

Key Players in the Single Audit Process

What This Presentation Covers

- A summary of the single audit “ecosystem”
- A reminder of the basis for the authority of the single audit
- Key parties involved in the single audit process and what they do

What Gives the Single Audit its Authority?

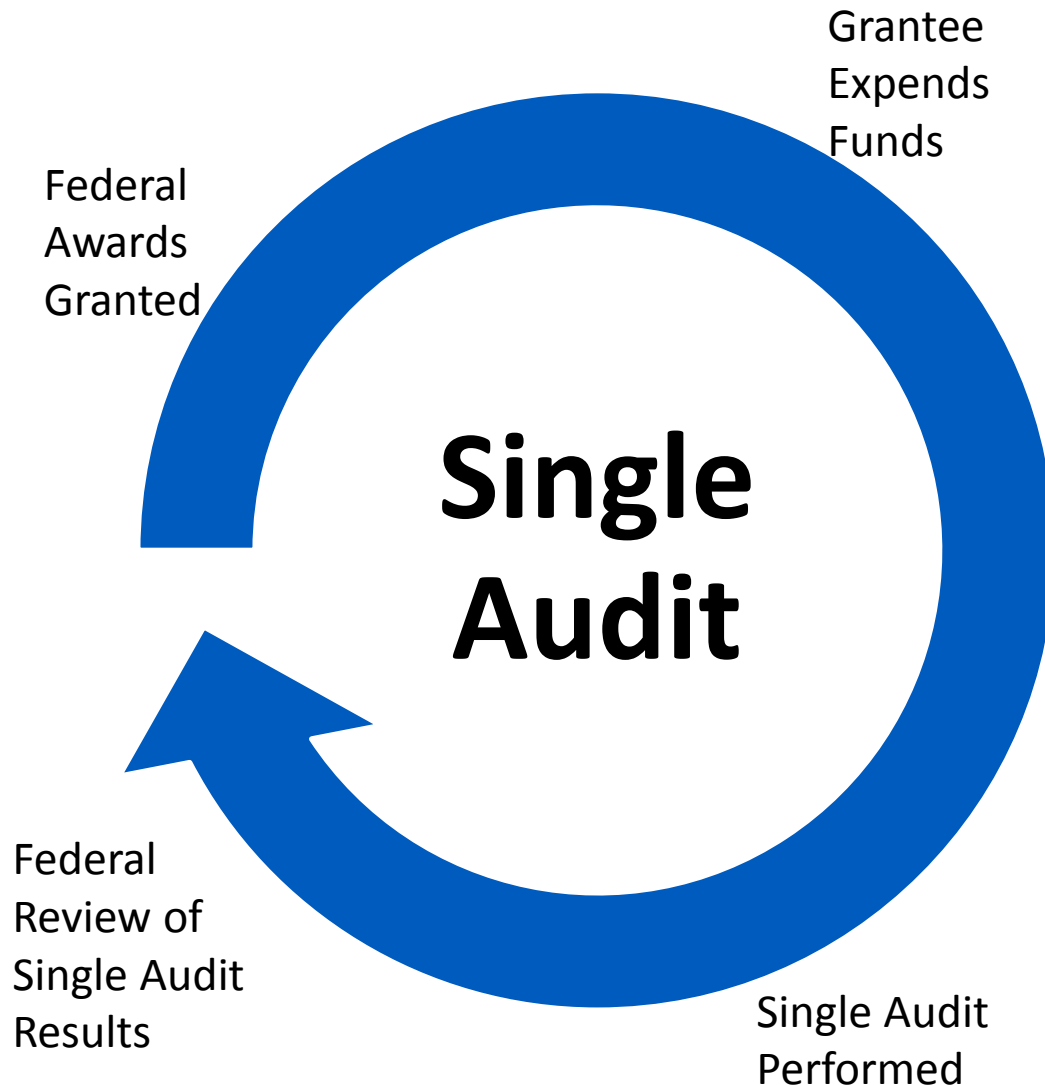
■ **Single Audit Act Amendments of 1996**

- Enacted to streamline and improve the effectiveness of audits of federal awards and to reduce the audit burden on states, local governments, and not-for-profit entities
- Detailed implementation requirements for single audits contained in regulation

■ **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 (Uniform Guidance)**

- Current regulation that implements Single Audit Act
- Replaces previous single audit and compliance regulations such as OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and other OMB Cost Circulars

Single Audit Ecosystem



• Key Players

- **Congress**
- **Individual Federal Grant-Making Agencies**
- **State and Local Governments (SLG)**
- **Not-for-Profits (NFP)**
- **CPA Firms**
- **State Auditor Organizations**
- **Federal Agency Offices of Inspector General (OIGs)**
- **Council of the Inspectors General for Integrity and Efficiency (CIGIE)**
- **Office of Management and Budget (OMB)**
- **Government Accountability Office (GAO)**
- **Council on Financial Assistance Reform (COFAR)**
- **Federal Audit Clearinghouse (FAC)**
- **Taxpayers**

Congress

- Approves federal programs to address public objectives
- Assigns program administration responsibility to federal agencies
- Issued legislation for single audit requirements
 - Assigned administration responsibility to OMB

Federal Agency Management

- **Federal program officials establish program compliance regulations and administer federal programs**
 - Also develop audit objectives and suggested audit procedures for their federal programs (in OMB [*Compliance Supplement*](#))
- **Make federal awards to SLGs and NFPs**
- **Rely on single audits to assist with their own required monitoring responsibilities**
- **Follow-up on audit results and make “management decisions” regarding findings cited in single audits**
- **Provide technical assistance to auditees and auditors regarding federal program requirements**
- **Federal Agency Key Management Single Audit Liaison**
 - Serves as the agency’s management lead for the single audit process
- **Single Audit Accountable Official**
 - Policy official of the awarding agency may be responsible for overseeing agency management’s role in audit resolution

SLG and NFP Recipients

- **Expend federal awards or participate in federal programs**
 - Some entities receive federal funds directly from federal government
 - Some entities receive federal funds indirectly from a pass-through entity (e.g., a state may pass funds to a local government or a county government may pass funds to a NFP)
- **Must comply with federal requirements and establish internal control to ensure compliance**
- **Subject to a single audit if expend 750K or more in federal funds**
- **Responsible for hiring the auditor**
 - Objective is to obtain high-quality audits
- **Must submit audits to Federal Audit Clearinghouse (FAC)**
 - Audit reporting packages publicly available on FAC Web site
- **Must respond to all single audit findings and submit corrective action plans to federal agencies**

CPA Firms and State Auditors

- **Perform single audits on SLGs and NFPs**
- **Opine on auditee compliance and report when auditee has internal control deficiencies**
- **Required to report findings in certain defined areas**
- **State Auditors**
 - May perform single audits on state agencies or local governments in the state
 - May also perform oversight by reviewing quality of CPA firm single audits of local governments

Federal Agency OIGs

- **Each federal agency OIG office dedicated to combating fraud, waste and abuse and to improving the efficiency of agency programs**
- **Federal Agency Single Audit Coordinators**
 - Key single audit position in OIG office
 - Often responsible for desk reviews and quality controls review of single audits
 - Source for questions regarding audit requirements
- **Provide technical assistance to auditors regarding single audit requirements and other audit guidance**
- **Perform government-wide studies of single audit quality in combined efforts with other agency OIG offices**

CIGIE

■ Mission

- Address integrity, economy, and effectiveness issues that transcend individual government agencies; and
- Increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled OIG workforce

■ CIGIE Audit Committee focuses on single audit matters

- Issues checklists for federal agency OIGs to use when performing desk reviews and quality control reviews
- Works on global federal single audit quality studies

OMB and GAO

■ OMB

- Single Audit Act gives OMB authority to develop government-wide guidelines and policy on performing audits to comply with the Act
- OMB's Uniform Guidance establishes the audit requirements and, in addition, guidelines and policies on all aspects of managing federal awards by federal agencies and grantees

■ GAO

- In its congressional watchdog role, GAO investigates how the federal government spends taxpayer dollars
- Issues [Government Auditing Standards](#) which are also followed in a single audit
- Has historically performed work on single audit quality and has issued several reports on the topic

COFAR

■ Interagency group of Executive Branch officials established by OMB to coordinate financial assistance

- Includes Controller of OMB, 8 federal agency senior policy officials that provide the largest amounts of federal funds, and 1 additional agency

■ Council activities include:

- Providing recommendations to OMB on policies and actions necessary to effectively deliver, oversee, and report on grants
- Sharing best practices and innovative ideas for transforming the delivery of this assistance
- Engaging relevant stakeholders across government on key issues to foster more efficient and effective federal management

FAC

■ Operates on behalf of OMB

■ Primary purposes are to:

- Make single audit reporting packages available to federal agencies.
- Support OMB oversight and assessment of federal award audit requirements
- Maintain a public database of completed audits
- Help auditors and auditees minimize the reporting burden of complying with single audit requirements

Taxpayers

- Taxpayers may not be aware of single audits
- However, ultimately single audits are compliance audits of whether taxpayer dollars are being spent in accordance with federal requirements

On a Closing Note.....

- **The single audit process is complex**
- **There are many key players participating in the process from various stakeholder groups**
- **It takes all parties working together, with a strong focus on the importance of single audits, for the process to work successfully**