



Single Audits


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What is a Single Audit?

- An organization-wide financial statement and federal awards audit of a non-federal entity that expends \$750,000 or more in federal funds in one fiscal year.
- It is intended to provide assurance to the federal government that a non-federal entity has adequate internal controls in place, and is generally in compliance with program requirements.
- Non-federal entities typically include states, local governments, Indian tribes, universities and non –profit organizations.

Key Responsibilities of Auditees

- Procure the Single Audit and ensure it is properly performed and submitted when due.
- Prepare financial statements, including the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance.
- Evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards.
- Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan.
- Take reasonable measures to safeguard protected personally identifiable information.
- Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the Single Audit.
- Prepare and submit a data collection form (Form SF-SAC) that provides information and the results related to the Uniform Guidance compliance audit.



What are Federal Programs and Clusters of Programs?

Federal Program

- All federal awards assigned a single Assistance Listings Number.

Cluster of Programs

- A grouping of closely related federal programs that share common compliance requirements.
- A cluster of programs must be considered as one program for determining major programs.

What is the SEFA and What is Included?

The Uniform Guidance requires **auditees** to prepare a SEFA (Schedule of Federal Awards) for the period covered by the auditee's financial statements.

List of Programs

- Must list individual federal programs by federal agency.
- For a cluster of programs, provide the cluster name, list individual federal programs within the cluster.

Pass-Through Entity

- Must provide name of pass-through entity and identifying number assigned for federal awards.

Total Awards Expended

- Provide total federal awards expended for each individual federal program and the Assistance Listings number. For clusters, also provide the total for the cluster.
- Include the total amount provided to subrecipients from each federal program.

What is the SEFA and What is Included? (Continued)

Notes to SEFA

- Includes notes that describe the significant accounting policies used in preparing the schedule and other required information.

What Programs will Auditors Test?

- The auditor must audit as major programs federal programs with federal awards expended that, in the aggregate, encompass at least 40% of total federal awards expended. School districts in Kansas utilize KMAAG not GAAP. Therefore, 40% is the required testing percentage.
- See Handout #1.

What is the Compliance Supplement?

- The Compliance Supplement serves to identify existing types of compliance requirements that the federal government expects to be considered as part of the Single Audit.
- The Compliance Supplement identifies those programs that are considered clusters of programs. Clusters must be considered as one program for determining major programs.
- The Compliance Supplement is revised annually.

Types of Compliance Requirements

- A – Activities Allowed or Unallowed
- B – Allowable Costs/Cost Principles
- C – Cash Management
- D – Reserved
- E – Eligibility
- F – Equipment and Real Property Management
- G – Matching, Level of Effort, Earmarking

Types of Compliance Requirements (Continued)

- H – Period of Performance
- I – Procurement and Suspension and Debarment
- J – Program Income
- K – Reserved
- L – Reporting
- M – Subrecipient Monitoring
- N – Special Tests and Provisions

Auditee Responsibilities for Internal Control

- The Uniform Guidance states that the auditee must establish and maintain internal control over compliance for federal programs that provides reasonable assurance that the nonfederal entity is managing federal awards in compliance with the U.S. Constitution, federal statutes, regulations, and the terms and conditions of the federal awards.

Auditee Responsibilities for Internal Control (Continued)

- Establish and maintain effective internal control over federal awards;
- Comply with the U. S. Constitution, federal statutes, regulations and the terms and conditions of federal awards;
- Evaluate and monitor compliance with statutes, regulations, and the terms and conditions of federal awards;
- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;
- Take reasonable measures to safeguard protected personally identifiable information and other sensitive information.

What is a Questioned Cost?

Questioned Cost – A cost that is questioned by the auditor because of an audit finding -

- That resulted from a violation or possible violation of a provision of a statute, regulation, or the terms and conditions of a federal award, including funds used to match federal funds;
- In which the costs, at the time of the audit, are not supported by adequate documentation; or
- In which the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Audit Findings Required to be Reported


- Significant deficiencies and material weaknesses in internal control over major programs.
- Known questioned costs that are greater than \$25,000.
- Significant instances of abuse.
- Material noncompliance with federal statutes, regulations, or the terms and conditions of federal awards related to a major program.

Single Audit Reporting Requirements

- Report on the financial statement and on the schedule of expenditures of federal awards.
- **See Handout #2**
- Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statement.
- **See Handout #3**
- Report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with the Uniform Guidance.
- **See Handout #4**
- Schedule of Findings and Questioned Costs.
- **See Handout #5**



Schedule of Findings and Questioned Costs

- Section I - A summary of the auditor's results
 - Section II - Findings relating to the financial statement that are required to be reported in accordance with Government Auditing Standards
 - Section III - Findings and questioned costs for federal awards
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Auditee Responsibilities Related to Findings

- Follow-up and corrective action on all audit findings.
- Prepare a summary schedule of prior audit findings.
- Prepare a separate corrective action plan that addresses each of the current-year audit findings.
- Submit the data collection form and the reporting package, including the auditor's reports.

Helpful Links Related to Single Audits

- OMB Compliance Supplement
- <https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement-PDF-Rev-05.11.22.pdf>
- KSDE
- <https://datacentral.ksde.org/default.aspx>
- Federal Audit Clearinghouse
- <https://facweb.census.gov/uploadpdf.aspx>



Thank you

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