

MEMO

 Local Government Services

State Financial Services Division Department of Administration 125 North Roberts, Helena, MT

TO: Audit Roster Members

FROM: Local Government Services DATE: November 14, 2018

RE: Audit finding and submission considerations

Roster Members:

We are beginning to review fiscal year 2018 audit reports and have updated our review checklist which can be found at [this link.](http://sfsd.mt.gov/LGSB/Audit-Financial-Review-Resources/8_ReviewChecklist) We want to provide several reminders and considerations to keep in mind when performing audits or submitting the results of your audits to us:

* All audits must be completed and the reports issued within one year from the close of the last fiscal year covered by the audit. If the audit is conducted in accordance with the provisions of Uniform Guidance, the due date is within nine months from the close of the last fiscal year covered by the audit.
* A report presenting the status of prior year audit findings must be included in the current year audit report. The report must include the actions taken by your clients to correct the reported deficiencies. See the Standard Audit Contract ¶ 11.E. for specific requirements.
* Do not follow audit findings with “No Response Required” or “No Corrective Action Necessary.” Responses are required for all findings. Corrective action must be addressed for all findings. See the Standard Audit Contract ¶ 11.F. for specific requirements.
	+ Subsequent to audit report issuance, if you receive additional information from the client or LGS about corrective action planned or taken, please consider this information for the next year’s report of prior year findings.
	+ If corrective action differs significantly from the prior year’s audit or financial review, adequate explanation should be provided as specified in 2CFR 200.511(b)(2).
* If your client has implemented GASBS 73 and reports a related FDRA liability, remember to reclassify the corresponding cash from the agency fund holding the FDRA cash to the governmental funds for reporting as specified in GASB Codification §P23.105.
* Remember GASBS 75 (accounting and reporting for OPEB plans) is effective for fiscal years beginning after June 15, 2017; i.e. for fiscal year ending June 30, 2018.
* When submitting electronic documents to us, please submit them in an unsecured, unencrypted, text-searchable format.

Thank you,

Local Government Services

**PHONE:** 406-444-9101 **WEBSITE:** <http://sfsd.mt.gov/LGSB> **EMAIL:** LGSPortalRegistration@mt.gov