



What is a Single Audit?

A Single Audit is when a professional auditor goes over a grantee's financial management processes, including its financial management system and its compliance with all of its federal grant requirements. It is called a Single Audit because it combines one audit covering all of a grantee's federal grants. The purpose is to ensure grantees receiving federal grant funds use the funds in compliance with the government's requirements. It was created to promote sound financial management, promote uniform guidelines for audits and deploy audit resources efficiently.

What grantees are required to have Single Audits?

Grantees that receive money from the federal government (grants, cooperative agreements, etc.) and expend more than \$750,000 of federal dollars in a single fiscal year are required to have Single Audits.

Can grant funds be used to pay for a Single Audit?

If a grantee is required to have a Single Audit, a reasonable share of the audit costs is an allowable charge to federal awards.

What are the objectives of a Single Audit?

The objectives of a Single Audit are to determine if the grantee receiving federal funds has engaged in the following activities:

- ◆ Established an accounting system with adequate internal controls that provide full accountability for revenues, expenditures, assets, and liabilities
- ◆ Prepared financial statements which are presented fairly and in accordance with generally accepted accounting principles (GAAP)
- ◆ Submitted financial reports (including Federal Finance Reports), cash reports, and claims for advances and reimbursements that contain accurate and reliable financial data and are presented in accordance with the terms of applicable agreements
- ◆ Expended federal funds in accordance with the terms of award agreements and those provisions of federal law or regulations that could have a material effect on the financial statements or on the awards tested

What is the process for a Single Audit?

The process includes examining financial records, financial statements, federal grant award transactions, the internal control systems, as well as the overall management of the grantee's financial system.

How does a grantee select an auditor to conduct a Single Audit?

The process for selecting an auditor generally follows the steps outlined below. The auditor cannot be the same person who prepares the indirect cost proposal or the cost allocation plan.

The governing body appoints an Audit Committee with members of the governing body as well as fiscal and administrative staff

The committee develops the audit Statement of Work (SOW) which has clear objectives and a timeline to ensure the audit report is filed on time with the Federal Audit Clearinghouse

The committee develops a Request for Proposal (RFP), following the auditor selection requirements outlined in 2 C.F.R. Subpart F, including requesting a copy of the auditors' peer review report

The RFP is sent to independent auditors and published in relevant media (website, professional publications, newspapers, etc.)

The committee evaluates the RFPs, creating a written report noting items such as:

- ◆ Responsiveness to the request for proposal
- ◆ Relevant experience
- ◆ Availability of staff with professional qualifications and technical abilities
- ◆ Results of external quality control reviews
- ◆ References from other nonprofit clients
- ◆ Comparison of costs

The Audit Committee presents the written report to the Council/Board with a recommendation for the auditor selection

The Council/Board approves the auditor

A contract is entered into with the auditor

What are the steps in the Single Audit process?

1. Grantee Preparation

- 1.1. Prepare financial statements
- 1.2. Prepare a schedule of expenditure of federal awards (sometimes referred to as the SEFA)
- 1.3. Provide the auditor access to staff, accounting records, supporting documentation, grant records, and all other information as requested

2. Auditor Performance

- 2.1. Auditor reviews grantee's financial statements to see if the information is reported in a way that follows GAAP
- 2.2. Auditor reviews grantee's accounting processes and documents, including payroll, to see if the grantee has adequate internal controls to safeguard the appropriate use of federal funds
- 2.3. Auditor looks at specific federal awards to see if the grantee is in compliance with the terms and conditions of the award for the specific program(s)
- 2.4. Auditor follows up on findings in any previous audits to see if corrective actions were (or were not) taken from any previous audits – and determines if/how that impacts the current audit

3. Reporting

- 3.1.1. The requirements for what an auditor must report include problems with internal controls, compliance, and questioned costs. The auditor's report, which may be in the form of either combined or separate reports, must state that the audit was performed in accordance with the Uniform Guidance and include the following:
 - 3.1.1.1. An opinion, or disclaimer of opinion, on the financial statements
 - 3.1.1.2. An opinion, or disclaimer of opinion, about whether the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole
 - 3.1.1.3. A report on internal control over financial reporting and compliance
 - 3.1.1.4. A report on compliance for each major program and a report on internal controls over compliance
 - 3.1.1.5. A schedule of findings and questioned costs

4. Follow-Up

- 4.1. The grantee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the grantee must prepare a summary schedule of prior audit findings related to federal awards and a corrective action plan.

What is an audit corrective action plan?

When a grantee has an audit finding, it must develop a corrective action plan to respond to each finding. The corrective action plan has to provide the name(s) of the contact person(s) responsible for the plan, the actions to be taken, and the anticipated completion date. If the grantee does not agree with the findings, the grantee provides an explanation and its specific reasons for disagreement in its corrective action plan.

What do we do with our Single Audit report?

Grantees have 30 days after receipt of their Single Audit (or nine months after the end of the audit period) to complete a Form SF-SAC, along with one complete reporting package, to the Federal Audit Clearinghouse (FAC). The instructions and forms are on the FAC's website. Indian Tribes and Tribal Organizations (as defined in the Indian Self-Determination, Education and Assistance Act) which opt not to authorize the FAC to make the reporting package publicly available still have some obligations to make their reporting package available to other entities.

FORM SF-SAC (8-6-2008)		OMB No. 0348-0057										
U.S. DEPT. OF COMM.— Econ. and Stat. Admin.— U.S. CENSUS BUREAU ACTING AS COLLECTING AGENT FOR OFFICE OF MANAGEMENT AND BUDGET												
Data Collection Form for Reporting on AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS for Fiscal Year Ending Dates in 2008, 2009, or 2010												
▶ Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."												
PART 1 GENERAL INFORMATION (To be completed by auditee, except for Items 6, 7, and 8)												
1. Fiscal period ending date for this submission		2. Type of Circular A-133 audit										
<table border="1"> <tr> <td>Month</td> <td>Day</td> <td>Year</td> </tr> <tr> <td>#</td> <td>/</td> <td>#</td> </tr> <tr> <td></td> <td>/</td> <td>#</td> </tr> </table>		Month	Day	Year	#	/	#		/	#	1 <input type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	
Month	Day	Year										
#	/	#										
	/	#										
		3. Audit period covered										
		1 <input type="checkbox"/> Annual 3 <input type="checkbox"/> Other — <input type="text"/> Months 2 <input type="checkbox"/> Biennial										
4. Auditee Identification Numbers												
a. Primary Employer Identification Number (EIN)		d. Data Universal Numbering System (DUNS) Number										
<input type="text"/> - <input type="text"/>		<input type="text"/> - <input type="text"/> - <input type="text"/>										
b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		e. Are multiple DUNS covered in this report? 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No										
c. If Part I, Item 4b = "Yes," complete Part I, Item 4c on the continuation sheet on Page 4.		f. If Part I, Item 4e = "Yes," complete Part I, Item 4f on the continuation sheet on Page 4.										

Should we get an audit if we are not required to have a Single Audit?

Per 2 CFR 200.245 (a)(2), grantees who are not required to have an audit conducted and elect to do so cannot charge audit costs to their federal awards. Programs which do not meet the \$750,000 threshold are not required to engage in audit services. If a program under the \$750,000 threshold elects to have an audit conducted, payment for those services may not be charged to the federal award.

References

- ◆ **The Single Audit Act, Amendments of 1996**
https://obamawhitehouse.archives.gov/sites/default/files/omb/assets/about_omb/104-156.pdf
- ◆ **Single Audit Instructions, Checklists, and Forms**
<https://facides.census.gov/>
- ◆ **Title 2 - Grants and Agreements. Subtitle A - Office of Management and Budget Guidance for Grants and Agreements. Chapter II - Office of Management and Budget Guidance. - Reserved. Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. 2 CFR 200§200.500 Audit Requirements**
<https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/xml/CFR-2014-title2-vol1-part200-subpartF.xml>
- ◆ **Federal Audit Clearinghouse**
<https://facweb.census.gov/uploadpdf.aspx>

Resources

- ◆ **TFMC Single Audit Corrective Action Plan Guide Sheet**
- ◆ **TFMC Financial Management System Self-Assessment Guide Sheet**
- ◆ **TFMC Financial Management System Self-Assessment**



The **OVC Tribal Financial Management Center (OVC TFMC)** provides **training, technical assistance, and resources** to support American Indian and Alaska Native communities as they successfully manage the financial aspects of their federal awards. OVC TFMC also offers support via our Virtual Support Center (VSC) to Office for Victims of Crime (OVC) grantees and those seeking federal funding from OVC for the first time. **Email questions or requests for grant financial management technical assistance to TFMC@OVCTFMC.org or call 703.462.6900.** Visit OVCTFMC.org for additional resources and information.

Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to Evaluation@OVCTFMC.org.

This product was supported by contract number GS-00F-010CA, awarded by the Office for Victims of Crime, Office of Justice Programs, U.S. Department of Justice. The opinions, findings, and conclusions or recommendations expressed in this product are those of the contributors and do not necessarily represent the official position or policies of the U.S. Department of Justice.

This resource has been carefully prepared by the OVC Tribal Financial Management Center (TFMC) for general financial management informational purposes only. This resource does not constitute legal, accounting, tax, or other professional advice. While OVC TFMC makes every effort to update content on a regular basis, we recognize each grantee's unique operating environment. OVC TFMC recommends consultation with independent advisors as well as review of the most recent versions of the [DOJ Grants Financial Guide](#) and the [OMB Uniform Guidance](#) when making any decisions about your award, requirements, or individual circumstances.