

# Summary Schedule of Prior Audit Findings Guidance for State Agencies

Prepared by the General Accounting Office (GAO)

## Purpose

To provide guidance to State agencies on responding to prior year audit findings.

## Definitions:

**Code of Federal Regulations (CFR)** – is the codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government produced by the Office of the Federal Register (OFR) and the Government Publishing Office.

**Corrective Action Plan (CAP)** - the plan the auditee provided in response to each audit finding from the prior audit report.

**Federal Audit Clearinghouse (FAC)** – means the clearinghouse designated by the Office of Management and Budget (OMB) as the repository of record where non-Federal entities are required to transmit the reporting packages required by *Subpart F- Audit Requirements of 2 CFR 200*.

**Summary Schedule of Prior Audit Finding (SSPAF)** - reports the status of audit findings included in the prior audit's schedule of findings and questioned costs and the audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected or no longer valid.

## Overview

Per 2 CFR 200.511 (b) The summary schedule of prior audit findings (SSPAF) must report the status of all findings included in the prior audit's schedule of findings and questioned costs in addition to audit findings reported in the prior audit's SSPAFs, if they were not listed as fully corrected or are no longer valid.

### Identifying elements of a SSPAF:

<i>Audit Finding Number:</i>	This is the number assigned by the auditor
<i>Assistance listing number and program name:</i>	This is the assigned assistance listing number (formerly known as the CFDA) and program name that are listed on the federal finding. If this is a financial statement corrective action plan, this line will not be included in the header details.
<i>Agency:</i>	This is the official name of the State agency and not the acronym ( <i>example: use the Department of Administration and not ADOA or ADA</i> )
<i>Year finding initially occurred:</i>	This is the fiscal year the finding was first reported

<b>Status elements of a SSPAF:</b>	
<b>Status:</b>	This should be one of the following: Fully corrected, Partially corrected, Not corrected, or No Longer Valid <i>(if the status is Fully corrected, no further elements need to be addressed and see below for further definitions of status options)</i>
<b>Reason for recurrence:</b>	Explanation of why the finding recurred
<b>Actions taken:</b>	Describe what corrective actions have been taken
<b>Actions remaining:</b>	Describe what corrective actions remain
<b>Significant differences from previously reported corrective action plan:</b>	If applicable, explain why the corrective action taken is significantly different from the corrective action plan previously reported. <i>(example: The agency originally stated they would be updating policy and procedures for the existing IT system but instead will be implementing a new system and so the migration and upgrade will be the new way to correct the deficiency noted in the finding)</i>

**Status options and considerations:**

1. Fully corrected means that the corrective action is fully implemented as of 6/30 **of the fiscal year under audit.**
2. Partially corrected means that corrective actions are in progress as of 6/30 **of the fiscal year under audit.**
3. Not corrected means that no corrective actions have occurred as of 6/30 **of the fiscal year under audit.**
4. No longer valid means that: (federal finding)
  - a. Two years have passed since the audit report in which the finding occurred was submitted to the FAC
  - b. The Federal agency or pass-through entity is not currently following up with the auditee on the audit finding AND
  - c. A management decision was not issued

**Example of a federal summary schedule of prior audit finding:**

**2021-121**

**Assistance listing number and name:** Various

**Agency:** Department of Administration

**Year finding initially occurred:** Fiscal Year 2011

**Status:** Not corrected

<b>Reason for recurrence:</b>	We have an established process in place for monitoring legislation and have on multiple occasions, advised that these transfers were not consistent with established Federal cost principles and would
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	result in an obligation to the Federal government. However, if the State does transfer monies, there may continue to be disallowed costs that will require repayment with applicable interest.
<i>Actions taken:</i>	This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (DHHS-CAS) for the payment and appropriate resolution of the questioned costs. We are committed to continue to work with the DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue. It should be noted that the number of fund transfers required by legislation have diminished significantly.

***Example of a financial summary schedule of prior audit finding:***

**2021-04**

**Agency:** Arizona Department of Administration (ADOA)

**Year finding initially occurred:** Fiscal Year 2021

**Status:** Partially corrected

<i>Reason for recurrence:</i>	The ability of the ADOA to issue the State's Annual Comprehensive Financial Report (ACFR) timely is largely contingent upon timely receipt of audited financial statements and other required information from state agencies. ADOA provides written communications of expected dates of receipts of such information to the State agencies annually.
<i>Actions taken:</i>	ADOA implemented ongoing communications with leadership teams regarding status and deliverables. ADOA provided detailed system reports and technical guidance to the State agencies. ADOA also provided an overview, decision forms, and worksheets for the new GASB Statement No. 87, Leases, to the State agencies and reviewed, as well as provided feedback on, the completed forms. ADOA inquired and received status updates from state agencies and held meetings to assist and resolve agency specific issues.
<i>Actions remaining:</i>	ADOA will continue to work with State agencies, including AHCCCS and DES to provide guidance to assist them with their financial reporting process to issue the State's ACFR in accordance with the financial reporting and audit requirements.

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**Directions for writing a SSPAF:**

1. Include the **identifying elements**- the specific finding number, assistance listing number and program name (if a federal program only), agency, and the year the finding initially occurred.
2. Include the **status elements**- the specific status, reason for recurrence, actions taken, actions remaining, and significant differences from the previously reported corrective action plan (CAP) from the prior year.
3. Ensure the SSPAF is sent to [federalgrants@azdoa.gov](mailto:federalgrants@azdoa.gov).

**As you prepare to write a response consider the following with responses:**

- Reflect back on the CAP: what progress has been made on the plan and what is left to be done?
- Common issues with summary schedules of prior audit findings:
  - Does not include required information – The elements required in the SSPAF are dictated by the CFR, GAO and the auditors will be reviewing to ensure required information is included. It causes delays in the Single Audit process when required elements are not included initially.
  - Too much detail – The Federal grantor is reviewing this information to determine the status of the corrective action. Concise responses are ideal, what was the step and has it been implemented or is it in progress?
  - Status is incorrect

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**SSPAF template:**

**Audit finding number:**

**Assistance listing number and program name:** *delete this line if **not** a federal finding*

**Agency:**

**Year finding initially occurred:**

**Status:**

**Reason for recurrence:**

**Actions taken:**

**Actions remaining:**

**Significant differences from previously reported corrective action plan:**

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If you have any questions, please contact GAO at [FederalGrants@azdoa.gov](mailto:FederalGrants@azdoa.gov).