

2020 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 **2020 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:

- Government Auditing Standards, 2018 Revision
- 2019 Compliance Supplement
- 2019 Data Collection form and discussion of the Uniform Guidance
- 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 2020 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 Codification™.

The 2020 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	Under “Reliance on Others” modified text below the Service Organization table to improve workflow.	Procedures	Improved Workflow		
Modify	Under “Use of Other Information” modified header in “Document the other services our firm performs for this client.” as follows: Nature of Nonattest/Nonaudit Services	Procedures	Improved Workflow		Data will retain on roll forward using default settings.
Modify	Removed the flow of information from table under “Document the other services our firm performs for this client.” To AID-201S since AID-201S has been removed from the title.	Procedures	Improved Workflow		
KBA-102S Uniform Guidance Compliance Audit Significant Matters					
Modify	Modified Prior Year table for documentation of significant matters, findings or issues.	Table	Clarification		Modified columns will retain by selecting to keep all responses on roll forward.
KBA-303S Inquiries of Management and Others Within the Entity About the Risks of Fraud in a Uniform Guidance Compliance Audit					
Modify	In Conclusion section, “On the basis of the above inquiries, we identified risks of material noncompliance due to fraud that have been summarized at <i>KBA-502S Summary of Assessments of Risks of Noncompliance.</i> ” the “No” floatie has been updated to be, “No Inconsistencies Noted”.	Conclusion	Workflow		This step will reset on roll forward due to content changes.
KBA-401S Understanding Entity-Level Controls Over Compliance					
Modify	Modified descriptions of the five components of internal controls	Tables	Enhancement		
KBA-503S Basis for Assessment of Inherent Risk of Noncompliance					
Modify	Added columns to table for relevant assertion and inherent risk assessment to aid in documenting the basis for inherent risk.	Instructions, Table	Improved workflow		Entire workpaper will reset on roll forward due to content changes.
KBA-901S Schedule of Expenditures of Federal Awards Presentation and Disclosure Checklist					
Removed	Deleted the following step: When management believes the effects of hurricanes Harvey, Irma, or Maria caused the reporting package to be submitted after the due date, describe the facts and circumstances?	Procedures			

Audit Programs (AUDs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
AUD-101 Overall Audit Program					
Modified	Minor wording changes				
AUD-811S Audit Program: Procurement and Suspension and Debarment					
Modified	Removed steps regarding entities who have elected to follow the OMB Circulars for procurement during the grace period as the grace period has expired. Many TQs removed due to remove of steps above.	Procedures	New or Revised Guidance	Uniform Guidance	
AUD-901S Audit Program: Subsequent Events					
Modified	Under “Section I: General Audit Procedures” added step 3 as follows: We documented the name and title of individual(s) inquired of regarding subsequent events and the date of the inquiry in the comments column of this program or in a separate workpaper documenting the discussion.	Procedures	Enhancement		

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 cluster information based on 2020 Compliance Supplement.
- **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 2020 Compliance Supplement.
- **NEW AID-847 Service Organization Report Analysis**
- **DELETED AID-201S Nonattest Services Independence Checklist** as duplicative of related financial statement title.

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

- **RPTs 0901S – 0907S** Added practice alert regarding SAS No. 134 or SAS No. 140, as applicable.

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

- **CORs 201AS, 201CS, 202AS, 202CS** Moved language regarding nonattest services; added language regarding hosting; added footnote regarding preparation of financial statements
- **COR-204S Communication with Predecessor Auditor Prior to Client/Engagement Acceptance** Removed communication of abuse.

- **CORs 901, 902, 903, 904** Added representation regarding waste;

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-003S Government Auditing Standards and Single Audits** Updated for 2018 Revision of the Yellow Book (GAGAS)
- **RES-004S Audit Sampling Guidance for Tests of Controls over Compliance** Added guidance to improve usability.

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