

BASIS STATEMENT
MAINE UNIFORM ACCOUNTING AND AUDITING PRACTICES FOR
COMMUNITY AGENCIES
10-144 DHHS Ch. 30

The Division of Audit is repealing and replacing the Maine Uniform Accounting and Auditing Practices for Community Agencies due to significant changes that have occurred in accounting and auditing standards and federal regulations since the last major revision in December, 1996. Because these rules are major substantive rules, they are provisionally adopted. The rule changes include:

- Section .01 Definitions are changed to mirror federal definitions.
- Section .01 Definitions are expanded.
- Sections .02 Standards for the Schedule of Expenditures of Department Awards (SEDA) are established.
- Section .02 The requirement for an audited Schedule of Agreement Operations and a compiled Agreement Settlement Form has been eliminated.
- Section .02 Community agencies with annual agreement expenditures of \$100,000, but less than \$500,000 are required to have an entity-wide review of its financial statements and supplemental SEDA conducted by a qualified Independent Public Accountant.
- Section .02 Internal Control standards are changed to the five internal control standards issued by the Committee of Sponsoring Organizations (COSO) and adopted by the American Institute of Certified Public Accountants (AICPA).
- Section .02 Electronic submission is provided as the preferred method of submitting audits to the Department.
- Section .03 Department audit requirements are updated to mandate audits be performed in accordance with *Government Auditing Standards*.
- Section .03 Auditing requirements mirror generally accepted auditing standards, government auditing standards and Federal Circular OMB A-133.
- Section .03 Audit reporting standards are updated to mirror Federal Circular A-133.
- Section .03 Known and likely questioned costs have been quantified at \$1,000.
- Section .03 Audit compliance testing standards are updated to mirror Federal Circular A-133.
- Section .03 provides for a status of a low-risk auditee.
- Section .04 Compliance requirements for community agencies are updated to mirror Federal Circular OMB A-133.
- Section .04 The requirement for a budget revision when budgeted revenue differs from actual by 10% or \$5,000 has been eliminated.
- Section .04 The requirement for a budget revision for an unbudgeted line item in excess of \$1,000 has been eliminated.

- Section .04 The requirement for a budget revision when total expenses in the personnel and all other category exceed a certain threshold has been changed from the greater of \$1,000 or 10% to the greater of \$10,000 or 10%.
- Section .04 The requirement for a budget revision when total expenses in the subcontract category exceed a certain threshold has been changed from the greater of \$1,000 or 10% as a category to the greater of \$1,000 or 10% per subcontract.
- Section .04 Revenue restricted to the program from sources such as the United Way, local governments and private sources will be cost-shared in the final settlement with the Department.
- Section .04 Standards for liquidation of outstanding balances was added.
- Section .04 Appeals, resolution and sanctions have been changed to reflect current practice for both DHHS and DOT.
- Section .05 Department and Division of Audit responsibilities are updated to reflect current practice.

Statutory Authority

5 MRSA §1660-H; 22-A MRSA §205

Effective Date

July 1, 2012