

NACUBO APC Meeting with AICPA GAQC Representative
June 4, 2021
Coronavirus Relief Funds (CRF) and the Single Audit

NACUBO's Accounting Principles Council (APC) met recently with four members of the AICPA's [Government Audit Quality Center](#) (GAQC) for an update on OMB's single audit requirements, specifically focused on the [Higher Education Emergency Relief Funds](#) (HEERF) awarded under the three aid programs: CARES, CRSSAA and ARPA.

The four guests, Chris Dutch (PriceWaterhouseCoopers), Kim McCormick (Grant Thornton), Mandy Nelson (KPMG) and Mary Foelster (AICPA) expressed that institutions will need "patience and flexibility" to navigate the fiscal year 2021 single audit season. Similar to fiscal year 2020, two compliance supplements are expected – the first addressing most programs (optimistically anticipated by June 30, 2021) – and a second, covering the CRF (including HEERF), with an uncertain issuance date. With the issuance delays of the compliance supplements, APC members were advised to raise the expectation that single audits may be finalized very late in the audit cycle.

The discussion reinforced the [AICPA GAQC guidance](#) on when expenditures should appear on the Schedule of Expenditures on Federal Awards (SEFA), and confirmed the advice in NACUBO's [tutorial](#) about quantifying and documenting lost revenue for audit purposes. There is also uncertainty about identifying major and minor programs (aka. Type "A" and "B" programs) based on the level of funding and risk; they expect that the CRF programs will be audited as a major program and may be high risk depending on other programs and variables.

GAQC panel guests also explained a requested change by the Department of Education in audit sampling protocol for Title IV programs. If the request is accepted by OMB, the concern is that the 2021 compliance supplement will require random sampling and there will be no time to study the impact of the new methodology and already performed work will need to be redone. NACUBO and NASFAA submitted a [letter to FSA](#) on behalf of higher education.