		
AID-701S	Audit Sampling Worksheet for Tests of Controls over Compliance		
AID-901S	Differences of Professional Opinion: Uniform Guidance Compliance Audit		
AID-903S	Audit Report Preparation Checklist		

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.

Workpaper Requiring Association	What is it associated with?		
	Workpaper	Table/Question	Association Item (Custom Value)
KBA-502S Summary of Assessments of Risks of Noncompliance	KBA-101S Overall OMB Compliance Audit Strategy	Once major programs are listed in the table that answer the question "List the major programs or cluster of programs to be included in the scope of the compliance audit," these workpapers will be automatically selected and inserted for each major program when you next insert a Knowledge Coach workpaper.	
AUD-801S through AUD-816S	KBA-101S Overall OMB Compliance Audit Strategy	Once major programs are listed in the table that answer the question "List the major programs or cluster of programs to be included in the scope of the compliance audit," you can choose which major program to associate with these workpapers.	
KBA-402S through KBA-414S	KBA-101S Overall OMB Compliance Audit Strategy	Once major programs are listed in the table that answer the question "List the major programs or cluster of programs to be included in the scope of the compliance audit," you can choose which major program to associate with these workpapers.	
KBA-103S Summary and Evaluation of Noncompliance	KBA-101S Overall OMB Compliance Audit Strategy	Once major programs are listed in the table that answer the question "List the major programs or cluster of programs to be included in the scope of the compliance audit," you can choose which major program to associate with these workpapers.	
AID-402S Understanding Ctrl's: Service Org (Custom)	AUD-100S Tailoring Question Workpaper	Does the entity use service organizations for federal program transactions? Is "Yes" Shows the "Has the auditor adequately documented our consideration of service organizations used for federal program transactions in the financial statement audit workpapers? Is "No" Shows the "Document the service organizations used by the entity for federal program transactions." table in KBA-101S Overall OMB Compliance Audit Strategy.	
	KBA-101S Overall OMB Compliance Audit Strategy	Document the service organizations used by the entity for federal program transactions.	Service Organization
AUD-602S Audit Program: Component Auditor Involvement (Custom)	AUD-100S Tailoring Question Workpaper	Are any of the applicable compliance requirement types of any of the major programs expected to be audited by component (other independent) auditors? is "Yes" Shows the "Document the compliance requirement types that will be audited by component (other independent) auditors." table in KBA-101S Overall OMB Compliance Audit Strategy.	
	KBA-101S Overall OMB Compliance Audit Strategy	Document the compliance requirement types that will be audited by component (other independent) auditors.	Audit Firm Name
AUD-603S Audit Program: Auditor's Specialist (Custom)	AUD-100S Tailoring Question Workpaper	Does the auditor intend to use a specialist on our audit? Is "Yes" Shows the "Has the auditor adequately documented consideration of the use of a specialist for federal program transactions in the financial statement audit workpapers? is "No" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101S Overall OMB Compliance Audit Strategy.	
	KBA-101S Overall OMB Compliance 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-604S Audit Program: Management's Specialist (Custom)	AUD-100S Tailoring Question Workpaper	Does the auditor intend to use a specialist on our audit? Is "Yes" Shows the "Has the auditor adequately documented consideration of the use of a specialist for federal program transactions in the financial statement audit workpapers? is "No" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101S Overall OMB Compliance Audit Strategy.	
	KBA-101S Overall OMB Compliance Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Management's Specialist from the KBA-101S Overall OMB Compliance Audit Strategy.	Specialist Firm Name