

X. ANNUAL SINGLE AUDIT REQUIREMENTS

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A. DOCUMENTS DEFINING REQUIREMENTS

The Single Audit Act of 1984, as amended, sets audit standards for recipients of federal funds. Since 1996, this federal law requires local governments that “**expend**” a combined total of \$500,000 or more in a year in federal funds to have a single audit conducted for that year in accordance with the requirements of OMB circular No. A-133 "Audit of States, Local Governments and Non-Profit Organizations."

The State of Wisconsin has also adopted the single audit concept for local governments beginning with fiscal year 1987. Single audits being performed for local governments to satisfy the federal requirement will also include the state compliance features for the selected state programs. The selected state programs are itemized in the Wisconsin State Single Audit Guidelines.

B. DETERMINING IF A SINGLE AUDIT IS REQUIRED

Recipient local governments that expend a combined total of **equal to or greater than \$500,000** in federal financial assistance (from all sources) in any fiscal year must have a single audit for that year. All repaid CDBG loan amounts (RLF funds) should be considered in calculating the \$500,000 figure.

The grantee is required to maintain detailed records of financial assistance and to provide access to those records to federal and state agencies.

If a combined total of **less than \$500,000** in federal funds (from all sources including RLF expenditures) is expended in a year, the single audit requirement **does not** apply. A confirmation of non-requirement must be provided to the Department of Commerce (see Attachment 2). Also, please list sources of any federal funds received during calendar year. NOTE: CFDA means Code of Federal Domestic Assistance.

A grantee must submit **EITHER** Attachment 1 **OR** Attachment 2 to the Department of Commerce by January 31 of the subsequent year.

The grantee is required to maintain detailed records of financial assistance and to provide access to those records to federal and state agencies.

C. SECURING AN AUDITOR

The local unit of government is required to select an independent certified auditor to perform the Single Audit. If your local unit of government would like assistance in this process, a booklet titled "Selecting an Auditor for Single Audits" is available from the Department of Commerce. If CDBG-RLF dollars will be used to pay for part of the Single Audit, compliance with procurement procedures is required (see Chapter II).

D. SINGLE AUDIT REPORTS

A single audit report consists of the following parts:

- Your government's financial statements and accompanying notes, along with the auditor's reports on these statements;
- A schedule of expenditures of federal (and state) awards, along with the auditor's report on that schedule;
- A summary schedule of prior audit findings.
- An auditor's opinion on the financial statements the schedule of expenditures of federal awards.
- Auditor's reports on internal accounting controls (a report on controls based solely on the study and evaluation made as part of the audit of the financial statements and a report on the controls used in administering financial assistance programs);
- Auditor's reports on compliance (a report on compliance with laws and regulations that may have a material effect on the financial statements and a report on compliance laws and regulations relating to financial assistance programs).
- A schedule of findings and questioned costs.
- A corrective action plan addressing each audit finding included in the current year auditor's report.
- Any management letter supplied by the respective CPA firm should have a copy forward of the Department of Commerce

These parts may be bound into a single report or presented as separate documents. Circular A-133 requires state and local governments to make audit reports available for public inspection within 30 days after completion of the audit.

E. SUBMITTING THE REPORT(S)

In addition to the single audit reports, the grantee should send all agencies the following:

- Management letter, if one was provided by the auditor;
- Plan of corrective action addressing all findings contained in the single audit report and management letter.

The required audit reports must be submitted within the earlier of 30 days after receipt of the auditor's report(s) or nine (9) months after the end of the audit period. Submit all documents at the same time to all agencies listed in the Schedule of Financial Assistance. Single audit reports that deal with Community Development Block Grant awards must have one copy sent to:

Department of Commerce
Division of Administrative Services
Attn: Clete Houdek
P. O. Box 7970
Madison, WI 53707-7970
608.266.8381

In addition, a copy must be sent to:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

In addition to providing the Department of Commerce with a copy of the audit, counties that receive CDBG funds should contact the following Department of Health and Family Services official regarding their submission requirements:

Ann Anderson
Department of Health and Family Services
P. O. Box 7850
Madison, WI 53707
608.267.2836

F. AUDIT COSTS

The costs of audits made in accordance with the provisions of OMB circular A-133 are allowable charges to the CDBG-RLF. You may charge a proportionate share of the cost of your single audit to your CDBG-RLF administrative budget. The allowable percentage of your audit costs cannot exceed the percentage of your local budget represented by the audited CDBG-RLF dollars.

ATTACHMENT 1

-- PLEASE PUT LETTER ON GRANTEE'S LETTERHEAD --

SINGLE AUDIT STATEMENT (AUDIT REQUIRED)

CDBG Housing Program
Division of Housing and Community Development
P. O. Box 7970
Madison, WI 53707-7970

I hereby attest, under penalties of perjury, that during the calendar year ending December 31, 2010, _____ (grantee name), has expended **equal to or greater than \$500,000** in total federal funds and will comply with the federal Single Audit Act and the requirements of OMB Circular A-133.

_____ (Signature of Chief Elected Official)

_____ (Typed Name)

_____ (Typed Title)

cc: Department of Commerce
Division of Administrative Services
Attn: Chief Accountant
P. O. Box 7970
Madison, WI 53707-7970

ATTACHMENT 2

- - PLEASE PUT LETTER ON GRANTEE'S LETTERHEAD - -

SINGLE AUDIT STATEMENT (AUDIT NOT REQUIRED)

CDBG Housing Program
Division of Housing and Community Development
P. O. Box 7970
Madison, WI 53707-7970

I hereby attest, under penalties of perjury, that during the calendar year ending December 31, 2010, _____ (grantee name):

1. has expended **less than \$500,000** in total federal funds and, therefore, is not required to submit an audit, which meets the federal Single Audit Act and the requirements of OMB Circular A-133.
2. has expended the following amount(s) of federal funds, including funds received from the Wisconsin Department of Commerce, Division of Housing and Community Development or any other source.

<u>CFDA #</u>	<u>Grant Contract #</u>	<u>Source/Agency</u>	<u>Amount Expended</u>
14.228		CDBG/DHCD-Housing	
14.228	---	CDBG-RLF	

(Signature of Chief Elected Official)

(Typed Name)

(Typed Title)

cc: Department of Commerce
Division of Administrative Services
Attn: Chief Accountant
P. O. Box 7970
Madison, WI 53707-7970