



Tips for organizations subject to single audit requirements



Many organizations are receiving federal funding in response to the COVID-19 pandemic and through other legislation and becoming subject to single audit rules for the first time. If your organization is in this situation, review this checklist for tips on preparing for your audit.

- Know when you need a single audit.
 - If your organization expends \$750,000 or more in federal funds during any fiscal year, you need a single audit (or in some cases perhaps a program-specific audit).
 - Federal “expenditures” for single audit purposes may include lost revenue as allowed by certain federal programs.
 - Be aware that federal funding may
 - come through the state or another pass-through entity; check your subawards.
 - be in the form of grants, cooperative agreements, noncash contributions or donations of property (including donated surplus property), direct appropriations, food commodities and other financial assistance.
- Understand your federal funding and amounts expended, including any new federal funding.
- Understand the relevant compliance requirements associated with your federal awards.
- Establish and maintain effective internal controls that provide reasonable assurance that you are managing your federal awards in compliance with federal statutes, regulations and the terms and conditions of the federal awards.
 - Use Part 6, “Internal Control,” of the Office of Management and Budget (OMB) *Compliance Supplement*, found on the [OMB website](#), as a tool to identify examples of entity-wide and specific controls.
 - Listen to the Governmental Audit Quality Center (GAQC) [archived web event](#) “Using Part 6 of the New Compliance Supplement on Internal Control.”
 - Ensure there is adequate segregation of duties for compliance areas. Preparation and approval responsibilities should generally be assigned to different personnel.
- Evaluate and monitor compliance with federal statutes, regulations and the terms and conditions of federal awards; take prompt action when noncompliance is identified.

Be prepared for your single audit.

Critical action items for a successful single audit

Make sure your auditor is qualified to perform a single audit. Factors to consider include the following:

- Demonstration of qualifications
- Availability of staff with appropriate technical abilities
- Extent of auditor's experience with organizations like yours
- Results of the external peer review
- Participation in quality improvement programs like membership in the GAQC
- Additional information available from the [GAQC website](#), [Peer Review directory](#) or state society listings

Complete these steps to prepare for a single audit.

- Consider viewing the [archived GAQC webcast](#) "Preparing for Your First Single Audit: An Auditee Perspective."
- Meet with your auditor before your fiscal year-end.
- Identify and address problem areas in advance; communicate with your auditor in the early stages about any known issues.
- Prepare a schedule of expenditures of federal awards (SEFA) that is complete and accurate; be able to reconcile between SEFA amounts and the financial statements and other SEFA supporting documentation. Access the GAQC practice aid [GAQC Nonauthoritative Guidance on the Reporting of Certain COVID-19 Awards on an Accrual Basis SEFA](#) to learn about certain COVID-19 SEFA nuances.

- Have readily accessible written policies and procedures.
- Provide the auditor with access to personnel, accounts, books, records, supporting documentation and other information, as needed.

After the audit:

- Prepare a summary schedule of prior audit findings if prior audit findings exist.
- Prepare a corrective action plan if findings exist.
- Take corrective action on audit findings promptly.
- Prepare your portion of the data collection form and ensure your audit is submitted timely.



Questions?

Single audit: [GAQC](#)

Peer review:
[AICPA Peer Review team](#)

Auditor independence:
[AICPA Ethics team](#)

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