

Proposed Changes to SF-SAC Data Collection Form

In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501, *et seq.*) the Office of Management and Budget (OMB) invites the general public and Federal agencies to comment on a renewal of an information collection with revisions that would affect two types of parties:

(1) The reports of auditors to auditees concerning audit results, audit findings, and questioned costs, and (2) reports from auditees to the Federal Government providing information about the auditees, the awards they administer, and the audit results. These collection efforts are required by the Single Audit Act Amendments of 1996 (31 U.S.C. 7501, *et seq.*) and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

The proposed changes would affect the submission of fiscal year 2013, 2014 and 2015 audits. They are as follows:

1. Part I: General Information- Auditors are required to report their EIN

Beginning with 2013 audits, all audit firms must report their Employer Identification Number (EIN) in Part I: General Information. Secondary auditors must report the EINs on the secondary auditor contact information page (Part I, Item 8).

The American Institute of Certified Professional Accountants (AICPA) suggested EINs will improve the ability to conduct effective CPA peer reviews. OMB and the National Single Audit Coordinators (the single audit point of contact at each Federal agency assigned by OMB) endorsed this requirement to improve the quality of audits and improve Federal oversight of Federal award expenditures.

2. Part III: Federal Programs- Report Federal loans and loan guarantees

For each Federal award reported on the Form SF-SAC, the question "Is this award a Federal loan or Federal loan guarantee?" must be answered "Yes" or "No". A new column will be added on Part III: Federal Programs to capture Y or N for each row.

This requirement was requested by the National Single Audit Coordinators to help Federal agencies verify that major programs were determined correctly by auditors for compliance testing. This will improve Federal oversight of Federal award expenditures.

3. Part III: Federal Programs- Standard Audit Finding Reference Numbers

Beginning with 2013 audits, audit finding reference numbers must follow a standard format. The new format is the four-digit audit year, a hyphen and a three-digit sequence number (ex. 2013-001, 2013-002....2013-999). Audit Finding Reference numbers on Form SF-SAC should match those reported in the Schedule of Findings and Questioned Costs and applicable auditor's reports.

The use of a common naming convention for reporting audit findings on the Form SF-SAC will make it easier for Federal agencies to use software to automatically search electronic audit reports and show the text of audit findings. Standardized audit finding reference

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numbers will improve the proficiency of Federal staff providing audit resolution and therefore improve Federal oversight of Federal award expenditures.

4. Part III: Federal Programs– Removed Form Items

Items 4, 5, and 6 under Part III: Federal Programs on the 2010—2012 version of form SF-SAC relating to a significant deficiency on a major program, a material weakness on a major program, and questioned costs are removed and collected elsewhere on the new Form.. The information from these items is collected for each Federal award in Part III, Item 7 of the 2013 Form. Therefore, these items are no longer needed.

5. Part III: Federal Programs

A. Part III: Federal Programs- Remove column “Type(s) of Compliance Requirement(s)” (Part III, Item 10a on the 2010-2012 version of the Form)

This will be moved to Part III, Item 7 on the 2013 version of the Form. Currently, Type(s) of Compliance requirements are shown only for programs with findings related to a Federal award, but not a particular finding. Type(s) of compliance requirements related to each finding on each Federal award will be on Part III, Item 7- Federal Awards Findings Summary (see below).

Each finding for each Federal award is listed separately on Part III, Item 7 of the 2013 Form and shows Type(s) of Compliance Requirement(s) and Type of audit deficiency related to each finding. This will allow more detail about each finding that is not available on the 2010-2012 Form SF-SAC.

B. Part III: Federal Programs- Added new column “Number of Findings”

The number of findings related to each Federal award will be entered in a new column on Part III: Federal Programs. Finding details will be added on new Part III, Item 7. The submission system will create a Part III, Item 7 template based on number of findings reported on Part III: Federal Programs. Part III, Item 7 template will be populated with Part III: Federal Programs row number, CFDA number, and Federal program name.

The new column “Number of Findings” on Part III: Federal Programs is a cross reference with the findings detail on the new Part III, Item 7 to ensure the data on both pages relate. This relation will provide a link between audit finding number, type of finding, type of compliance requirement and questioned costs and will improve Federal agency oversight of Federal awards.

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<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">New Item ↓</div> <div style="text-align: center;">New Item ↓</div> </div>											
FORM SF-SAC						REPORT ID: VERSION:					
PART III: FEDERAL PROGRAMS - Continued											
6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR											
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	CFDA Number								MAJOR PROGRAM		
Row Number	Federal Agency Prefix ¹	CFDA Extension ²	Name of Federal program	Amount expended	Research & Development (Y/N)	Loan/Loan Guarantee (Y/N)	ARRA ³ (Y/N)	Direct award (Y/N)	Major program (Y/N)	Major Program ⁴ (Y/N)	If yes, type of audit report on Number of Findings
TOTAL FEDERAL AWARDS EXPENDED				\$.00						

C. New Part III, Item 7: Federal Awards Finding Summary

On the Federal Awards Findings Summary (Part III, Item 7), audit findings must be listed once for each Federal award affected by that finding. The Federal Awards Findings Summary includes the Part III: Federal Programs row number, CFDA number, the Federal program name, the Finding reference number, Type(s) of compliance requirement(s), Type of audit finding and Questioned costs.

a. Part III: Federal Programs row number

Each audit finding/Federal award combination on Part III, Item 7 relates directly to Part III: Federal Programs Federal awards by the Part III: Federal Programs row number. The number of rows on Part III, Item 7 corresponds to the “Number of findings” applicable to a Federal award on Part III: Federal Programs, Item 6k

b. Type(s) of compliance requirement(s)

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The auditor must report the Type of Compliance Requirement (moved from Part III: Federal Programs) using letters A-N or P from the annual Circular A-133 Compliance Supplement. 'O' (for 'None') will no longer be needed as it was only used when there was no finding.

c. Type(s) of Finding(s)

For each audit finding listed on Part III, Item 7, the auditor must mark a valid combination of five Type(s) of Finding(s): Modified Opinion, Other Noncompliance, Material Weakness, Significant Deficiency, or Other.

d. Questioned Costs

For each audit finding, the auditor will report any Questioned Costs related to that finding. The amount of Questioned costs cannot always be determined. Therefore, the auditor must only mark "Y" or "N" to indicate the existence of questioned costs.

The new data on Part III, Item 7 will make data required by OMB Circular A-133 more relevant. By showing how findings affect federal awards, Federal agencies will be more effective in overseeing Federal expenditures.

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											New Standard Format ↓						New Items ↓										
FORM SF-SAC											REPORT ID:		VERSION:														
Part III: FEDERAL PROGRAMS - Continued																											
7. FEDERAL AWARD FINDINGS																											
	(a)	(b)	(c)			(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)														
							Types of Deficiencies ²																				
Page 3 Row Number	Federal Agency Prefix	CFDA Extension	Name of Federal program			Audit Finding Reference Number (YYYY-###)	Type(s) of Compliance Requirement(s) ¹	Modified Opinion	Other Noncompliance	Material Weakness	Significant Deficiency	Other	Questioned Costs														
	These columns are populated automatically from Part III, Item 6, columns a, b, and c on rows with findings.																										
	For each award with findings, one row is created for each finding reported on Part III, Item 6k.																										
	This page is not required if no findings are reported on Part III, Item 6k.																										
¹ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under § __.510(a)) reported for each Federal program. <table style="width: 100%; border: none;"> <tr> <td>A. Activities Allowed or Unallowed</td> <td>F. Equipment and real property management</td> <td>K. Real property acquisition and relocation assistance</td> </tr> <tr> <td>B. Allowable costs/cost principles</td> <td>G. Matching, level of effort, earmarking</td> <td>L. Reporting</td> </tr> <tr> <td>C. Cash management</td> <td>H. Period of availability of Federal funds</td> <td>M. Subrecipient monitoring</td> </tr> <tr> <td>D. Davis-Bacon Act</td> <td>I. Procurement and suspension and deparment</td> <td>N. Special tests and provisions</td> </tr> <tr> <td>E. Eligibility</td> <td>J. Program income</td> <td>P. Other</td> </tr> </table>													A. Activities Allowed or Unallowed	F. Equipment and real property management	K. Real property acquisition and relocation assistance	B. Allowable costs/cost principles	G. Matching, level of effort, earmarking	L. Reporting	C. Cash management	H. Period of availability of Federal funds	M. Subrecipient monitoring	D. Davis-Bacon Act	I. Procurement and suspension and deparment	N. Special tests and provisions	E. Eligibility	J. Program income	P. Other
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² There are 9 valid combinations of "Type(s) of Deficiency(ies)" for each Federal program with findings. (See instructions)																											

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6. Personally Identifiable Information Certification

Auditors and auditees will be required to certify that their reporting package does not contain Personally Identifiable Information (PII). The Office of Management and Budget defines PII as, *“Information which can be used to distinguish or trace an individual's identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.”*

7. Changes to PDF Uploads

PDFs of audit report submissions must be unlocked, unencrypted, and at least 85% text-searchable. This is accomplished through creating the PDF with a software program rather than scanning a paper copy of the audit. The Clearinghouse will reject audit reports at the time of their upload when PDFs do not meet these criteria. For audit reports with Cognizant agencies (Non-Federal entities expending \$50 million or more in Federal awards), this requirement will apply for audits with fiscal year end dates in 2013. For non-Federal entities expending less than \$50 million in Federal awards, this requirement will apply for audits with fiscal year end dates in 2014.

This change will increase the searchability of audit report submissions. Federal agencies should be able to search for text within the audit report without having to read extraneous information, and should be able to copy-and-paste information from the audit reports. This change will enable Federal agencies to provide more efficient oversight of Federal awards.