



2022 SUMMER CPE SYMPOSIUM: WHAT'S HOT IN HEALTHCARE

# Single Audits and COVID-19 – Part 2

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Session 4 | July 27, 2022

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WE ARE AN INDEPENDENT MEMBER OF HLB—THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

# Introductions

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# Agenda

1. Schedule of Expenditures of Federal Awards elements
2. Provider Relief Funding and the Uniform Guidance
3. Alternative for for-profit entities
4. Common deficiency types in Single Audits

# Schedule of Expenditures of Federal Awards elements

# Schedule of Federal Expenditures

## What is it?

- Put simply...the main schedule of the Uniform Guidance Audit report
- Sometimes simply referred to as the SEFA (See-Fuh)
- Found in the “Internal Control and Compliance Section” of the Uniform Guidance Audit report
- Contains a variety of attributes of federal grants and expenditures for the period reported on
- Includes a variety of notes
- Not to be confused with the SESFA (Sehs-Fuh)

# SEFA Snapshot

CFDA Number	Award Number	Program Name (Program Period)	Grantor	Pass-Through Grantor Agency	Expenditures			Passed through to Subrecipients
					From Direct Awards	From Through Awards	Pass- Total	
<b>FEDERAL AWARDS:</b>								
16.575	38355 (100% Federal)	Crime Victim Assistance (7/1/20 - 6/30/21)	U.S. Department of Justice	Tennessee Department of Finance and Administration	-	216,111	216,111	-
16.575	2018-V2-GX-0024 (100% Federal)	Crime Victim Assistance (2/15/21 - 6/30/21)	U.S. Department of Justice	Tennessee Department of Finance and Administration	-	9,941	9,941	-
<b>Total U.S. Department of Justice</b>					-	<b>226,052</b>	<b>226,052</b>	-
21.019	None (100% Federal)	Coronavirus Relief Fund (3/1/20-12/31/21)	U.S. Department of Treasury	Tennessee Department of Finance and Administration	-	1,950,275	1,950,275	-
<b>Total U.S. Department of Treasury</b>					-	<b>1,950,275</b>	<b>1,950,275</b>	-
97.036	None (100% Federal)	FEMA - Emergency Protective Measures (3/13/20-7/1/22)	U.S. Department of Homeland Security	FEMA	-	8,031,503	8,031,503	-
97.036	None (100% Federal)	FEMA - Emergency Protective Measures (3/13/20-7/1/22)	U.S. Department of Homeland Security	FEMA	-	2,501,375	2,501,375	-
<b>Total U.S. Department of Homeland Security</b>					-	<b>10,532,878</b>	<b>10,532,878</b>	-
93.650	1P1CMS331563-05-00 (100% Federal)	Accountable Health Communities (5/1/21 - 4/30/2022)	U.S. Department of Health and Human Services	Centers for Medicare and Medicaid Services	-	95,251	95,251	-
Medicaid Cluster 93.778	45982 (50% Federal)	Medical Assistance Program: High Risk Perinatal (7/1/20-6/30/21)	U.S. Department of Health and Human Services	Tennessee Department of Finance and Administration	-	290,750	290,750	-
<b>Total Medicaid Cluster:</b>					-	<b>290,750</b>	<b>290,750</b>	-
<b>Total U.S. Department of Health and Human Services</b>					-	<b>386,001</b>	<b>386,001</b>	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					\$ -	\$ 13,095,206	\$ 13,095,206	\$ -

# Schedule of Federal Expenditures

## What Makes a Good SEFA?

- Diligent process for accumulating accurate data elements
- Financial and descriptive
- Agreement with award documents
- Supporting financial records
- Annually updated knowledge of programs awarded
- Quality review

# Schedule of Federal Expenditures

## Questions to Ask Yourself for Each Line Item

- What type of federal assistance is this?
- What is the Assistance Listing number? (previously called CFDA Number)
- What is the name of the federal program?
- Does the Assistance Listing number prefix align with the Federal Agency?
- Is the award part of a cluster?
  - What is the cluster's name?



# Schedule of Federal Expenditures

## Questions to Ask Yourself for Each Line Item

- What is the award number?
- How much was awarded?
- What is the award period?
- Have there been any award amendments?
- Is this a direct award or a “subaward”?
- What is the pass-through entity name?
- Is there a different period associated with the subaward?

# Schedule of Federal Expenditures

## Questions to Ask Yourself for Each Line Item

- Is a portion of this award passed through to subrecipients?
- Is the award entirely federal or is there a matching amount included from a state or other source?
- Does the award include noncash assistance?
- Does the award include loans or loan guarantees?
- Is the award for research and development activities?
- Was the award related to the COVID-19 pandemic?
- Are there any unique requirements stated in the award agreement?

# Schedule of Federal Expenditures

## Questions to Ask Yourself for Each Line Item

- Who is the main external contact person for the award?
- Who is the main internal contact person for the award?
- How much was expended for the award during the fiscal period?
- What are the relevant compliance requirements for this award?

# Schedule of Federal Expenditures



CFDA Number	Award Number	Entity	Program Name (Program Period)	Grantor	Pass-Through Grantor Agency	Expenditures			Passed through to Subrecipients
						From Direct Awards	From Pass-Through Awards	Total	
<b>FEDERAL AWARDS:</b>									
12.575	38355 (50% Federal 50% State)		VOCA Fund (7/1/20 - 6/30/21)	U.S. Department of Justice	Tennessee Department of Finance and Administration	\$ -	\$ 250,000	\$ 250,000	\$ -
93.778	45982 (50% Federal)		High Risk Perinatal (7/1/20-6/30/21)	Centers for Medicaid and Medicare Services	Tennessee Department of Finance and Administration	325,000	-	325,000	-
93.800	Z20196568 (100% Federal)		National Bioterrorism Hospital Preparedness Program (7/1/20 - 6/30/21)	U.S. Department of Health and Human Services	N/A	-	400,000	400,000	250,000
N/A	G20-0524 (100% Federal)		Coronavirus Relief Fund (5/30/20-6/30/20)	U.S. Department of Treasury	Department of Finance and Administration	-	136,545	136,545	-
<b>TOTAL FEDERAL AWARDS</b>						<b>\$ 325,000</b>	<b>\$ 786,545</b>	<b>\$ 1,111,545</b>	<b>\$ 250,000</b>

# Schedule of Federal Expenditures



CFDA Number	Award Number	Entity	Program Name (Program Period)	Grantor	Pass-Through Grantor Agency	Expenditures			Passed through to Subrecipients
						From Direct Awards	From Pass-Through Awards	Total	
<b>FEDERAL AWARDS:</b>									
12.575	38355 (50% Federal 50% State)		VOCA Fund (7/1/20 - 6/30/21)	U.S. Department of Justice	Tennessee Department of Finance and Administration	\$ -	\$ 250,000	\$ 250,000	\$ -
93.778	45982 (50% Federal)		High Risk Perinatal (7/1/20-6/30/21)	Centers for Medicaid and Medicare Services	Tennessee Department of Finance and Administration	325,000	-	325,000	-
93.800	Z20196568 (100% Federal)		National Bioterrorism Hospital Preparedness Program (7/1/20 - 6/30/21)	U.S. Department of Health and Human Services	N/A	-	400,000	400,000	250,000
N/A	G20-0524 (100% Federal)		Coronavirus Relief Fund (5/30/20-6/30/20)	U.S. Department of Treasury	Department of Finance and Administration	-	136,545	136,545	-
<b>TOTAL FEDERAL AWARDS</b>						<b>\$ 325,000</b>	<b>\$ 786,545</b>	<b>\$ 1,111,545</b>	<b>\$ 250,000</b>

# Schedule of Federal Expenditures



CFDA Number	Award Number	Entity	Program Name (Program Period)	Grantor	Pass-Through Grantor Agency	Expenditures			Passed through to Subrecipients
						From Direct Awards	From Pass-Through Awards	Total	
16.575	38355 (50% Federal)		Crime Victim Assistance (7/1/20 - 6/30/21)	U.S. Department of Justice	Tennessee Department of Finance and Administration	\$ -	\$ 125,000	\$ 125,000	\$ -
<b>Total U.S. Department of Justice</b>						-	125,000	125,000	-
93.778	45982 (50% Federal)		High Risk Perinatal (7/1/20-6/30/21)	Centers for Medicaid and Medicare Services	Tennessee Department of Finance and Administration	325,000	-	325,000	-
93.800	Z20196568 (100% Federal)		National Bioterrorism Hospital Preparedness Program (7/1/20 - 6/30/21)	U.S. Department of Health and Human Services	N/A	-	400,000	400,000	250,000
N/A	G20-0524 (100% Federal)		Coronavirus Relief Fund (5/30/20-6/30/20)	U.S. Department of Treasury	Department of Finance and Administration	-	136,545	136,545	-
<b>TOTAL FEDERAL AWARDS</b>						<b>\$ 325,000</b>	<b>\$ 786,545</b>	<b>\$ 1,111,545</b>	<b>\$ 250,000</b>

# Schedule of Federal Expenditures



CFDA Number	Award Number	Entity	Program Name (Program Period)	Grantor	Pass-Through Grantor Agency	Expenditures			Passed through to Subrecipients
						From Direct Awards	From Pass-Through Awards	Total	
<b>FEDERAL AWARDS:</b>									
16.575	38355 (50% Federal)		Crime Victim Assistance (7/1/20 - 6/30/21)	U.S. Department of Justice	Tennessee Department of Finance and Administration	\$ -	\$ 125,000	\$ 125,000	\$ -
<b>Total U.S. Department of Justice</b>						-	125,000	125,000	-
<b>Medicaid Cluster:</b>									
93.778	634591 (50% Federal)		Medical Assistance Program: High Risk Perinatal (7/1/20-6/30/21)	U.S. Department of Health and Human Services	Tennessee Department of Finance and Administration	-	325,000	325,000	-
<b>Total Medicaid Cluster:</b>						-	325,000	325,000	-
93.800	Z20196568 (100% Federal)		National Bioterrorism Hospital Preparedness Program (7/1/20 - 6/30/21)	U.S. Department of Health and Human Services	N/A	-	400,000	400,000	250,000
N/A	G20-0524 (100% Federal)		Coronavirus Relief Fund (5/30/20-6/30/20)	U.S. Department of Treasury	Department of Finance and Administration	-	136,545	136,545	-
<b>TOTAL FEDERAL AWARDS</b>						<b>\$ -</b>	<b>\$ 1,436,545</b>	<b>\$ 1,436,545</b>	<b>\$ 250,000</b>

# Schedule of Federal Expenditures



CFDA Number	Award Number	Entity	Program Name (Program Period)	Grantor	Pass-Through Grantor Agency	Expenditures			Passed through to Subrecipients
						From Direct Awards	From Pass-Through Awards	Total	
<b>FEDERAL AWARDS:</b>									
16.575	38355 (50% Federal)		Crime Victim Assistance (7/1/20 - 6/30/21)	U.S. Department of Justice	Tennessee Department of Finance and Administration	\$ -	\$ 125,000	\$ 125,000	\$ -
<b>Total U.S. Department of Justice</b>						-	125,000	125,000	-
Medicaid Cluster:									
93.778	634591 (50% Federal)		Medical Assistance Program: High Risk Perinatal (7/1/20-6/30/21)	U.S. Department of Health and Human Services	Tennessee Department of Finance and Administration	-	325,000	325,000	-
Total Medicaid Cluster:						-	325,000	325,000	-
93.889	Z20196568 (100% Federal)		National Bioterrorism Hospital Preparedness Program (7/1/20 - 6/30/21)	U.S. Department of Health and Human Services	N/A	150,000	-	150,000	250,000
<b>Total U.S. Department of Health and Human Services</b>						150,000	325,000	475,000	250,000
N/A	G20-0524 (100% Federal)		Coronavirus Relief Fund (5/30/20-6/30/20)	U.S. Department of Treasury	Department of Finance and Administration	-	136,545	136,545	-
<b>TOTAL FEDERAL AWARDS</b>						\$ 150,000	\$ 450,000	\$ 600,000	\$ 250,000



# Schedule of Federal Expenditures



CFDA Number	Award Number	Entity	Program Name (Program Period)	Grantor	Pass-Through Grantor Agency	Expenditures			Passed through to Subrecipients
						From Direct Awards	From Pass-Through Awards	Total	
<b>FEDERAL AWARDS:</b>									
16.575	38355 (50% Federal)		Crime Victim Assistance (7/1/20 - 6/30/21)	U.S. Department of Justice	Tennessee Department of Finance and Administration	\$ -	\$ 125,000	\$ 125,000	\$ -
<b>Total U.S. Department of Justice</b>						-	<b>125,000</b>	<b>125,000</b>	-
Medicaid Cluster:									
93.778	634591 (50% Federal)		Medical Assistance Program: High Risk Perinatal (7/1/20-6/30/21)	U.S. Department of Health and Human Services	Tennessee Department of Finance and Administration	-	325,000	325,000	-
Total Medicaid Cluster:						-	325,000	325,000	-
93.889	Z20196568 (100% Federal)		National Bioterrorism Hospital Preparedness Program (7/1/20 - 6/30/21)	U.S. Department of Health and Human Services	N/A	150,000	-	150,000	250,000
<b>Total U.S. Department of Health and Human Services</b>						<b>150,000</b>	<b>325,000</b>	<b>475,000</b>	<b>250,000</b>
21.019	G20-0524 (100% Federal)		COVID-19: Coronavirus Relief Fund (5/30/20-6/30/20)	U.S. Department of Treasury	Tennessee Department of Finance and Administration	-	136,545	136,545	-
<b>Total U.S. Department of Treasury</b>						-	<b>136,545</b>	<b>136,545</b>	-
<b>TOTAL FEDERAL AWARDS</b>						<b>\$ 150,000</b>	<b>\$ 586,545</b>	<b>\$ 736,545</b>	<b>\$ 250,000</b>

# Schedule of Federal Expenditures

## Other Items that Supplement the SEFA

- SESFA (if applicable)
- Notes to the SEFA (and SESFA, if applicable)
- Auditor's report on internal control
- Auditor's report on compliance of major programs
- Schedule of Findings and Questioned Costs
- Summary Schedule of Prior Audit Findings
- Corrective Action Plan (if applicable)
- Data Collection Form (DCF)

# Schedule of Federal Expenditures



## Example 1

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

### Section I. Summary of Auditor's Results

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?      X yes      \_\_\_no
- Significant Deficiency(s)                      \_\_\_yes      X none reported

Noncompliance material to financial statements noted?                      \_\_\_yes      X no

#### Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?                      \_\_\_yes      X no
- Significant Deficiency(s) identified                      \_\_\_yes      X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                      \_\_\_yes      X no

Identification of major federal programs:

CFDA No(s).	Names of Federal Program or Cluster
66.458	Capitalization Grants for Drinking Water State Revolving Fund
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B Programs                      \$ 750,000

Auditee qualified as low-risk auditee?                      \_\_\_yes      X no

# Provider Relief FUNding

# Provider Relief Funding

## Issuance of 2021 Compliance Supplement on August 2021

- Finally provided guidance on Provider Relief Funds
- Assistance Listing 93.498
- Four applicable compliance requirements
  - Activities Allowed or Unallowed
  - Allowable Costs/Cost Principals
  - Reporting
  - Special Tests and Provisions
- Provider Relief Funds considered high risk

# Provider Relief Funding



<b>Period</b>	<b>Payment Received Period</b> <i>(Payments Exceeding \$10,000 in Aggregate Received)</i>	<b>Deadline to Use Funds</b>	<b>Reporting Time Period</b>
Period 1	April 10, 2020 to June 30, 2020	June 30, 2021	July 1, 2021 to September 30, 2021
Period 2	July 1, 2020 to December 31, 2020	December 31, 2021	January 1, 2022 to March 31, 2022
Period 3	January 1, 2021 to June 30, 2021	June 30, 2022	July 1, 2022 to September 30, 2022
Period 4	July 1, 2021 to December 31, 2021	December 31, 2022	January 1, 2023 to March 31, 2023
Period 5	January 1, 2022 to June 30, 2022	June 30, 2023	July 1, 2023 to September 30, 2023

# Provider Relief Funding

## Activities Allowed and Unallowed

- “To prevent, prepare for, and respond to coronavirus, domestically or internationally, for necessary expenses to reimburse, through grants or other mechanisms, eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus.”
  - Construction of temporary structures
  - Leasing property
  - Medical supplies and equipment
  - Personal protective equipment
  - Testing supplies
  - Increased workforce and training
  - Emergency operation centers
  - Surge capacity
- Must not have been reimbursed by other sources

# Provider Relief Funding

## Allowable Costs/Cost Principals

- Allowable costs must agree with the award conditions
- PRF charges must be consistent and reasonable in treatment



# Provider Relief Funding

## Reporting

- Financial and performance reporting requirements are not applicable
- Special reporting requirement is applicable
  - PRF amounts on the SEFA should align with the PRF report
- Supplement lists the following as key line items to be considered by the auditor
  - Nursing Home Infection Control Expenses
  - Total Other Provider Relief Fund Expenses
  - Calculation of Lost Revenues attributable to the Coronavirus
    - 2019 Actuals
    - 2020 Budgeted
    - Alternative method

# Provider Relief Funding

## Special Tests and Provisions (REMOVED)

- Billing to out-of-network patients with presumptive or actual cases of COVID-19 during the period through the end of the Public Health Emergency
- Suggested that auditors review billing and collection policies related to this special requirement in addition to sampling out-of-network patients that were presumed to have COVID-19

# Alternative for For-Profit entities

# Alternative for For-Profit entities

Types of for-profit entities finding themselves subject to Federal Audit requirements



# Alternative for For-Profit entities



	Single Audit	Program-Specific Audit	GAGAS Financial Audit
Number of programs	Awards under one or more HHS programs	Awards under only one HHS program	Awards under one or more HHS programs
Financial Statement Audit required?	Yes (GAGAS standards)	No	No
Presentation Schedule	SEFA	Schedule of specific element of financial statement	Schedule of specific element of financial statement
Auditor reporting	Financial Statement and SEFA opinion	Opinion on the schedule	Opinion on the schedule
Opinion on Compliance and Internal Control	Yes	Yes	No

# Alternative for For-Profit entities

## GAGAS Financial Audit

- Schedule of Department of Health and Human Services awards (Not a full SEFA)
- Includes all HHS Awards received by the organization
- GAAP or a Special Purpose Frame work (cash, tax, etc.)
  - HHS has not issued a regulation, contract, or agreement with specific financial reporting requirements
- No financial statements are required to accompany the schedule

# Alternative for For-Profit entities

## What makes it to the schedule and when?

Period	Payment Received Period <i>(Payments Exceeding \$10,000 in Aggregate Received)</i>	Deadline to Use Funds	Reporting Time Period
Period 1	April 10, 2020 to June 30, 2020	June 30, 2021	July 1, 2021 to September 30, 2021
Period 2	July 1, 2020 to December 31, 2020	December 31, 2021	January 1, 2022 to March 31, 2022
Period 3	January 1, 2021 to June 30, 2021	June 30, 2022	July 1, 2022 to September 30, 2022
Period 4	July 1, 2021 to December 31, 2021	December 31, 2022	January 1, 2023 to March 31, 2023
Period 5	January 1, 2022 to June 30, 2022	June 30, 2023	July 1, 2023 to September 30, 2023

# Alternative for For-Profit entities

## How are items recognized on the schedule?

- Short answer...Revenues Recognized
- Provider Relief Funds (93.498)
  - Eligible expenditures and lost revenues during the period
- HRSA COVID-19 Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund (93.461)
  - Fee-for service award, revenue recognized during the period
- Other HHS Programs (93.XXX)
  - Expenditures during the period under audit.



# Alternative for For-Profit entities

## GAGAS Financial Audit, Example

Program	Payment Received Date	Amount	Reporting Period
PRF	April 2020	\$1,000,000	Period 1
PRF	August 2020	\$1,300,000	Period 2
PRF	January 2021	\$800,000	Period 3
Uninsured/CAF	April 2020 – December 2020	\$200,000	N/A
Uninsured/CAF	January 2021 – December 2021	\$130,000	N/A
Uninsured/CAF	January 2022 – December 2022	\$25,000	N/A

Source: GAQC Practice Aid: HHS Audit Requirements for For-Profit Entities with Awards from the Provider Relief Fund Program

# Example



## GAGAS Financial Audit, Example

Program	Payment Received Date	GAAP 2020	GAAP 2021	GAAP 2022	GAGAS 2020	GAGAS 2021	GAGAS 2022
PRF – Period 1	April 2020	\$1,000,000	-	-	-	\$1,000,000	-
PRF – Period 2	August 2020	\$1,000,000	\$300,000	-	-	\$1,300,000	-
PRF – Period 3	January 2021	-	\$800,000	-	-	-	\$800,000
Uninsured/CAF	2020	\$200,000	-	-	N/A...threshold not met	-	-
Uninsured/CAF	2021	-	\$130,000	-	-	\$130,000	-
Uninsured/CAF	2022	-	-	\$25,000	-	-	\$25,000

Source: GAQC Practice Aid: HHS Audit Requirements for For-Profit Entities with Awards from the Provider Relief Fund Program

# Example



## GAGAS Financial Audit, Example

<u>Federal Department/Program Title/Grant Name</u>	<u>Assistance Listing Number</u>	<u>Amounts recognized in accordance with GAAP for the year ended December 31, 2020</u>	<u>Amounts recognized in accordance with GAAP for the year ended December 31, 2021</u>
Department of Health and Human Services Health Resources and Services Administration (HRSA)			
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution - Period 1	93.498	\$ 1,000,000	\$ -
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution - Period 2	93.498	1,000,000	300,000
COVID-19 HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund Testing for the Uninsured	93.461	N/A	130,000
[Other HHS awards, e.g., Research & Development, Children's Health Insurance Program]	93.XXX	N/A	\$XX
<b>Total Department of Health and Human Services</b>		<b>\$ 2,000,000</b>	<b>\$ 430,000</b>

Source: GAQC Practice Aid: HHS Audit Requirements for For-Profit Entities with Awards from the Provider Relief Fund Program

# Most Common Deficiency Types

- Lack over expertise regarding SEFA preparation and reporting
- Inadequate internal controls over financial reporting or grant compliance
- Lack of appropriate review/risk assessment of grant documents and compliance requirements
- Lack of documentation supporting expenditures reported on the SEFA

# How Can We HELP?

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A national healthcare advisory services firm  
providing consulting, audit, and tax services