

1. *Do you believe your monitoring activities will need to be increased? If so, what might that look like?*

It is estimated that the Commonwealth will receive approximately 200 less subgrantee single audits (40% less LEAs, 25% less LGEs, and 35% less NP/FP/IHE). This change in conjunction with required risk assessments will have an impact on subrecipient monitoring. However, this will vary by agency.

Some state agencies, prior to the issuance of OMB's new Uniform Guidance, had started to request additional documentation to support payments to subgrantees. Those agencies, and others, may use this additional documentation as a supplement to any decrease in subgrantee single audit reports.

2. *DPW has specific audit guidance that has separate audit thresholds from the Single Audit? What types of changes do you expect in this area?*

At this time the main differences in the supplement relate to the cost settlement thresholds. At this time, we do not know of any specific changes but will be reevaluating these thresholds to determine if increasing the threshold, in light of the other single audit changes, makes sense for DPW and counties. DPW has expressed their willingness to work with the PICPA in revising/updating the DPW single audit supplement.

3. *Will you still require auditors to electronically submit Single Audits to you?*

We would like to maintain a transition period of two years, where subgrantee single audits are still submitted directly to the Bureau of Audits' resource account. Once the transition period has lapsed we will obtain subgrantee single audit reports directly from the FAC website. We will be working to revamp our internal procedures and policies to accommodate this change. We are currently working with the COFAR to determine the allowability of this transition.

4. *Where should we look for upcoming guidance from the Commonwealth related to the new OMB Circular?*

Overall changes resulting from the new Uniform Guidance and related to single audit submission can be found at the following website:

http://www.comptrolleroperations.state.pa.us/portal/server.pt/community/single_audit_submissions/10670

Changes related to specific grants can be found on the websites of the specific Commonwealth granting agency.

5. *The new requirements seem to require GAAP for financial statements with limited exceptions. Do you have the same interpretation and will the Commonwealth require GAAP financial statements with mixed state and federal funding under the Single Audit Threshold?*

While there are references to “GAAP” throughout the Uniform Guidance document there are also references to other basis of accounting. In addition, section 200.510, Financial Statements, which provides guidance to auditees, appears to be silent on the basis of accounting to be used, while sections 200.514 to 200.520, which provide guidance to auditors, presumes financial statements will be prepared in accordance with GAAP. We will seek clarification from OMB.