

## AICPA Task Forces Update

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## AICPA Task Forces

- Seven task forces to examine the study's detailed findings and recommendations for the AICPA as follows:
  - Sampling/Materiality Issues In A Single Audit Environment
  - Internal Control And Compliance Responsibilities In A Single Audit Environment
  - Schedule Of Expenditures Federal Awards Reporting Issues
  - Reporting Audit Findings In A Single Audit
  - Single Audit Training Needs And Continuing Professional Education Evaluation
  - Practice Monitoring In A Single Audit Environment
  - Compliance Auditing Considerations In Audits Of Governmental Entities And Recipients Of Governmental Financial Assistance



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## Sampling/Materiality Issues in a Single Audit

- Areas of focus:
  - Provide clarifying guidance for implementing SAS No. 111 revisions in the context of single audits
  - Explain how sample universes and transactions tested should be documented
  - Provide specific guidance on, and examples of, the kind of documentation that auditors should create, as a minimum, to document risk assessments of individual federal programs
  - Provide specific guidance and/or illustrative examples to properly document materiality in single audits



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### Sampling/Materiality Issues in a Single Audit

- Task Force Activities:
  - Development of sampling guidance for single audits
    - Controls testing
    - Compliance testing
  - Addition of a new chapter to the AICPA A-133 Audit Guide in 2009




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### Internal Control & Compliance Responsibilities in a Single Audit

- Areas of Focus:
  - Better describe the minimum audit documentation required to document the auditor's understanding of, and testing of, internal controls related to compliance by developing examples of such documentation
  - Assist auditors in documenting their performance of compliance testing for all applicable compliance requirements identified in the *OMB Compliance Supplement*, unless the auditor concludes that a compliance requirement is not direct and material to his or her specific client situation




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### Internal Control & Compliance Responsibilities in a Single Audit

- Task Force Activities:
  - Development of practice aids to assist auditors in applying COSO to single audits and documenting compliance testing
  - Development of practice aids to assist auditors in making and documenting risk assessments at the appropriate level




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### Schedule of Expenditures of Federal Awards (SEFA) Reporting Issues

- Areas of Focus:
  - Assist practitioners in understanding procedures an auditor should perform to provide in-relation-to reporting on the SEFA
  - Emphasize the importance of reviewing the SEFA to determine that its content and presentation meets the minimum requirements set forth in A-133 §.310(b)
  - Emphasize that correct SEFA content (including clusters) & CFDA numbers are critical for properly executing a single audit
  - Emphasize that a lack of or ineffective internal controls over SEFA preparation may be a significant deficiency, and potentially a material weakness




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### Schedule of Expenditures of Federal Awards Reporting Issues

- Task Force Activities:
  - Development of improved guidance for providing the in-relation-to opinion in Chapter 7 of Audit Guide
  - Development of a disclosure checklist practice aid
  - Development of audit program practice aid




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### Reporting Audit Findings in a Single Audit

- Areas of Focus:
  - Clarify when audit findings must be reported
  - Clarify "likely questioned costs," including example approaches for calculating them
  - Develop illustrative examples of properly presented audit findings




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## Reporting Audit Findings in a Single Audit

### ● Task Force Activities:

- Development of a practice aid to help auditors develop and evaluate findings for single audits and Yellow Book financial statement audits
- Development of illustrative audit finding samples using the new worksheet
- Development of guidance for determining and documenting "likely questioned costs"




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## Single Audit Training & CPE Evaluation

### ● Areas of Focus:

- Considering whether there are best practices when it comes to training for auditors performing single audits
- Evaluate the AICPA current course offerings that relate to single audits to determine the following:
  - Appropriateness (in light of the study results)
  - Effectiveness and whether they address quality issues cited in the PCIE study
  - Identification of potential gaps in the AICPA offerings based on study results and training "best practices" determined by the task force




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## Single Audit Training & CPE Evaluation

### ● Task Force Activities:

- Development of a proposed best practice single audit training curriculum that is structured for 3 staff levels (basic, intermediate, advanced) that includes specific topics and suggestions for annual updates
- Interaction with the related federal task force




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## Practice Monitoring in a Single Audit Environment

### ● Areas of Focus:

- Establish consistent measures of A-133 deficiencies
- Develop guidance and training materials for peer reviewers



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## Practice Monitoring in a Single Audit Environment

### ● Task Force Activities:

- Meeting with OIGs to discuss Peer Review process and comparing to QCR process
- Brainstorming session to consider comments and recommendations received from IGs (to be held)



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## Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance

### ● Area of Focus:

- Updating SAS 74



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Compliance Auditing Considerations in Audits of  
Governmental Entities and Recipients of  
Governmental Financial Assistance

● Task Force Activities:

- Drafting revisions
  - Applying other SASs
- Discussing with ASB
  - Exposure draft expected to be voted for exposure in October 2008



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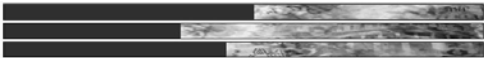
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Questions ?????



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