

Justification for Change – 0572-0095

This is a submission for approval of a non-material change request to clarify instructions for some respondents in the information collection 0572-0095. The justification for the change is as follows:

RUS is revising corresponding regulations (7 CFR 1773) for this collection to be consistent with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F, Audit Requirements, 2 CFR 200, issued by the Office of Management and Budget on December 26, 2013, and adopted by USDA on December 26, 2014. The regulation amendments also are aligned with 2011 revisions to the Generally Accepted Government Auditing Standards (GAGAS) issued by the Government Accountability Office (GAO), and the clarified audit standards issued by the American Institute of Certified Public Accountants (AICPA).

In order to be consistent with standards and to fully enumerate audit requirements, RUS is adding one section to the revised regulation which will list a non-material burden on some of the respondents to include a “schedule of findings and recommendations to be included with the audited financial statements”. The standard is required by the AICPA and GAGAS, and auditors submitting plans of corrective action are already submitting the schedule of findings and recommendations, however, the requirement had not previously been enumerated in the RUS regulation. As auditors complete the report, the schedule of findings and recommendations is included for those approximately 400 respondents who are required to submit a plan of corrective action. The burden is already accounted for in this collection package and reported in the burden for the auditor’s report. The clarification applies to only those respondents required to submit a plan of corrective action, estimated to be approximately 400 of 1,340 respondents, and will not increase the burden estimate of 14,914.

Change in the regulation: RUS is adding the following language that will not impose the additional burden:

7 CFR 1773.34

The auditor must prepare a schedule of findings and recommendations to be included with the audited financial statements. The schedule of findings and recommendations shall be developed and presented utilizing the elements of a finding discussed in GAGAS and shall include recommendations for remediation. The schedule may include responses from management, as well as any planned corrective actions. However, responses from management and corrective action plans must be submitted directly to the AA-PARA by management in accordance with §1773.4(i).

As indicated above, the change in regulation will not add to the burden, but will update the regulation to accurately describe those requirements currently included in GAGAS.