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
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
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 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
Thank you