

Important Notes from PPC

Thank you for purchasing Checkpoint Engage Single Audit. This document has been created to communicate important information about this release and about issues affecting your single audits that become available between releases. This document will be updated as necessary so remember to check back often to ensure you have the most up-to-date information available.

8/22/2023

This edition of Checkpoint Engage Single Audit includes updated content based on the *May 2023 Compliance Supplement*, which is effective for audits of fiscal years beginning after June 30, 2022 (years ending June 30, 2023 or later).

- The following enhancements/features are included in this release:
 - Updated dropdown listing of federal award programs.
 - Compatibility with 2022 and 2023 editions of titles; GSA, HUD, PSD, NPO, and ALG users are able to create new engagements or rollforward their existing engagements using these titles.
 - Updated for the 2023 Compliance Supplement, including new and revised award programs, on-screen guidance, blue link definitions, and navigation tips.
 - Updated TRTA License Agreement.
 - For 2023, the Highway Planning and Construction Cluster (Assistance Listings 20.205, 20.219, 20.224, and 23.003) was decoupled and is no longer a cluster. This change is erroneously affecting the 2022 Compliance Supplement as well and should be manually modified, if necessary.

COVID-19 Information

- The federal government's response to the ongoing COVID-19 pandemic has been unprecedented, resulting in significant federal financial assistance being provided to individuals, small businesses, nonprofit organizations, schools, healthcare entities, and state and local governments, among others. This funding, which may be received directly or indirectly, may require many entities that have historically received little to no federal funding to be subject to a single audit for the first time. Other organizations that routinely qualify for a single audit due to the \$750,000 single audit threshold will likely have new COVID-19-related programs and additional COVID-19-related funding to existing programs. OMB has also allowed federal agencies to provide additional flexibility and waivers of compliance requirements in existing programs. Auditors need to consider risks associated with the COVID-19 pandemic as they plan and perform their single audits.
- Part 8, Appendixes IV and VII of the 2023 Compliance Supplement include content on the Novel Coronavirus (COVID-19), providing background information and important guidance on the effect of COVID-19 on single audits, including determining major programs.
- Identifying new COVID-19 programs and determining whether they are subject to single audit is critical to determining the amount of federal expenditures to assess the single audit threshold and to effectively determine major programs.
- To help summarize the COVID-19 funding, the AICPA's Government Audit Quality Center has prepared a nonauthoritative summary of the new COVID-19 programs and whether each one is

subject to single audit. The summary also includes links to agency websites for further guidance and some additional notes about what is posted on the sam.gov website. The AICPA has been updating this summary periodically based on the sam.gov website and information from federal agencies. Auditors should refer to the date at the top of the summary to be sure they are consulting the latest version. A copy of the latest version can be found at <https://www.aicpa-cima.com/resources/download/gaqc-summary-of-ug-applicability-for-new-covid-19-related-programs>.

See <https://us.aicpa.org/interestareas/governmentalauditquality/resources/singleaudit/uniformguidanceforfederalrewards#COVID.html> and <https://us.aicpa.org/interestareas/governmentalauditquality.html> for additional COVID-19 information and guidance.

- Listings of COVID-19 programs and their Assistance Listing numbers are also available from OMB and federal agencies.
- Due to the unprecedented response from the federal government and the lack of guidance in many areas surrounding the compliance requirements for COVID-19-related new and existing programs, practitioners will likely have several questions and uncertainties as guidance continues to be finalized. Of particular importance is the schedule of expenditures of federal awards (SEFA), of which its accuracy is critical to determine major programs. Significant considerations such as the concept of lost revenues, out-of-period amounts and award timing, and reporting guidance specific to the U.S. Department of Health and Human Services Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution (Assistance Listing 93.498) and U.S. Department of Homeland Security Disaster Grants—Public Assistance (Presidentially Declared Disasters) (Assistance Listing 97.036) are discussed in detail in section 112 of *PPC's Guide to Single Audits*. Auditors should familiarize themselves with this guidance and be alert for continuing guidance to be released via the Compliance Supplement addenda, federal agencies, and the AICPA.
- **COVID-19-related awards must be separately reported on the schedule of expenditures of federal awards (SEFA) similar to how ARRA awards were previously reported. Users should modify the SEFA created by the software to reflect this identification.**