



FMC April 2024 Meeting

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DOAA Background

Vision: Sharing our insights to make a positive difference for the citizens of Georgia.

Mission: To provide independent, unbiased information and impactful recommendations to promote accountability and improve government.

The infographic is a vertical stack of five horizontal panels, each with a circular icon on the left and text on the right. The background is dark blue with a yellow vertical bar on the right side.

- Value People**
We support, trust and respect people.
 - Invest in teams and relationships
 - Appreciate diversity of thought, perspective, and experience
 - Recognize achievement and growth
 - Create balance between work and personal lives
- Engage**
We work together and collaborate to achieve common goals.
 - Show others they matter
 - Approach our work with objectivity, balance, and purpose
 - Listen to understand and openly communicate
 - Share knowledge and skills
- Inspire**
We are passionate and determined to fulfill our mission.
 - Encourage and motivate others
 - Be curious, creative, and open-minded
 - Embrace innovation and share better ways to do things
 - Lead by example
- Deliver**
We set high standards, meet our commitments, and strive for excellence.
 - Be responsible and accountable for the collective good
 - Make a positive impact
 - Provide quality and timely products and services that exceed expectations
 - Follow through and do what it takes to get the job done
- Act with Courage**
We consistently do the right thing for the right reasons.
 - Act with purpose, uncompromising integrity, and honesty
 - Be skeptical and be willing to ask tough questions
 - Explore alternative viewpoints
 - Speak uncomfortable truths



DOAA Background

O.C.G.A. § 50-6-3 - The Department of Audits and Accounts shall audit all state institutions.

.....

O.C.G.A. § 50-6-4 - The Governor, the Appropriations Committee of House or Senate shall have the right and authority to direct and require the state auditor to make special examinations at any time.

.....

O.C.G.A. § 50-6-6 – Audit of school and university systems;

DOAA Background

DOAA is appropriated funds by the General Assembly each year to provide audit services

- DOAA conducts financial audits and other financial engagements for state and local governments and produces reports to assist governments and other stakeholders in decision making.
- DOAA conducts performance audits and special examinations that evaluate the efficiency and efficacy of state programs, resulting in cost and management improvements, as well as the identification of fraud, waste, or abuse.

YouTube Channel



Georgia Department of Audits and Accounts (DOAA)

@GAAuditsandAccounts · 14 subscribers · 6 videos

Georgia Department of Audits and Accounts exists to provide independent, unbiased infor... >

audits.ga.gov

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29 views · 2 months ago



Universal Service Fund

27 views · 2 months ago



State Purchasing – Competitive Bidding

January 2024



DOAA

Georgia Department
of Audits & Accounts

Client Portal Benefits

Reduced Email Communication

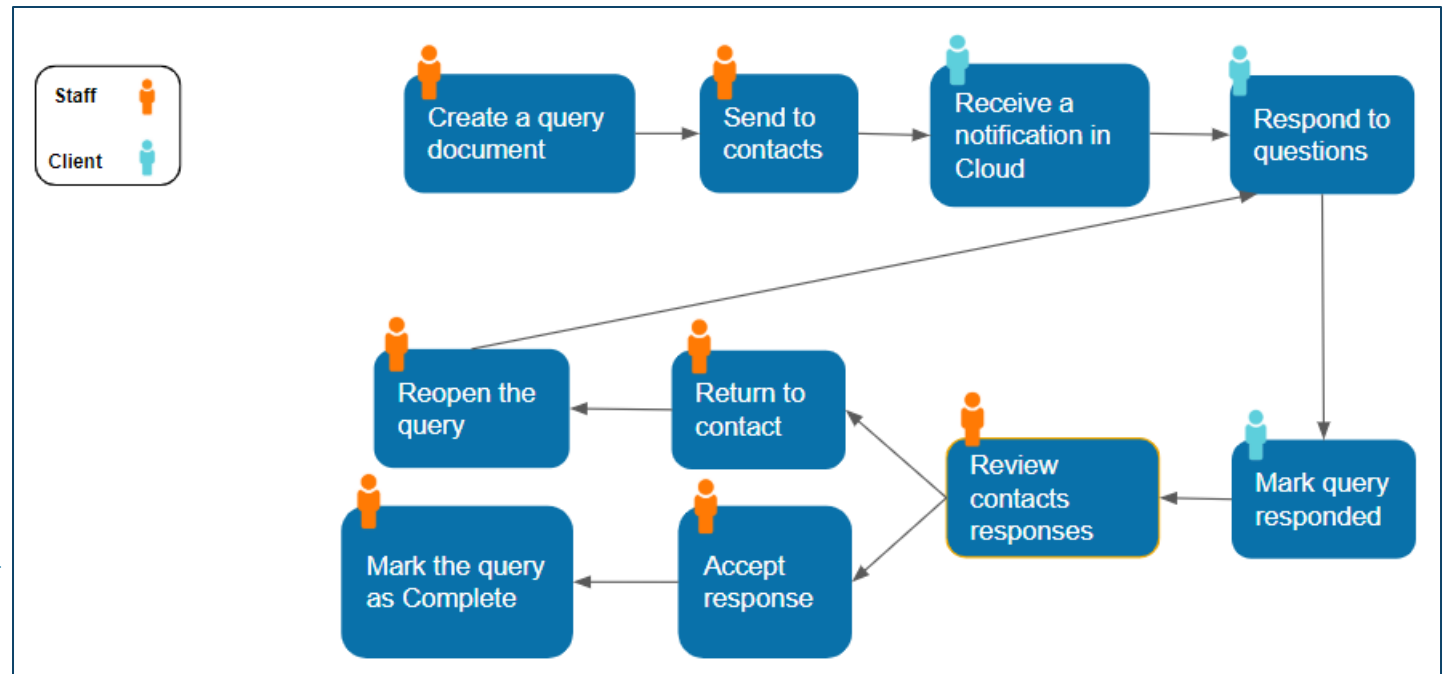
User-friendly Interface

Real-time Status of Requests

Multiple Question Types

Secure Platform

Independent Security Audits
ISO 270001 certified
SOC Type 1 and Type 2 Certified



Client Portal Features

1. Individual File Upload Boxes
 - a. Drag & Drop
 - b. No quantity limit
 - c. 500MB max size per file
 - d. SOC 2 Type 1 and Type 2 certified (Secure)
2. Yes/No Questions with Branching
 - a. A "Yes" response will create an additional item with file upload box
3. Stage Filters
 - a. Filter out items you've already submitted
 - b. Focus on Action Items

The screenshot displays the 'College & University Request List' interface. On the left, a sidebar contains a 'FILTERS' section with a large orange '3' indicating three active filters: 'Awaiting Response' (107), 'Response Submitted' (0), and 'Returned' (0). Below this is a 'QUESTION SETS' list with 'Prior Year Ending Net Position' highlighted in blue. The main content area shows a question titled 'Prior Year Ending Net Position' with a sub-question: 'Was the beginning net position different than last year's ending net position?'. A 'Picklist' below the question has 'Yes' and 'No' options. A 'File upload' section at the bottom features a dashed box with the text 'Drag and drop here or click to browse' and a large red '1' next to it. A 'Send' button is visible at the bottom right of the question card. A large orange '2' is positioned to the right of the picklist options. The top right of the interface includes a 'Mark all responded' button and a 'No due date' indicator.

Client Portal Upcoming Features

Optional Per-item/section Due Dates

Optional Per-item/section Client Contact Assignments

Allow Primary Contact to Add New Users and Assign items

Improved Notifications

What's Next?

If you are being audited in FY24:

Meet with Steven DesBoeufs
(20-30 minutes)

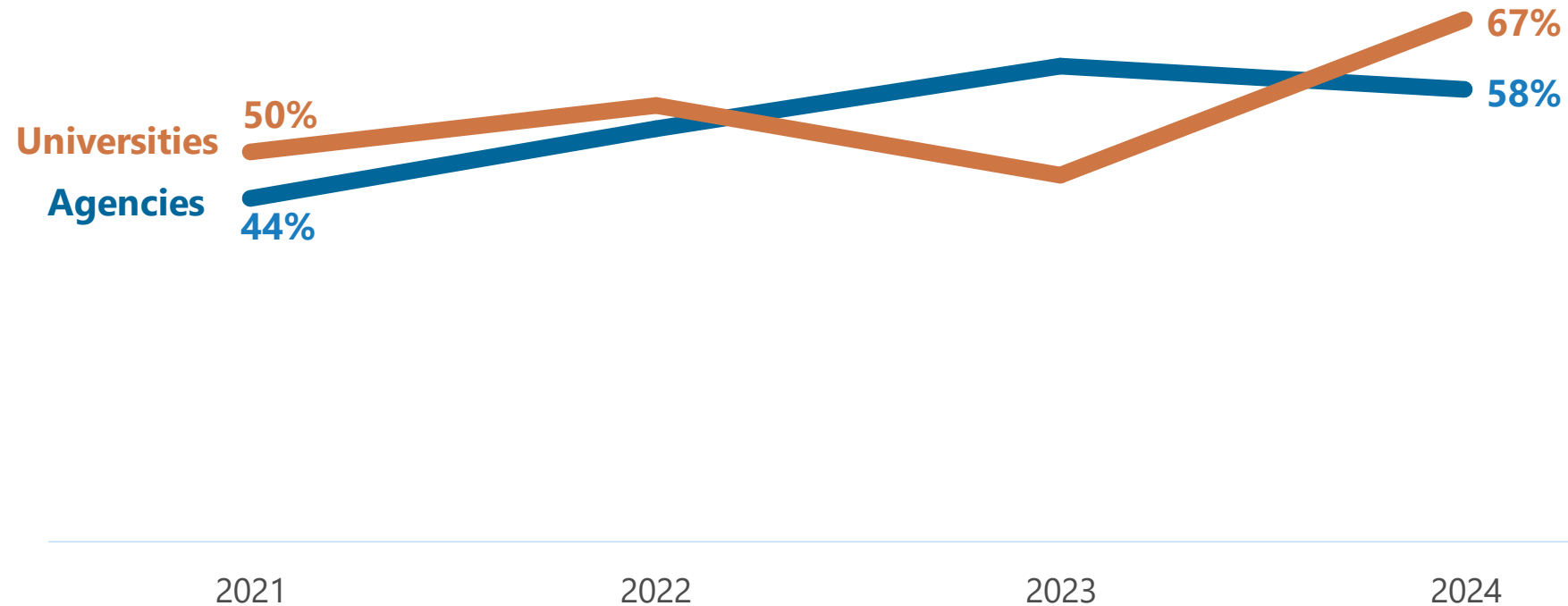
- Full walkthrough and demo
- Create Accounts
- Access Request List(s)

If you are not being audited in FY24:

Review our small documentation package to learn how to:

- activate account
- upload documents
- use filters
- interact with your audit team

Client Feedback Response Rate



Survey changes are coming

Survey
questions will
be updated

New questions
about audit
value

Effective for all
fiscal year 2024
audits

Audit Preparation

Preparing for Your Audit

Update your annual risk assessment

Revise and update policies and procedures

Review previous audit reports

Learn from prior audit observations (both findings & exit comments)

Evaluate the status of corrective action plans

Attend trainings offered by SAO

Update Org. Chart and ensure key staff personnel are available to your auditor

Preparing for Your Audit (Continued)

Anticipate what information auditors will request

Consider maintaining a repository of documentation typically requested annually by auditor

Understand your financial information

Look for red flags in advance

Review the general ledger and compare to supporting documentation for all balance sheet items

Make all necessary journal entries prior to close to avoid making PCAs

Perform a preliminary fluctuation analysis to identify unusual trends in the financial information

Ensure adequate documentation of key controls is maintained

Maintain robust, detailed documentation to support manual journal entries, PCAs, and SAO forms

New for FY24 Audits – SAS 145

SAS 145, Risk Assessment



- For audits of financial statements for periods ending on or after December 15, 2023.
Effective Date – FY2024
- The new standard drives better risk assessments and, therefore, enhances audit quality. - AICPA

Key Provisions:

Enhances guidance on Internal Controls and Control Risk

Revises the definition of Significant Risk

Revises the requirements related to IT General Controls

Separately assess Inherent Risk and Control Risk

New guidance on Scalability

New guidance on maintaining Professional Skepticism

Revised definitions for Relevant Assertion and Significant Class of Transactions

But why would the auditee care about new audit standards?

Changes in Significant Risks

Significant risks represent identified risks of material misstatement at the higher end of the spectrum of inherent risk, based on the degree of inherent risk factors impacting the likelihood and magnitude of potential misstatement.

Required Identified Controls

Controls addressing significant risks

Controls over journal entries or similar adjustments

Controls for which the auditor plans to test operating effectiveness, including controls that address risks for which substantive procedures alone do not provide sufficient appropriate audit evidence

Other controls based on auditor judgment

IT General Controls:



- New term: **Risk arising from the use of IT...** "susceptibility of information-processing controls to ineffective design or operation, or risks to the integrity of information in the entity's information system, due to ineffective design or operation of controls in the entity's IT processes.
- **IT Controls** are controls over the entity's IT processes that support the continued proper operation of the IT environment, including the continued effective functioning of information-processing controls and the integrity of information in the entity's information system.

Relevant Assertion's New Meaning

An assertion about a class of transactions, account balance or disclosure is relevant when it has an identified risk of material misstatement, taking into account the likelihood and magnitude of a misstatement.

- There is a reasonable possibility of a misstatement occurring (LIKELIHOOD)
- IF it were to occur, there is a reasonable possibility of the misstatement being material (MAGNITUDE)

What does "reasonable possibility" mean?

- The likelihood of a material misstatement is **more than remote**. Internal controls are ignored during this determination.

Significant Classes of Transactions, Account Balances and Disclosures

A significant class means that the audit area has:

- A relevant assertion
- The likelihood of a material misstatement is more than remote

Determination is made ****BEFORE**** consideration of controls

The standard requires substantive procedures for each significant class of transaction, account balance and disclosure.

This definition tells us where to focus.

Scalability

Regardless of size and complexity, same provisions must apply.

Some entities may lack formal internal control policies, but their system of internal control can still be functional.

The complexity of an entity's activities and environment drive the scalability of applying SAS 145.

Complexity drives how auditors use this standard.

Size and complexity do not necessarily go together. Small entities may be complex while bigger ones may not be. Auditors must consider things like the accounting system, ITGCs, complex accounting transactions, etc.



New for FY24

~~Confirmation.com~~

Confirmation.Com

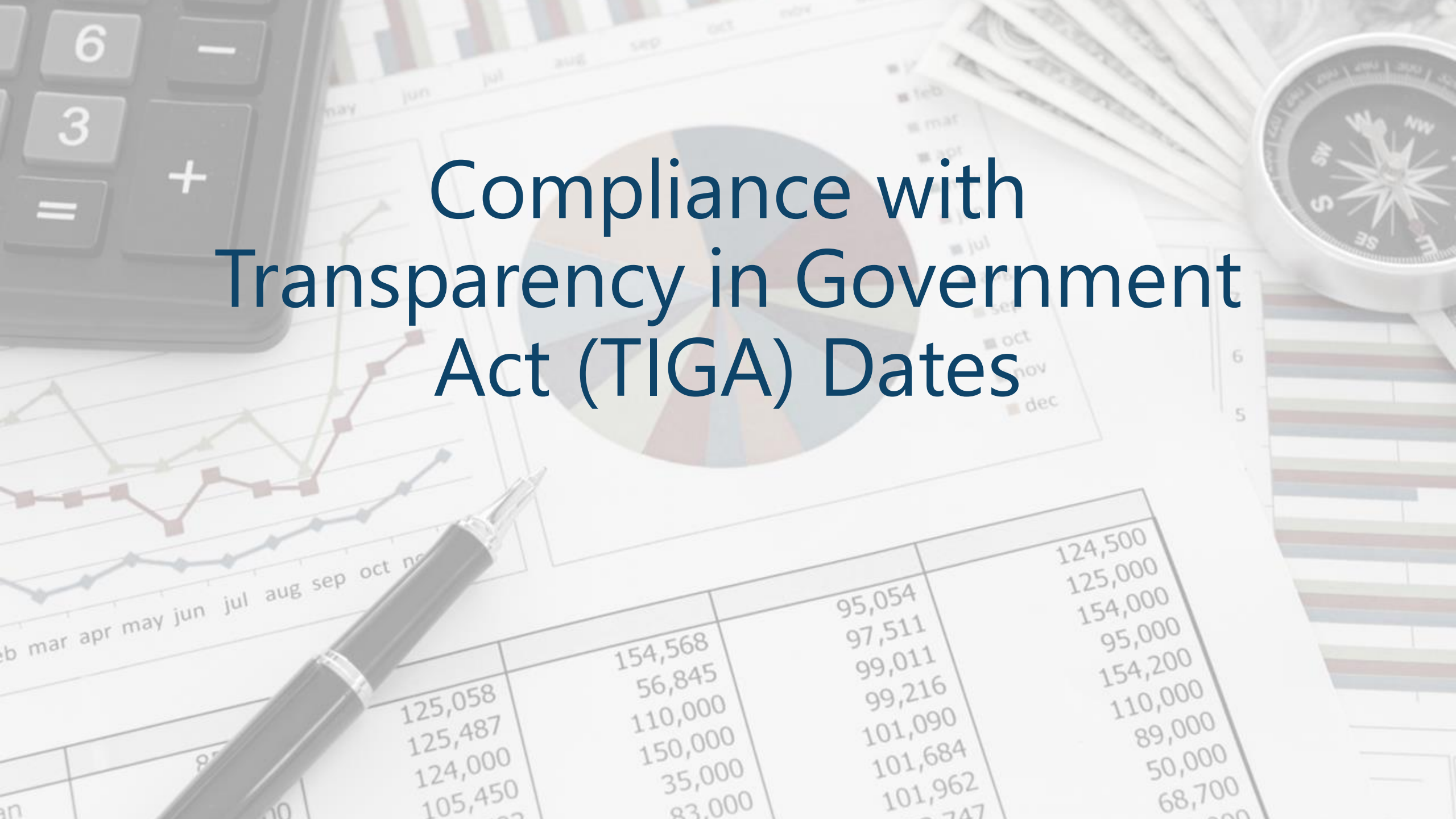


A service provider that some banks have recently started using to perform specific confirmation procedures.



Requires auditor to provide specific information and for auditee to approve the request

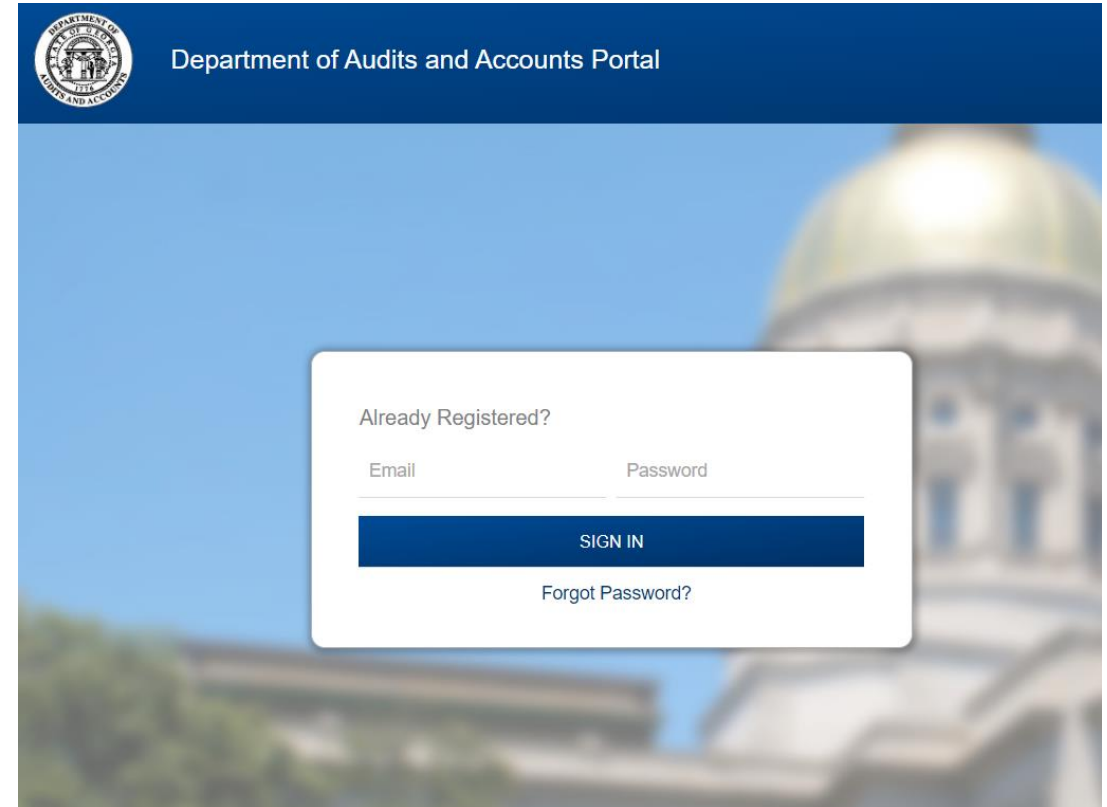
Compliance with Transparency in Government Act (TIGA) Dates



125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
105,450	150,000	99,216	95,000
	35,000	101,090	154,200
	83,000	101,684	110,000
		101,962	89,000
			50,000
			68,700

TIGA Submissions

- Salary and Travel Collection (CS1)
 - Due August 15, 2024
 - FY24 will open July 8, 2024
- Payments / Purchase Card Files
 - Due October 1, 2024
 - FY24 will open July 8, 2024
- Annual Immigration Compliance Reporting
 - Due December 31, 2024
 - FY24 open



Department of Audits and Accounts Portal

Already Registered?

Email Password

SIGN IN

Forgot Password?

TIGA Submission Resources

User guides, file layouts and instructions have been created to assist your organization with submitting this information and have been made available on our website.

If you have questions or need more information regarding the submission process, you can:

- 1 visit our website - <https://www.audits2.ga.gov/resources/other/tiga/>
- 2 call our helpline at 404-732-9100, or
- 3 email us at tigahelp@audits.ga.gov.

SINGLE AUDIT ISSUES

Presentation Topics

Statewide Single Audit Process

SEFA Reporting

Findings Reported

General Single Audit Updates & Reminders

Commonly Used Acronyms

Acronym	Description
DOAA	Georgia Department of Audits & Accounts
FAC	Federal Audit Clearinghouse
FFATA	Federal Funding Accountability and Transparency Act
GTA	Georgia Technology Authority
IJA	Infrastructure Investment and Jobs Act
OCGA	Official Code of Georgia Annotated
PCA	Post-Closing Adjustment
R&D	Research and Development
SAO	State Accounting Office
SEFA	Schedule of Expenditures of Federal Awards
SRE	State Reporting Entity
UG	Uniform Guidance

Statewide Single Audit Process

Major Federal Programs Selected for Testing

Selection is based on instructions reflected within the Uniform Guidance and depends on many factors, including the classification of the program.

Type A – Larger amounts that are based on a calculation reflected within the UG.

Type B – Programs under the Type A threshold.

Major Federal Programs Selected for Testing (continued)

Type A programs must be audited as a major program if:

It is a new program

The program has not been tested in the previous two audit periods

There is a prior year Material Weakness finding associated with the program and/or modified opinion over the program, and/or

Designated as a higher risk program and the percentage of COVID or IJA funding is material to the program.

**NOTE: There are other factors, but these are the major ones.*

Major Federal Programs Selected for Testing *(continued)*

Expected higher risk for Fiscal Year 2024 are as follows:

Medicaid

Education
Stabilization
Fund

Emergency
Rental
Assistance
Program

Coronavirus
State and
Local Fiscal
Recovery
Funds

Abandoned
Mine Land
Reclamation
(AMLR)

Disability
Insurance/
Supplemental
Security
Income

SEFA Reporting



SEFA Reviews

DOAA reviews each state reporting entity's SEFA to ensure that information appears reasonable for inclusion in the State's overall SEFA.

This review includes:

Comparison of

PY to CY amounts, including total expenditures and pass-through amounts

pass-through amounts reported by each state reporting entity and by the in-state pass-through entity, if applicable

Reasonableness of

direct and indirect receipt of funds

loan designations and balances

COVID designation

R&D designation

non-monetary amounts

public funds designation

Common SEFA Errors

Adjustments associated with PCAs not made on SEFA

COVID designation incorrect

In-state pass-through information incorrect

Misclassification between non-monetary and monetary amounts

Public funds designation incorrect

Findings Reported

Financial Findings

Under Government Auditing Standards, auditors are required to report a financial finding in the following circumstances:

Significant Deficiencies or Material Weaknesses in internal control over financial reporting

Fraud and noncompliance with provisions of laws or regulations that has a material effect on the financial statements or warrant the attention of those charged with governance

Noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts

Abuse that is material, either quantitatively or qualitatively

Common Financial Findings – IT Related

IT-Related Topics

Failure to follow GTA's security policies and standards,

Segregation of duties issues, and/or

Lack of controls over system access, including access related to new, existing, and terminated employees.

Common Financial Findings – Accounting Controls

<input type="radio"/>	Accounting Controls
<input type="radio"/>	Failure to follow SAO policies and procedures and/or various OCGAs,
<input type="radio"/>	Unreasonable number of PCAs,
<input type="radio"/>	General ledger errors,
<input type="radio"/>	Various reconciliations not performed or not performed timely, and/or
<input type="radio"/>	Lack of supporting documentation for transactions.
<input type="radio"/>	
<input type="radio"/>	
<input type="radio"/>	

Common Financial Findings – Cash and Reconciliations

Cash and Related Reconciliation Process

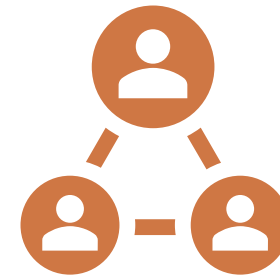
Reconciliations not performed or not performed timely,

Inaccurate data used to complete the reconciliation process,

No evidence of preparer and reviewer,

Reconciling items not cleared in a timely manner, and/or

Segregation of duties issues.



Federal Findings

Under the Uniform Guidance, auditors are required to report a federal finding in the following circumstances:

Significant Deficiencies or Material Weaknesses in internal control over compliance with a type of compliance requirement for a major program

Material noncompliance related to a type of compliance requirement for a major program

Known questioned costs are greater than \$25,000 (major or nonmajor program)

Likely questioned costs are greater than \$25,000 for a type of compliance requirement for a major program

Known or likely fraud affecting a federal award

Significant instances of abuse relating to a major program

The status of a prior audit finding is materially misrepresented in the Summary Schedule of Prior Audit Findings

Common Federal Findings

Transparency Act Reporting (FFATA)

If direct awards are received, subaward data must be uploaded to FSRS.

- Subaward date,
- Subawardee data universal numbering system number,
- Amount of subaward,
- Subaward obligation/action date,
- Date of report submission, and
- Subaward number

This information is not being reported appropriately in many instances.

IT-Related Topics

The issues previously described may also be reported as a federal finding if they affect a major federal program.

Common Federal Findings

Period of Performance

Expending funds prior to the beginning of the period of performance without appropriate authorization,

Obligating funds after the end of the period of performance, and/or

Liquidating amounts after the end of liquidation period.

Subrecipient Monitoring

Required information is not included in the subaward document,

Internal subrecipient monitoring policies and procedures are not followed appropriately, and/or

Required subrecipient monitoring policies and procedures have not been developed.

Common Federal Findings

Various Special Tests and Provisions

There are various rules and regulations that apply to individual programs and the Compliance Supplement indicates which of these auditors must test.

Ensure that your entity is familiar with requirements and has documented internal control and compliance procedures in place.

Internal Controls

Internal policies and procedures are not followed appropriately,

Internal control policies and procedures have not been developed, and/or

Internal control activities performed have not been documented.

- Often some type of review and approval

General Single Audit Updates & Reminders

Updates

Uniform Guidance Revision

- Published on April 4, 2024 and effective for all federal awards issued on or after October 1, 2024.
- Significant changes include the following:
 - The de minimis indirect cost rate increased from 10% to 15%.
 - The equipment threshold increased from \$5,000 to \$10,000.
 - Revised areas of cost principles, including clarification of pension costs.

COVID & IIJA Programs

COVID programs are wrapping up and funding for IIJA programs is being disbursed.

Please ensure that appropriate regulations are followed and internal controls are implemented and documented.

Reminders

Single Audit Deadline

The FY2023 Statewide Single Audit was published on March 21, 2024, and submitted to the FAC by the March 31, 2024, deadline.

We appreciate everyone helping to meet this deadline!

The Single Audit must be submitted to the Federal Audit Clearinghouse by March 31, 2025.

It is imperative that all state reporting entities continue to work together to meet various reporting and audit deadlines throughout the year to reach this goal.





Questions?

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