



## *Louisiana Legislative Auditor Audit Risk Alert*

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AUDIT RISK ALERT # 40

DATE: October 4, 2021

SUBJECT: Reporting Federal Equitable Sharing Program Funds on the SEFA

Many of the parish sheriffs in the state of Louisiana participate in the federal Equitable Sharing Program(s) administered by the US Department of Justice (DOJ) (Assistance Listing (AL) 16.922) and/or the US Department of Treasury (DOT) (AL # 21.016). The receipt and expenditure of Equitable Sharing funds are reported to the DOJ and DOT annually on the federal Equitable Sharing Agreement and Certification (ESAC) form.

The Louisiana Legislative Auditor (LLA) has entered into an agreement with the DOJ and the Louisiana Sheriffs' Association to review and approve the ESAC forms before they are submitted to DOJ and DOT. Sheriffs submit the ESAC forms and related information to LLA, and LLA Advisory Services (AS) staff review and perform an assessment of the information reported on the ESAC form before approving it.

Local government agencies and quasi-public organizations (local auditees) that expend \$750,000 or more in federal funds during their fiscal year must engage their CPA to perform an audit in accordance with the Office of Management and Budget publication *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). A Uniform Guidance audit report must also include a Schedule of Expenditures of Federal Awards (SEFA).

During a recent review of the ESAC forms, LLA AS staff noted that federal Equitable Sharing Funds were omitted from the SEFAs of some sheriffs that received and expended these funds. Federal Equitable Sharing Program Funds are subject to a Uniform Guidance audit, and should be included on the sheriff's SEFA if the sheriff expends \$750,000 or more in total federal assistance.

Through this audit risk alert we are reminding the CPAs on LLA's approved list to include in their audit procedures an identification of **all** federal funds received and expended by their sheriff and other local auditee clients for the purpose of determining whether the local auditee needs to provide for an audit under Uniform Guidance. If the local auditee is required to provide for a Uniform Guidance audit, **all** of the federal expenditures that are subject to the Uniform Guidance, including federal Equitable Sharing Program Funds, should be included on the SEFA.

If you have any questions, please contact Diane Allison, Director of Local Government Services, at (225) 339-3812 or [dallison@lla.la.gov](mailto:dallison@lla.la.gov).