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1984-Single Audit Act established by Congress-goal was accountability

1990-Single Audit Act becomes applicable to nonprofits

1996-Major Amendments including creating the Federal Audit Clearinghouse

2007-National Single Audit Sampling Project

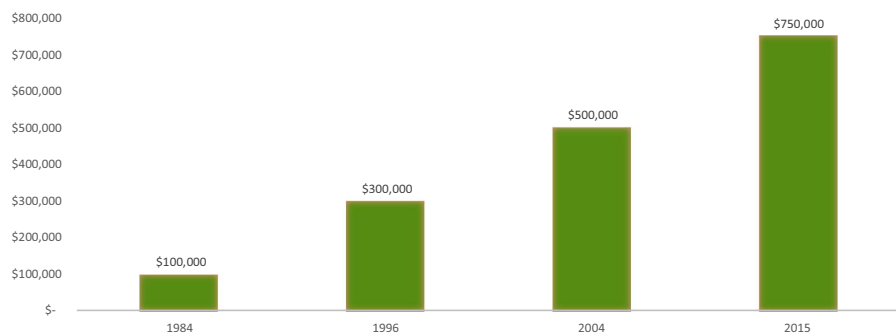
2013-Uniform Grant Guidance ("UGG")



The Single Audit-A Brief History



## History of Single Audit Thresholds



## MFOCTA-THE SINGLE AUDIT

- What is consider federal financial assistance?
- "Federal financial assistance" means **assistance in the form of any grant, loan, or contract (other than a contract of insurance or guaranty)**. See 42 U.S.C. § 2000d-4. This includes use of equipment, donations of surplus property, and other forms of assistance (commodities are a good example).

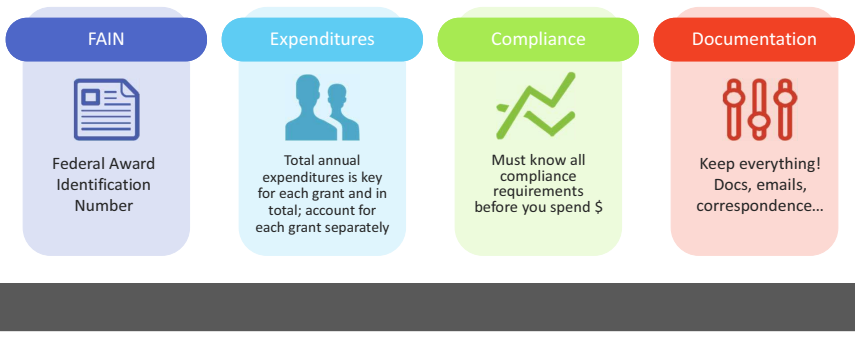


## MFOCTA-THE SINGLE AUDIT

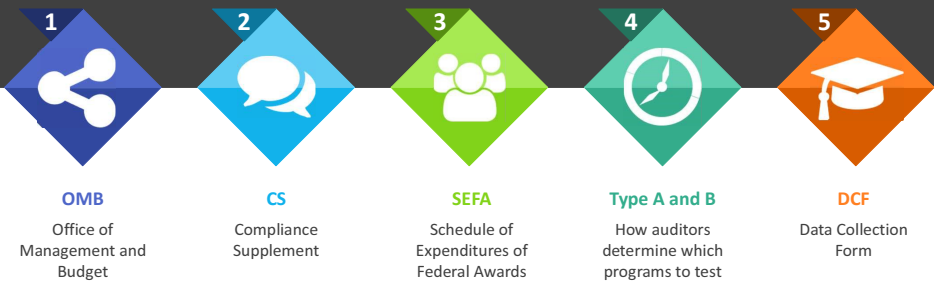
- What is consider federal financial assistance?
- **IMPORTANT: It does not matter who you receive the funds directly from, but where the funds originated.** If you are not sure, you can always ask the grantor. More on this later...



### SINGLE AUDIT KEYS

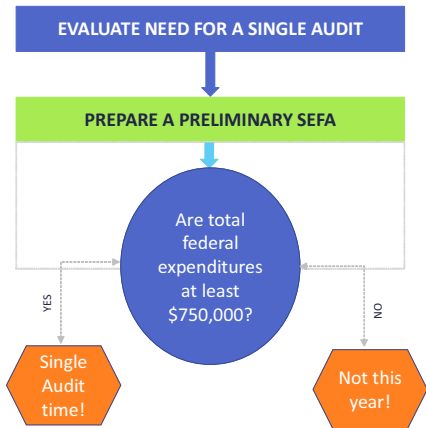


### Important Terminology



### The End Result





## Important points to remember

### Direct and Indirect

You can have direct and indirect federal funds-where did any of your grant funds originate?

### Expenditures

You could have spent funds this year that you received in prior years, so focus on expenditures

### Does the agency want an audit anyway?

It is somewhat rare, but some federal or state agencies may want your expenditures audited anyway-check with them if you don't qualify for a single audit.



### Preliminary SEFA

Ensure clusters are considered.

1

### Evaluation and Risk Assessment

End result is determining which programs to test.

2

### Audit procedures

The CS and professional judgement are used

3

### Test both compliance and internal controls

At a minimum we will want grant awards, correspondence, internal control narrative, submitted reports, support for expenditures, etc.

4

### Progress and exit meetings

Discuss results, including any findings and a draft of the compliance reports. Corrective Action Plan for any findings.

5

### Data Collection Form

Auditor drafts, you must approve and then auditor approves and submits to the Clearinghouse. 30 days after the F/S or 9 months after year end.

6



## Common Issues



### No supporting documents

Especially for expenditures and correspondence

### Internal controls not operating as planned

Approving POs after invoice issues  
No approvals, signatures or dates  
No documentation of reviews

### Not spending based on budget/plan

If you make changes to your original plan, many require you to get the updated plan approved

### Missing compliance requirements tend to be:

Financial reports not timely or submitted at all  
Not paying attention to the special provisions  
Details and timeliness are critical!