**Agency Uniform Guidance Roundtable Discussion-Minutes**

**Date/Time:** March 29, 2017- 9:00 am-10:30 am

**Location:** Kansas State Board of Healing Arts

**Topics:**

* Uniform Guidance Impact on State of Kansas/DCF Requirements and Practices-Mary Hoover
* 2016 SEFA Audit Findings-Jill Martin
* 2017 SEFA Audit Dates & Student Financial Aid (SFA) update-Roger Basinger

**Facilitators/Presenters:**

Mary Hoover, Audit Director, DCF Audit Services

Roger Basinger, Team Lead, OCFO Federal Reporting Team

Jill Martin, Central Business Analyst, OCFO Federal Reporting Team

**Attendees:** [**Participants-All.xls**](Participants-All.xls)

**Welcome and Introductions**

Roger welcomed the participants and had them introduce themselves stating their name and agency. Roll call was also taken for those who attended over the phone. A total of 42 participants from 20 different agencies attended in person and remotely.

**Uniform Guidance Impact on State of Kansas/DCF Requirements and Practices (presented by Mary Hoover)** [**Handouts for Roundtable 3.29.2017.pdf**](Handouts%20for%20Roundtable%203.29.2017.pdf)

Following are some of the highlights of Mary’s presentation. Click on the link above for the entire presentation.

* Federal agencies appear to be monitoring state agencies more closely and there also appears to be a heightened scrutiny of federal reports from state agencies.
* DCF has had issues with the classification of subrecipient vs. contractor.
	+ Child welfare used to be classified as a contractor, but the federal government said they should be subrecipients.
	+ Currently issues with the classification of child support. DCF thinks they should be classified as a contractor, but the federal government thinks they should be subrecipients.
* Time and activity reports used to be a major issue, but the UG has relaxed on this issue a little.
* DCF conducts risk assessments prior to each award as well as annually.
* DCF has a separate subrecipient monitoring policy and does the following monitoring activities:
	+ Review financial and program reports.
	+ Follow up on deficiencies to ensure subrecpients are taking action.
	+ Issue management decisions.
* DCF reviews every independent auditor’s report (A-133) even if under the $750,000 threshold.
* Financial management systems must separately identify federal costs.
* DCF follows a grant concurrence process which includes audit language, red flags, and feedback.
* DCF conducts a sample of just in time desk reviews on a quarterly basis. These are selected based on risk assessment results.
* Notification of grant award (NOGA)-the Grants & Contracts Division drafts this and it is reviewed and signed off by the secretary after the internal concurrence process.
* DCF limits indirect costs to 10% of grant budget request even if the federally approved rate is higher.
* Costs must be necessary and reasonable. Subrecipients must also follow state of Kansas travel policy.

Following are some questions that were asked of agencies in attendance pertaining to Mary’s presentation:

* **Agency**: Have things changed with audit reports since the Uniform Guidance?

**Mary:** Things have not changed much. DCF still sends out letters to subrecipients telling them they need to submit audit.

* **Agency**: Do you use the same risk assessment each time or different one?

**Mary**: We usually use the same one that we got from the AGH training that was done a while ago. However, DCF may need to update this.

* **Agency**: Do you complete a subrecipient vs. contractor checklist for all grants and contracts or just grants?

**Mary**: The checklist is completed for all grants and contracts.

* **Agency:** What is considered to be material and what is not when conducting an audit?

**Mary:** For the statewide single audit, feel like everything needs to be reported. Everything is either labeled as either a significant deficiency or material weakness.

**2016 SEFA Audit Findings (presented by Jill Martin)** [**2016 SEFA Findings (1).pptx**](2016%20SEFA%20Findings%20%281%29.pptx)

The SEFA draft report was received in February 2017. Nine major programs were audited and a total of fifteen findings were identified. Types of findings reported include:

* Eligibility (6)
* Subrecipient monitoring (4)
* Reporting (2)
* Non-compliance with grant provisions (2)
* Allowable costs/cost principles (1)

Also, two eligibility findings had questioned costs totaling $479. Corrective actions such as training, additional reviews, and new and/or changed processes have been put into place.

**2017 SEFA Audit Dates & Student Financial Aid Update (presented by Roger Basinger)**

Key dates-All Agencies

* July 17th or earlier- Agency cover letter, DA-89, instructions, and certification released to agencies
* August 14th  - Agency certifications and DA-89 due
* September 29th - Preliminary SEFA due
* October 13th - Final SEFA due

Key Dates- Universities

* August 14th - Agency certifications and DA-89s due to OCFO. DA-89s are to include SFA information.
* September 29th – Second DA-89 submitted containing only the CFDAs/SFA reported on the FISAP.

**Questions/Other Items Discussed**

Roger mentioned the following items in closing:

* There were not as many SEFA findings as we thought there would be given the new Uniform Guidance. However, agencies need to focus on subrecipient monitoring and communicating the proper information to subrecipients.
* There are supposed to be some new FAQs related to the Uniform Guidance to be released by the COFAR soon. The Federal Reporting team will let the agencies know when these are released.
* The office of the OMB may have some changes to the Uniform Guidance related to procurement, subrecipient monitoring, and allowability of pension costs for GASB 68.
* CFDA numbers will probably be changing to a three digit prefix and is scheduled to go into effect as of October 1, 2018.
* The next roundtable will be on the 2017 SEFA process and will probably be in mid-June or mid- July.

**Meeting Adjourned 10:30 am**