



Carr, Riggs & Ingram, LLC

The Federal Single Audit



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Presented by:
Debbie Goode, CPA, Partner
Yvonne Clayborne, CPA, Partner
Carr, Riggs & Ingram, LLC
CPA's and Advisors
215 Baytree Drive
Melbourne, FL 32940
321-255-0088





History



- Single Audit Act – issued 1984
- OMB Circular A-133 – issued 1990, revised 1997
 - Audits of States, Local Governments and Nonprofit organizations
- GAO Yellow Book – issued 1972 (Government Auditing Standards)



Federal Single Audit Rules

- Must have single audit if federal funds expended are more than \$500,000 for years ended prior to December 31, 2014.
- If less than \$500,000, federal agency cannot require unless they pay for any audit they request.



Federal Single Audit Rules

- Program Specific audit is the only exception to full single audit
 - Only allowed if all funds are from only one program, and
 - Grant agreement, program laws and rules do not require a financial statement audit.



Federal Single Audit Rules

- Look at expenditures on full accrual basis
- Prepare worksheet reconciliation to check

A/R (deferred revenue)	Cash Receipts	Program Expenditures	A/R (deferred revenue)
\$20,000	\$570,000	\$600,000	\$50,000
(A)	(B)	(C)	(D)

$$(B) - (A) + (D) = (C)$$

- Program expenditures accrual basis
- Cash receipts above is cash basis



Federal Single Audit Rules

- New threshold $> \$750,000$ for single audits of fiscal years beginning on or after 12/26/14 – effective for 12/31/15 year ends

Federal Single Audit Rules

Single Audit Website –

www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2014

- Office of Management & Budget has responsibility for single audits
- Website Sections:
 - Part 1 - Background, Purpose & Applicability
 - Part 2 - Matrix of Compliance Requirements
 - Part 3 - Compliance Requirements
 - Part 4 - Agency Program Requirements
 - Part 5 - Clusters of Programs
 - Part 6 - Internal Controls



Federal Single Audit Rules

Part 2 - Matrix of Compliance Requirements



March 2014

Matrix of Compliance Requirements

CFDA	<i>Types of Compliance Requirements</i>													
	<i>A.</i> <i>Activities Allowed or Unallowed</i>	<i>B.</i> <i>Allowable Costs/Cost Principles</i>	<i>C.</i> <i>Cash Management</i>	<i>D.</i> <i>Debris-Bacon Act</i>	<i>E.</i> <i>Eligibility</i>	<i>F.</i> <i>Equipment and Real Property Management</i>	<i>G.</i> <i>Matching, Level of Effort, Earmarking</i>	<i>H.</i> <i>Period of Availability of Federal Funds</i>	<i>I.</i> <i>Procurement and Suspension and Debarment</i>	<i>J.</i> <i>Program Income</i>	<i>K.</i> <i>Real Property Acquisition and Relocation Assistance</i>	<i>L.</i> <i>Reporting</i>	<i>M.</i> <i>Subscriptions Monitoring</i>	<i>N.**</i> <i>Special Tests and Provisions</i>
10 – United States Department of Agriculture (USDA)														
10.000*	Y	Y	Y			Y		Y	Y	Y		Y		Y
10.500	Y	Y	Y			Y	Y	Y	Y	Y		Y	Y	
10.551 10.561	Y	Y	Y		See Part 4	Y	Y	Y	Y			Y	Y	Y
10.553 10.555 10.556 10.559	Y	Y	Y		Y	Y	Y	Y	Y	Y		Y	Y	Y
10.557	Y	Y	Y		Y	Y		Y	Y	Y		Y	Y	Y
10.558	Y	Y	Y		Y	Y	Y	Y	Y			Y	Y	Y
10.566	Y	Y	Y		Y	Y	Y	Y	Y	Y		Y	Y	Y
10.565 10.568 10.569	Y	Y	Y		Y	Y	Y	Y	Y			Y	Y	Y
10.582	Y	Y	Y		Y	Y	Y	Y	Y			Y	Y	
10.665 10.666	Y	Y	Y				Y	Y				Y		Y
10.760 10.781	Y	Y	Y	Y		Y	Y	Y	Y			Y		Y
10.766 10.780	Y	Y	Y	Y		Y		Y	Y			Y		Y



CFDA	Types of Compliance Requirements													
	A. Activities Allowed or Unallowed	B. Allowable Costs/Cost Principles	C. Cash Management	D. Davis-Bacon Act	E. Eligibility	F. Equipment and Real Property Management	G. Matching, Level of Effort, Earmarking	H. Period of Availability of Federal Funds	I. Procurement and Suspension and Debarment	J. Program Income	K. Real Property Acquisition and Relocation Assistance	L. Reporting	M. Subrecipient Monitoring	N.** Special Tests and Provisions
10 – United States Department of Agriculture (USDA)														
10.000*	Y	Y	Y			Y		Y	Y	Y		Y		Y
10.500	Y	Y	Y			Y	Y	Y	Y	Y		Y	Y	



Federal Single Audit Rules

Part 3 - Compliance Requirements

- Defines compliance requirements by section.
- Circulars that apply
 - OMB A-87 Cost Principles for State & Local Governments
 - OMB A-21 Cost Principles for Educational Institutions
 - OMB A-122 Cost Principles for Non-Profit Organizations
- Defines audit objectives by section
- Defines audit procedures by section



Federal Single Audit Rules

Part 4 – Agency Program Requirements

- Has confirmation specific to the program by CFDA# for A, E, G, L & N

Example: Department of Defense, Department of Justice



Federal Single Audit Rules

Part 5 – Clusters of Programs

- Identifies programs considered to be clusters.
 - A cluster of programs means Federal programs with different CFDA #s that are defined as a cluster because they share common compliance requirements.



Federal Single Audit Rules

Part 6 – Internal Control

- Describes internal controls that organizations must have in place and that auditors must test for each compliance area. These controls, if in place, should ensure compliance.

Example of Schedule

Schedule of Expenditures of Federal Awards For the year ended September 30, 2014

Federal Agency Pass Through Entity Federal Program	CFDA Number	Contract/ Grant Number	Expenditures
U.S. Department of Housing and Urban Development			
<i>Passed through Volusia County Dept. Community Services:</i>			
Community Development Block Grant / Entitlement Grants	14.218	2010-2011 (Pettis Park Equip)	\$ 3,320
Community Development Block Grant / Entitlement Grants	14.218	2012-2013 (Park Improvements)	23,996
Community Development Block Grant / Entitlement Grants	14.218	2012-2013 (After School PAL)	3,940
Community Development Block Grant / Entitlement Grants	14.218	2012-2013 (Park Safety Ranger)	11,619
Community Development Block Grant / Entitlement Grants	14.218	2013-2014 (Park Improvements)	6,867
Community Development Block Grant / Entitlement Grants	14.218	2013-2014 (After School PAL)	22,329
Community Development Block Grant / Entitlement Grants	14.218	2013-2014 (Code Enforcement)	27,734
Community Development Block Grant / Entitlement Grants	14.218	2013-2014 (Rec. Coordinator)	12,843
Community Development Block Grant / Entitlement Grants	14.218	2013-2014 (ACA Mural Project)	3,600
Community Development Block Grant / Entitlement Grants	14.218	2013-2014 (Arts Project)	1,400
Total U.S. Department of Housing and Urban Development			117,648
U.S. Department of Justice			
<i>Passed through Florida Office of Attorney General:</i>			
Crime Victim Assistance - Victims Advocate	16.575	V13131	60,924
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-JAGD-VOLU-5-E6-026	6,478
<i>Passed through Volusia County:</i>			
Federal Equitable Sharing Forfeitures	16.922	--	11,256
Total U.S. Department of Justice			78,658
U.S. Department of Transportation			
<i>Passed through the Federal Aviation Administration:</i>			
Airport Improvement Program (Rehab Taxiway D&E and Runway 11/29 - Construction)	20.106	FAA AIP No. 3-12-0054-016-2012	1,398,573
<i>Passed through Florida Department of Transportation:</i>			
Highway Planning and Construction - Cross Volusia Trail (Phase 58 and 68)	20.205	AQF 87/ FPN: 430078-1-58/68-01	819,679
Total U.S. Department of Transportation			2,218,252
U.S. Office of National Drug Control Policy			
<i>Passed through Volusia County Sheriff's Office:</i>			
High Intensity Drug Trafficking Area Program	95.001	G14CF0003A	8,855
U.S. Department of Homeland Security			
<i>Passed through Florida Division of Emergency Management:</i>			
Flood Mitigation Assistance (Central Beach Phase III)	97.029	13FM-23-06-74-02-344	267,854
Total Expenditures of Federal Awards			\$ 2,691,267

Schedule of Federal Financial Assistance

- Exclude pass-through money as expenditure (sub recipient reports)
- No CFDA# or co-mingled with state money
- Include noncash awards:
 - ✓ Loans
 - ✓ Donated Property
- Separately report Recovery Act funds (ARRA)
- List grants by federal agency

Schedule of Federal Financial Assistance (continued)

- Identify pass-through entity by identifying #
- Schedule should have notes of significant accounting policies
- Program clusters are used to determine major programs and should show totals, but must list each grant separately on schedule
- Show sub recipient money passed through if practical.



Internal Control Considerations

5 components – interrelated

- Control environment
- Risk assessment
- Information and communication
- Monitoring
- Control Activities



Types of Compliance Requirements - 14

1. Activities allowed or unallowed
2. Allowable costs/costs principles
3. Cash management
4. Davis-Bacon Act
5. Eligibility
6. Equipment and real property management
7. Matching level of effort and earmarking



Types of Compliance Requirements – 14 (continued)

8. Period of availability of federal funds
9. Procurement, suspension and debarment
10. Program Income
11. Real property acquisition and relocation assistance
12. Reporting
13. Sub-recipient monitoring
14. Special tests and provisions