


Single Audit and Yellow Book Update

VGFOA, June 2006

With
Greg L. Akers
Senior Manager, Richmond Office




VGFOA, June 2006

AICPA's GAQC

Some information I am sharing today is courtesy of the AICPA's GAQC update.

CBH membership in AICPA's GAQC helps keep us up to date on current developments in the government audit sector.



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Single Audit Update, OMB

OMB, 2006 Compliance Supplement issued April 2006, available at OMB's website



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Single Audit Update, OMB

- 2006 Compliance Supplement (CS) issued April 2006. 2006 version is a complete supplement (not just an update).
- CS is not just a tool for auditor, but can help localities and program managers keep track of key requirements by grant.
- Effective for audits of fiscal years beginning after June 30, 2005 (i.e. FY 2006), and supersedes OMB Circular A-133 Compliance Supplement issued in March 2004 and updated in May 2005.
- Appendix V details changes
 - 4 new programs and numerous program updates
 - Deletion of 2 programs
 - Appendix VI containing disaster guidance
 - Homeland Security cluster modified
 - SFA and R&D Cluster guidance revised and Medicaid cluster expanded

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Single Audit Update, OMB

Late Clearinghouse filings for audit results and effect on Low-Risk Auditee Status

- OMB Circular A-133 requires local governments to complete a data collection form regarding the audit of Federal programs. Required information and related instructions available from Federal Audit Clearinghouse's at: <http://harvester.census.gov/sac/>
- Federal Agency Inspector Generals (IGs) beginning to interpret Section 530 of Circular A-133 to mean a late submission to the Clearinghouse precludes low-risk auditee status in following year
- GAQC Alert #16 provides details on this topic area and how to check Clearinghouse database for date received
- If late submission, not automatically high risk for next year, but auditor should check with cognizant or oversight agency for audit before providing low-risk auditee status to an entity that has a late submission in the previous year

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Single Audit Update, OMB

Late Clearinghouse filings for audit results and effect on Low-Risk Auditee Status (continued)

What is due date? Per Clearinghouse questions and answers excepts on web: http://harvester.census.gov/sac/FAQ.html#FOLE_LINK08

Q #8 - When is the form and reporting package due?
Audit shall be completed and data collection form and reporting package shall be submitted within earlier of:

- 30 days after receipt of auditor's report(s), or
- Nine months after end of audit period, unless a longer period is agreed to in advance by cognizant or oversight agency for audit.

Q #9 - How do I request an extension on the due date?
Extensions may only be granted by the Auditee's Federal oversight or cognizant agency. Federal agency contact information can be obtained from OMB Circular A-133 Compliance Supplement, Appendix III.

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Yellow Book Update, GAO At 3:46 pm June 1st, new 2006 exposure draft not released... will be available "shortly"



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Single Audit, GAO update

Anyone checked GAO's website since arriving at the Beach?

The new exposure draft could be there now, but here's what is expected when it is available.

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Yellow Book Update, GAO

Revised Yellow Book

- Exposure Draft expected May 2006 (better make that June 2006)
- Comment period 60 days
- Final document expected Fall 2006
- Effective date for financial audit provisions likely to be 12/31/06 year-end audits (i.e. FY 2007)
- GAO also plans to revise Yellow Book again in 2008
- AICPA's GAQC will alert member firms as project progresses

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Yellow Book Update, GAO

Revised Yellow Book Exposure Draft (continued)

Areas with Expected Changes

- Quality control and assurance
- Reporting deficiencies in internal control
- Audit documentation
- Defining professional requirements
- Restatements
- Revisions to non-audit service guidance to acknowledge certain services performed primarily by governmental auditors
- Performance audit chapters

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Yellow Book Update, GAO

Reminder for GAO's recently revised (April 2005) CPE requirement and technical amendment to 2003 Yellow Book

- Effective for CPE measurement periods beginning on or after 6/30/2005
- Creates partial exemption for auditors only involved in performing field work but not involved in planning, directing, or reporting on the audit or attestation engagement, and charge less than 20% of their time annually to audits and attestations conducted in accordance with GAGAS by:
 - Still 24-hour CPE requirement each 2-year period in subjects and topics directly related to government auditing, government environment, or specific or unique environment that audited entity operates
 - But exempts them from remainder of the 80-hour CPE requirement.
- Detail per GAO Web site at www.gao.gov/govaud/ybk01.htm

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Single Audit and Yellow Book Update Section Concluded

Questions?



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