



Single Audit Fundamentals Part 1: What is a Single Audit?

August 26, 2020

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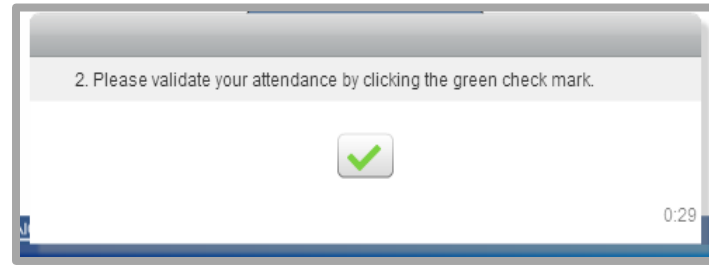
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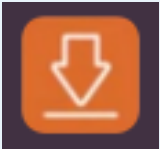
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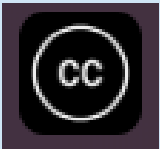
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Today's speakers.



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Single Audit Fundamentals – A Four Part Series

Part 1, What is a Single Audit? A Basic Background and Overview

Part 2, Major Program Determination

Part 3, Understanding and Testing Compliance Requirements and Internal Control over Compliance

Part 4, Overview of Sampling and Single Audit Reporting

Part 1 - what we will cover today

Background and overview of the
[Uniform Administrative
Requirements, Cost Principles,
and Audit Requirements for
Federal Awards at 2 CFR 200](#)
(UG or Uniform Guidance)

Scope of the single audit

Auditee and auditor
responsibilities

Federal agency responsibilities

Single audit overview

Description and characteristics
of federal awards

Pass-through awards and
subrecipients

Overview and use of the AICPA
GAS-SA Guide

Terminology and abbreviations

CFDA	The term CFDA has been replaced with Assistance Listing	IG	Inspector General
CFO	Chief Financial Officers	NFP	Not-for-Profit Organization
CPE	Continuing Professional Education	OMB	Office of Management and Budget
DCF	Data Collection Form	PTE	Pass-Through Entity
FAQ	Frequently Asked Questions	R&D	Research & Development
FAR	Federal Acquisition Regulation	SFA	Student Financial Assistance
GAAS	Generally Accepted Auditing Standards	SF-SAC	Data Collection Form or DCF
GAGAS	Generally Accepted Government Auditing Standards or Yellow Book	SEFA	Schedule of Expenditures of Federal Awards
GAO	Government Accountability Office	UG	Uniform Guidance
GAS-SA Guide	AICPA Audit Guide, Governmental Auditing Standards and Single Audits	YB	Yellow Book



Background and overview of the Uniform Guidance

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 Guidance

- Current regulation that implements the Single Audit Act

Agencies adopt the Uniform Guidance in 2 CFR

<u>300-399</u>	DEPARTMENT OF HEALTH AND HUMAN SERVICES
<u>400-499</u>	DEPARTMENT OF AGRICULTURE
<u>600-699</u>	DEPARTMENT OF STATE
<u>700-799</u>	AGENCY FOR INTERNATIONAL DEVELOPMENT
<u>800-899</u>	DEPARTMENT OF VETERANS AFFAIRS
<u>900-999</u>	DEPARTMENT OF ENERGY
<u>1000-1099</u>	DEPARTMENT OF TREASURY
<u>1100-1199</u>	DEPARTMENT OF DEFENSE
<u>1200-1299</u>	DEPARTMENT OF TRANSPORTATION
<u>1300-1399</u>	DEPARTMENT OF COMMERCE
<u>1400-1499</u>	DEPARTMENT OF THE INTERIOR
<u>1500-1599</u>	ENVIRONMENTAL PROTECTION AGENCY
<u>1800-1899</u>	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
<u>2000-2099</u>	UNITED STATES NUCLEAR REGULATORY COMMISSION
<u>2200-2299</u>	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
<u>2300-2399</u>	SOCIAL SECURITY ADMINISTRATION

<u>2400-2499</u>	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
<u>2500-2599</u>	NATIONAL SCIENCE FOUNDATION
<u>2600-2699</u>	NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
<u>2700-2799</u>	SMALL BUSINESS ADMINISTRATION
<u>2800-2899</u>	DEPARTMENT OF JUSTICE
<u>2900-2999</u>	DEPARTMENT OF LABOR
<u>3000-3099</u>	DEPARTMENT OF HOMELAND SECURITY
<u>3100-3199</u>	INSTITUTE OF MUSEUM AND LIBRARY SERVICES
<u>3200-3299</u>	NATIONAL ENDOWMENT FOR THE ARTS
<u>3300-3399</u>	NATIONAL ENDOWMENT FOR THE HUMANITIES
<u>3400-3499</u>	DEPARTMENT OF EDUCATION
<u>3500-3599</u>	EXPORT-IMPORT BANK OF THE UNITED STATES
<u>3600-3699</u>	OFFICE OF NATIONAL DRUG CONTROL POLICY, EXECUTIVE OFFICE OF THE PRESIDENT
<u>3700-3799</u>	PEACE CORPS
<u>5800-5899</u>	ELECTION ASSISTANCE COMMISSION
<u>5900-5999</u>	GULF COAST ECOSYSTEM RESTORATION COUNCIL

Who are the key players?

OMB - responsible for issuance and maintenance of single audit regulation and coordinating with grant-making federal agencies

Grant-making agencies (see previous slide)

GAO - responsible for issuance of *Government Auditing Standards*

FAC - Collects/ disseminates single audit information on behalf of OMB

Who are the key players?

Single Audit Coordinators

- Position in each IG office responsible for preventing/detecting fraud, waste, and abuse
- Often responsible for desk reviews and quality control reviews of single audits
- Usually familiar with the audit requirements

Single Audit Accountable Official

A policy official of the awarding agency who can be responsible for overseeing agency management's role in audit resolution

Key Management Single Audit Liaison

Responsibilities defined in UG and include serving as the agency's management point of contact for the single audit process both within and outside the federal government

Accessing key single audit-related information

How to access the Uniform Guidance

- Codified in [Title 2 of CFR, Subtitle A, Chapter II, Part 200](#)
- [Electronic Code of Federal Regulations \(e-CFR\)](#) version

OMB Federal Financial Management Web site

- Access the [Compliance Supplement](#) on Office of Federal Financial Management page
- Various additional UG related documents at: [Office of Federal Financial Management](#)

Accessing key single audit-related information



[CFO Council
Uniform Guidance
page](#)

[FAQ document
updated as of July
2017](#)



GAO
[Government
Auditing Standards](#)



[Federal Audit
Clearinghouse](#)

Key sections of the Uniform Guidance

Subpart A, 200.XX Acronyms & Definitions

Subpart B, 200.1XX - General

Subpart C, 200.2XX-Pre Award-Federal

Subpart D, 200.3XX – Post Award – Recipients

Subpart E, 200.4XX – Cost Principles

Subpart F, 200.5XX – Audit

11 Appendices – I through XI
Appendix X – SF-SAC
Appendix XI – Compliance Supplement

Scope of the single audit

When is a single audit required?

§200.501(b)

\$750,000

When a non-federal entity
expends **\$750,000 or more of**
federal awards (either direct or
indirect awards) in their fiscal
year

What is a non-federal entity? Includes all of the following that carry out a federal award as a recipient or subrecipient:

§200.1

States and
local
governments

Not-for-profit
organizations

Indian tribes

Institutions of
higher
education
(IHE)

Objectives of a single audit

To determine if the entity has complied with direct and material compliance requirements for each major program

Single audits:

- Are used as a report card by federal funding agencies and pass-through entities
- Are used as a tool for federal agencies to address problems at the grantee level or to make broad changes/improvements to federal programs
- Provide assurance to users regarding compliance and information about a non-federal entity's internal control over compliance

Scope of the single audit

§200.514

Conducted in accordance with both GAAS and GAGAS

Covers entire operations of the entity

Auditor provides an opinion on whether financial statements are presented fairly

Auditor gains understanding of and tests internal control over compliance

Auditor opines on compliance with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of its major programs

Auditor responsible for following up on prior audit findings

Defining the entity to be audited

§200.514(a)

Single audit must cover the entire operations of the auditee

The auditee has the option to meet the single audit requirement through a series of audits

- If this option is taken, the audit must include a series of audits that cover departments, agencies, and other organizational units (referred to below as units) that expended or otherwise administered federal awards during the audit period
- Only permitted if each audit encompasses the financial statements and the SEFA for each unit which must be considered a non-federal entity
- The financial statements and SEFA must be for the same audit period.

Scope of the single audit – relation to other audit requirements

§200.503

Single audit is meant to be in lieu of any financial audit of federal awards that an entity is required to undergo under any other federal statutes, regulations, and terms and conditions of federal awards

However, federal agencies may conduct or arrange for additional audits to carry out their responsibilities under federal statutes, regulations, and terms and conditions of federal awards.

What is a program-specific audit?

§200.501(c) &
200.507

Allowed under the Single Audit Act and the UG in certain circumstances

- Auditee expends federal awards under only one federal program (excluding R&D); and
- The federal program's laws, regulations, or grant agreements do not require a financial statement audit of the auditee

Audit requirements defined in the UG

- Include an audit of an entity's compliance with direct and material compliance requirements as they relate to an individual federal program
- No financial statement audit

Relationship of Yellow Book to single audit

GAGAS vs. single audit

- GAGAS is a set of audit standards – *the how*
- Single audit is based on law and regulation requiring that financial statements and major programs be audited – *the what, with a little how*

GAGAS and single audit work in tandem... and sometimes they don't

- There cannot be a single audit without the audit also being done under GAGAS
- There can be an audit using GAGAS that does not include a single audit

Single audits
involve three
layers of
requirements



What additional requirements kick in when applying the Yellow Book?

CPE requirements for the entire engagement team

Reporting on internal control over financial reporting and compliance at financial statement level

Additional independence considerations, including around the performance of nonaudit services

Peer review report provided to contracting parties and posted publicly for all to access

Auditee and auditor responsibilities

Auditee responsibilities

§200.508

Arrange for single audit and ensure it is properly performed and submitted timely (see auditor selection on next slide)

Financial statements

SEFA

Promptly follow up and take corrective action on audit findings

Summary schedule of prior audit findings

Corrective action plan

Required data elements of the DCF

Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed

Auditee responsibilities – auditor selection

§200.509

Must follow procurement standards in 200.317 through 200.326

Auditee must request a copy of the audit organization's peer review report

Restriction on auditor preparing indirect cost proposals

Auditee responsibilities

§200.303

Maintain internal control over federal programs

Comply with federal statutes, regulations, and the terms and conditions of the federal awards

Evaluate and monitor compliance with statutes, regulations and the terms and conditions of federal awards

Take prompt action when noncompliance identified

Safeguard protected personally identifiable information

Auditor responsibilities

§200.514

Audit the financial statements in accordance with GAAS and GAGAS

Determine whether the financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles.

Determine whether the SEFA is stated fairly in all material respects in relation to the auditee's financial statements as a whole.

Understand internal control over federal programs and plan the audit to support low assessed level of control risk of noncompliance for major programs and perform testing of internal control over compliance

Determine whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of its major programs

Auditor responsibilities

§200.514 &
200.516

Compliance testing must include tests of transactions and such other auditing procedures necessary to provide the auditor sufficient appropriate audit evidence to support an opinion on compliance

Auditor must follow-up on prior audit findings

Report current year findings resulting from compliance and internal control over compliance testing

Auditor must complete and sign specified sections of the DCF

Federal agency responsibilities

Federal agency responsibilities

§200.513

Cognizant agency for audit

- For non-federal entities expending more than \$50 million a year in federal awards
- Federal awarding agency that provides the predominant amount of direct funding unless OMB designates a specific cognizant agency for audit
- When the direct funding represents less than 25% of the total expenditures, the federal agency with the predominant amount of total funding is the designated cognizant agency for audit
- Provide technical audit advice and liaison assistance to auditees and auditors
- Obtain or conduct quality control reviews
- Provide support for government-wide quality study of single audits (performed every 6 years or at such other interval determined by OMB)
- Other duties to advise the community of auditors and specific auditors and coordinate audits or reviews with other federal agencies

Oversight agency for audit – for entities without a cognizant agency (\$50 million or less) – similar duties as cognizant agency

Single audit overview

Single audit – timing requirements



§200.504 &
.512

Audit must be performed annually

- Biennial audits allowed under limited circumstances

Must be submitted to the FAC within the earlier of 30 days after receipt of the auditor's reports or 9 months after the end of the audit period

If the due date falls on a Saturday, Sunday, or federal holiday, the reporting package is due the next business day.

SEFA

Prepared by management

Reconciles to accounting and other records used in preparing the financial statements or the financial statements themselves

Auditor uses to base the performance of risk assessments and selection of major programs

Completeness and accuracy critical to avoid missed programs

Auditor issues an opinion as to whether the SEFA is fairly stated in all material respects in relation to the financial statements as a whole (referred to as in-relation-to opinion)

- In-relation-to opinion not same as an “audit” opinion

Auditor is responsible for determining whether auditee includes all required SEFA elements

SEFA – required elements

§200.510

List individual federal programs by federal agency

For a cluster of programs, provide the cluster name, list individual federal programs within the cluster of awards expended must be shown either by federal award or by federal agency and major subdivision within the federal agency

For federal awards received as a subrecipient, the name of the PTE and identifying number assigned by the PTE

SEFA – required elements (continued)

§200.510

Total federal awards expended for each individual federal program and the Assistance Listing number (formerly known as the CFDA number) or other identifying number when the assistance listing number is not available

For a cluster of programs also provide the total for the cluster

Include the total amount provided to subrecipients from each federal program

SEFA – required disclosures

§200.510

For loan or loan guarantee programs, identify in the notes to the SEFA the balances outstanding at the end of the audit period

Notes that describe the significant accounting policies used in preparing the SEFA

Note whether or not the auditee elected to use the 10% de minimis cost rate

Risk assessment and major program determination

Major programs are programs auditor is required to audit

In general, major programs are those that are large, risky, and/or new (Part 2 of series will go into detail)

Major program determination process is defined in the UG; basically is a “prescription” for assessing the size and risk of programs

- Process is complex, involving some judgment, that historically has resulted in audit quality problems
- Must be done accurately and early in the process; and reviewed again before the end
- Must clearly document program risk assessment

Materiality in a single audit

Financial statement materiality vs. single audit materiality

- Financial statement materiality relates to the financial statements being audited
- Single audit materiality is determined for each individual major program and generally lower than financial statement materiality

Materiality for reporting audit findings

- Relates to each compliance requirement for each major program

Single audit materiality factors

- Nature of the compliance requirements
- Nature and frequency of noncompliance identified
- Needs and expectations of federal agencies and pass-through entities

Single Audit – contents of the single audit submission (also known as the “reporting package”)

Auditor’s report on the financial statements of the entity

Auditor’s in-relation-to reporting on the SEFA

Entity’s financial statements

Entity’s SEFA

Auditor’s report(s) on internal control over financial reporting and on compliance and other matters to meet GAGAS requirements



Single Audit – contents of the single audit submission (also known as the “reporting package”)

Auditor’s report on compliance and internal control over compliance – major programs

Auditor’s schedule of findings and questioned costs

- Includes summary of auditor results and findings

Entity’s summary schedule of prior audit findings (best practice is to be on client letterhead)

Entity’s corrective action plan (required to be on client letterhead)

The reporting package and a form summarizing the audit (DCF – see next slide) are submitted electronically to the FAC

Single Audit – End Result

DCF

- Joint responsibility of auditee and auditor
- Completed electronically on FAC Web site
- Summary of the single audit reporting including audit opinions and other findings
- Includes contact information for auditee and auditor
- Includes SEFA information, references to findings, and relevant compliance requirements
- Electronic signature of both auditee and auditor

Description and characteristics of federal awards

Federal awards definition (UG)

§ 200.1

Federal financial assistance that non-federal entities receive directly from federal awarding agencies or indirectly from a PTE

Federal cost-reimbursement contracts under the FAR that a non-federal entity receives directly from a federal awarding agency or indirectly from a PTE

- Terms and conditions set forth in grant agreement, cooperative agreement, other agreement, or cost-reimbursement contracts
- Does not include procurements under grants or contracts, used to buy goods or services

Examples of federal awards

Grants

Contracts

Cooperative agreements

Loans

Loan guarantees

Property

Interest subsidies

Insurance

Direct appropriations

Endowments

Other non-cash assistance

Indirect state or local government
transfers of federal funds

When does federal expenditure occur?

Based on when the activity related to the award occurs:

- Expenditure/expense transactions related to grants/contracts
- Other examples:
 - disbursement of funds passed through to subrecipients;
 - use of loan proceeds under loan and loan guarantee programs;
 - receipt of property;
 - receipt or use of program income;
 - distribution or consumption of food commodities;
 - period when insurance is in force.

When does federal expenditure occur?

Federal Awards	Basis for Determining When Expended
Grants, cost reimbursement contracts, compacts with Indian tribes, cooperative agreements under the Federal Acquisition Regulations (FAR), and direct appropriations	When the expenditure or expense transactions occur
Amounts provided to subrecipients	When the disbursement is made to the subrecipient
Loan and loan guarantees	When the loan proceeds are used by the nonfederal entity
Donated property, including donated surplus property	When the property is received

When does federal expenditure occur?

Federal awards	Basis for determining when expended
Food commodities	When the food commodities are distributed or consumed
Interest subsidies	When amounts are disbursed entitling the entity to the subsidy
Insurance	When the insurance is in force
Endowments	When federally restricted amounts are held
Program income	When received or used

How are federal awards valued?

Federal awards	Basis used to determine the value of federal awards expended
Loans and loan guarantees (loans), including interest subsidies	Amount expended equals the value of new loans made or received during the audit period plus the beginning of the audit period balance of loans from previous years for which the federal government imposes continuing compliance requirements, plus any interest subsidy, cash, or administrative cost allowance received. (The proceeds of loans that were received and expended in prior years are not considered federal awards expended under the UG when the federal statutes, regulations and terms and conditions of federal awards pertaining to such loans impose no continuing compliance requirements other than to repay the loans.)
Loans at IHE	Amount expended is the same as for loans and loan guarantees (loans), including interest subsidies, mentioned previously, except that when loans are made to students on an IHE but the IHE does not make the loans, then only the value of the loans made during the audit period must be considered federal loans. The balance of loans for previous audit periods is not included as federal awards expended because the lender accounts for prior balances.

How are federal awards valued?

Federal awards	Basis used to determine the value of federal awards expended
Insurance	Amount expended equals the fair value of the insurance contract at the time of receipt or the assessed value provided by the federal agency.
Endowments	Amount expended equals the cumulative balance of federal awards for endowment funds that are federally restricted in each audit period in which the funds are still restricted.
Free rent	Amount expended equals the fair value at the time of receipt or the assessed value provided by the federal agency. Free rent is not considered an award expended unless it is received as part of an award to carry out a federal program.
Food commodities and donated property (including donated surplus property)	Amount expended equals the fair value at the time of receipt or the assessed value provided by the federal agency.

Definition of federal program

All federal awards which are assigned a single number in the Assistance listing number (formerly known as CFDA number)

- Assistance listing number is the number assigned to a federal program

When no Assistance listing number is assigned, all federal awards to non-federal entities from the same agency made for the same purpose must be combined and considered one program

Notwithstanding the above, a cluster of programs (see next two slides)

Clusters

A grouping of closely related programs that share common compliance requirements

Clusters are treated as one program for major program determination and testing

Clusters include:

- R&D
- SFA
- Other clusters as defined in the OMB *Compliance Supplement*

Clusters

Part 5 of the *Compliance Supplement* identifies each cluster (R&D, SFA, and “other clusters” and the specific/unique requirements for each)

R&D is the only cluster where specific Assistance listing numbers are not identified

- For R&D, auditors look to the definition of R&D and apply judgment to determine inclusion in the cluster

Pass-through awards and subrecipients

Pass-through awards and subrecipients

Many nonfederal entities receiving federal awards pass the federal awards through to other entities that are considered “subrecipients”

Examples:

- State government (a PTE) passes federal funds down to local governments (subrecipients) within the state
- A local government (a PTE) passes federal funds down to not-for-profit organizations (subrecipients)

Definitions relating to pass-through funds

§200.1

PTE is a nonfederal entity that provides a federal award to a subrecipient to carry out a federal program

Subrecipient is a nonfederal entity that receives a subaward from a PTE to carry out part of a federal program

- Does not include an individual that is a beneficiary of such program.
- A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

Contractor is an entity that receives a contract

- A contract is defined in as a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award

Applicability of single audit to pass-through awards and subrecipients

Single audit requirements apply to both PTEs and subrecipients of federal awards

Payments received by a contractor for goods or services provided in connection with a federal program are not considered federal awards

Fees for services are typically not considered federal awards

Determining subrecipient vs. contractor can be tricky and involves some judgment

Factors typically indicating a subrecipient

Determines who is eligible to receive federal assistance

Has its performance measured against whether the objectives of the federal program are met

Has responsibility for programmatic decision-making

Has responsibility for adherence to applicable federal program compliance requirements

Uses the federal funds to carry out a program for a public purpose, as opposed to providing goods or services for the benefit of the PTE

Factors typically indicating a contractor

Provides the goods and services within normal business operations

Provides similar goods or services to many different purchasers

Operates in a competitive environment

Provides goods or services that are ancillary to the operation of the federal program

Is not subject to the compliance requirements of the federal program

Requirements for PTEs

§200.332

Ensure subaward is clearly identified to the subrecipient as a subaward

- Critical so that subrecipient knows it is subject to single audit

Include specific items in the subaward such as:

- Federal award identification number
- Federal award date
- Assistance listing number, title, etc.
- All requirements imposed by the PTE
- Indirect cost rate information (or a de minimis indirect cost rate)

Evaluate subrecipients' risk of noncompliance

Monitor activities of the subrecipient to ensure award used for authorized purposes

Overview and use of the AICPA GAS-SA Guide

AICPA GAS-SA Guide

Considered an “interpretive publication” pursuant to AU-C section 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With Generally Accepted Auditing Standards*

Interpretive publications are recommendations on the application of GAAS

AU-C section 200 requires auditors to consider applicable interpretive publications in planning and performing the audit

If the auditor does not apply the auditing guidance in an applicable interpretive publication, should document how the requirements of GAAS were complied with

AICPA GAS-SA Guide

Two main sections of the guide

- Yellow Book audits
- Single audits

Appendices

- Single Audit Act
- Uniform Guidance subpart F, audit requirements
- Overview of Statements on Quality Control Standards
- Schedule of changes from prior edition

AICPA GAS-SA Guide – Yellow Book chapters

Discusses the following important topics relevant to the Yellow Book component of the audit:

- Planning considerations of *Government Auditing Standards*
- Financial statement audit considerations of *Government Auditing Standards*
- Auditor reporting requirements and other communication considerations of *Government Auditing Standards*
 - Discussion of this topic includes numerous illustrative auditor reports

GAS-SA Guide – single audit chapters

Chapter 5, Overview of the Single Audit Act, Uniform Guidance
Audit Requirements and the *Compliance Supplement*

General audit requirements

Determining when federal awards are expended

Major program determination (high level)

Auditee responsibilities

Responsibilities of other parties (federal agency, PTE, cognizant agency)

Describes the *Compliance Supplement*

GAS-SA Guide – single audit chapters

Chapter 6, Auditor Planning Considerations Under the Uniform Guidance

Audit risk considerations

Audit documentation

Audit materiality considerations

Joint audits and reliance on others

Efficiency

State and local compliance requirements

Defining the entity to be audited

Desk reviews and on-site reviews

Determining the audit period

GAS-SA Guide – single audit chapters

Identification of federal awards

Audit considerations related to the SEFA

Reporting on the SEFA

Presentation requirements

Two example SEFAs included

- One for a university
- One for a NFP entity

Chapter 7,
Schedule of
Expenditures
of Federal
Awards

GAS-SA Guide – single audit chapters

Chapter 8, Determination of Major Programs

- Applying the risk-based approach
 - Determining type A/B programs
 - Risk assessment of programs
 - Determining major programs
 - Percentage-of-coverage/low-risk auditee criteria
- Criteria for program risk

GAS-SA Guide – single audit chapters

Overview of requirements, definition of internal control over compliance requirements for federal awards

Auditor's consideration of internal control over compliance for each major program

Direct and material compliance requirements

Tests of operating effectiveness for each major program

Significant deficiencies and material weaknesses

Chapter 9,
Consideration
of Internal
Control Over
Compliance for
Major
Programs

GAS-SA Guide – single audit chapters

Identifying compliance requirements subject to audit that are direct and material

Performing compliance testing

Evaluating and reporting noncompliance

Follow-up procedures

Management representations

Chapter 10,
Compliance
Auditing
Applicable to
Major
Programs

GAS-SA Guide – single audit chapters

Chapter 11, Audit Sampling Considerations of Uniform Guidance Compliance Audits

Statistical vs. nonstatistical
approach

Attribute vs. monetary
sampling

Procedures that do not
involve sampling

Population considerations

Sample sizes

Sample selection and
evaluation

Projecting deviations and
exceptions

Dual-purpose testing

GAS-SA Guide –single audit chapters

Chapter 12, Audit Considerations of Pass-Through Entities and Subrecipients

Characteristics of subrecipients vs contractors

Single audit considerations of PTEs

- PTE responsibilities
- Audit planning
- Internal control over compliance
- Subrecipient monitoring considerations
- Reporting considerations

GAS-SA Guide – single audit chapters

Provides recommended reporting

- Financial statement and SEFA
- Yellow Book
- Major programs
- Schedule of findings and questioned costs

Summary schedule of prior audit findings and corrective action plan (auditee prepared)

DCF

Illustrative reports

Chapter 13,
Auditor
Reporting
Requirements
and Other
Communication
Considerations

GAS-SA Guide – single audit chapters

When appropriate

Auditor's responsibilities with/without program-specific audit guide

Submission of report

Contains illustrative reports

Chapter 14,
Program-
Specific
Audits

How to Order the GAS-SA Guide



AICPA Order
Department: 888-
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Recap – topics covered

Overview of the Uniform Guidance

Scope of the single audit

Auditee and auditor responsibilities

Federal agency responsibilities

Single audit overview

Description and characteristics of federal awards

Pass-through Awards and subrecipients

Overview and use of the AICPA GAS-SA Guide

About the GAQC – www.aicpa.org/GAQC

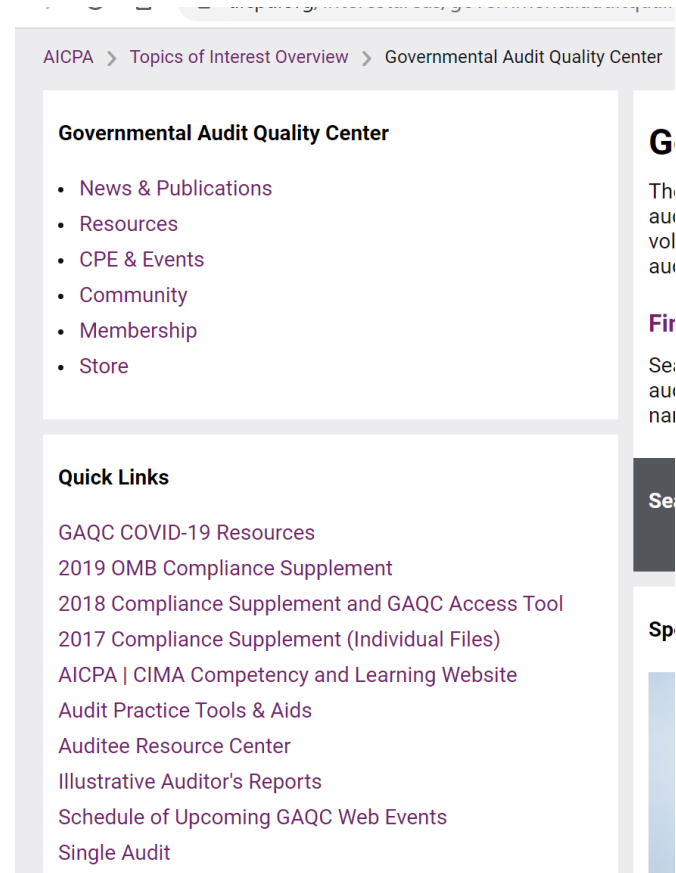
Provides resources (e.g., alerts, web events, tools, etc.)

Current areas of emphasis

- *Government Auditing Standards*
- Single audits
- Preparing for study on single audit quality

Even if not a member, GAQC Web site provides useful information for both auditors and auditees

- For example, [GAQC Auditee Resource Center](#)





Thank you