

# SINGLE AUDIT

## TABLE OF CONTENTS

CHAPTER 11: SINGLE AUDIT .....	3
DOCUMENTS ESTABLISHING REQUIREMENTS .....	3
DETERMINING THE ENTITY(IES) TO BE AUDITED .....	3
DETERMINING THE TYPE OF AUDIT REQUIRED .....	4
AUDITEE RESPONSIBILITIES .....	4
SINGLE AUDIT REPORTING PACKAGE .....	5
PROGRAM-SPECIFIC AUDIT REPORTS .....	6
SUBMISSION TO CLEARINGHOUSE .....	6
SUBMISSION TO PASS-THROUGH ENTITIES .....	6
REPORT RETENTION REQUIREMENTS .....	7
AUDIT COSTS .....	7
QUALITY CONTROL REVIEWS .....	7
ATTACHMENTS .....	7
ATTACHMENT 11-A: SINGLE AUDIT STATEMENT [AUDIT REQUIRED] .....	8
ATTACHMENT 11-B: SINGLE AUDIT STATEMENT [AUDIT NOT REQUIRED] (TEMPLATE) .....	9
ATTACHMENT 11-B1: SINGLE AUDIT STATEMENT [AUDIT NOT REQUIRED] (SAMPLE) .....	10
ADDITIONAL NOTES: (optional) .....	11
ADDITIONAL NOTES: (optional) .....	12

## NOTES

## CHAPTER 11: SINGLE AUDIT

### DOCUMENTS ESTABLISHING REQUIREMENTS

The Office of Management and Budget establishes uniform audit requirements for non-federal entities, including state and local governments that administer federal awards, Uniform Guidance 2 CFR 200 Subpart F. The Act requires non-federal entities that expend a total amount of federal awards, whether received directly from federal awarding agencies or indirectly from pass-through entities, equal to or more than \$750,000 in any fiscal year, to have either a single audit or a program-specific audit, available from the OMB internet web site at <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf> or from the Government Printing Office at the following address:

Government Printing Office  
Superintendent of Documents  
Washington, D.C. 20402-9325.

The *State Single Audit Guidelines* (Guidelines) issued by the Wisconsin Department of Administration (DOA) establishes standardized procedures and guidelines for the implementation of single audit requirements for non-federal entities. The *State Single Audit Guidelines* (SSAG) are found at: <https://doa.wi.gov/Pages/StateFinances/State-Single-Audit-Guidelines.aspx>. The *Guidelines* require non-federal entities subject to the requirements of the Act to include selected state financial assistance programs in the scope of the single audit. These programs, and related compliance supplements, are identified in appendices to the *Guidelines*.

### DETERMINING THE ENTITY(IES) TO BE AUDITED

The non-federal entity or government unit to whom a grant is awarded and with whom DOA contracts may be subject to an audit in accordance with the Uniform Guidance 2 CFR 200 (See “III. Determining the Type of Audit Required”). This government unit is responsible for submission of its single audit reporting package to DOA as described more fully below, whether or not the entity has sub-granted the award to another governmental unit.

In addition to the above, if the governmental unit to whom a grant is awarded and with whom DOA contracts passes some or all of the funds through to another general purpose unit of government or a special purpose unit of government such as a sanitary district, that unit of government may also be subject to a single audit in accordance with the Uniform Guidance (see “III. Determining the Type of Audit Required”). To determine whether the second general purpose unit of government, special purpose unit of government, or sub-grantee/sub-recipient must conduct an audit of its own or its auditing requirement may be fulfilled through the audit of the Department of Administration’s Grantee, review the Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity”, or consult an independent CPA.

## DETERMINING THE TYPE OF AUDIT REQUIRED

The federal law requires non-federal entities that “expend” a combined total of \$750,000 or more of federal funds in a year to have a single audit conducted for that year in accordance with the requirements of Uniform Guidance 2 CFR 200 Subpart F. The single audit should cover the operations of the entire local government or, at the option of the local government, the audit may include a series of audits that cover departments, agencies, and other organizational units which expended or otherwise administered federal awards. Non-federal entities that expend \$750,000 or more on one federal program only in any fiscal year may elect to have a program-specific audit conducted in accordance with the Uniform Guidance. [Attachment 11-A: *Single Audit Statement (Audit Required)*]

Non-federal entities that expend less than \$750,000 in total federal awards in a year are exempt for that fiscal year from compliance with the audit requirements of the Uniform Guidance. The exemption does not, however, relieve a non-federal entity from compliance with any provision of a federal statute or regulation that requires the entity to maintain records concerning federal awards, or permits a federal agency, pass-through entity, or the Comptroller General access to such records. [Attachment 11-B: *Single Audit Statement (Audit Not Required)*]

## AUDITEE RESPONSIBILITIES

Uniform Guidance 2 CFR 200 clearly identifies the responsibilities of the auditee (the local government) with respect to federal awards.

The auditee is required to:

- A. Identify in its accounts the federal awards received and expended. The identification should include the Catalog of Federal Domestic Assistance (CFDA) title and number, name of the federal agency, and name of the pass-through entity. The CFDA for the Small Cities CDBG State Program passed through the Department of Administration is 14.228, and the federal agency is the U.S. Department of Housing and Urban Development. Each similar source or cluster should be subtotaled.
- B. Maintain internal control over federal programs. To gain an understanding of the concepts of establishing effective internal control structure policies and procedures, consult the independent auditor or refer to the appendix of the AICPA Audit and Accounting Guide, *Audits of State and Local Governmental Units*.
- C. Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its federal programs. These requirements may be found in the award agreement, this handbook, and Uniform Guidance 2 CFR 200 *Compliance Supplement (Compliance Supplement)*. A copy of the *Compliance Supplement* is available from the OMB internet web site at the Government Printing Office or [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A133/2017/Compliance\\_Supplement\\_2017.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A133/2017/Compliance_Supplement_2017.pdf) and <https://www.whitehouse.gov/wp-content/uploads/2018/05/2018-Compliance-Supplement.pdf>.

- D. Prepare appropriate financial statements, including the schedule of expenditures of federal awards.
- E. Arrange for and ensure that audits required by the Uniform Guidance are properly performed. See *Procuring Governmental Audit Services* at:  
<https://www.aicpa.org/interestareas/governmentalauditquality/resources/auditeeresourcecenter/downloadabledocuments/rfppracticeaid.pdf>.

When procuring professional services, the UGLG must follow Chapter 66 of the Wisconsin Statutes regarding procurement. In addition, the UGLG must comply with Uniform Guidance 2 CFR 200 because federal funds are being used to pay for the services.

In procuring audit services, the auditee must follow the Circular's procurement procedures, which accommodate Chapter 66 of Wisconsin Statutes and comply with OMB Circular A-102. Requests for proposals should clearly state the objective and scope of the audit. Factors to consider in evaluating proposals include:

- Responsiveness to the Request for Proposals (RFP);
  - Relevant experience in the performance of Single Audits;
  - Availability of staff with professional qualifications and technical abilities;
  - The result of external peer review; and
  - Price.
- F. Follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit and a corrective action plan.
- G. Execute the Data Collection Form and submit it, together with the audit reporting package, when due. Audits must be completed and submitted within 30 days after the issuance of the auditor's reports to the auditee, but no later than nine (9) months after the end of the audit period.

### SINGLE AUDIT REPORTING PACKAGE

The required elements of a single audit reporting package are as follows:

- A. Financial statements of the non-federal entity, notes to the financial statements and auditor's opinion;
- B. Schedule of expenditures of federal and, if applicable, state awards, notes to the schedule, and auditor's opinion;
- C. Report on the internal control structure related to the financial statements and major programs;
- D. Report on compliance with laws, regulations, and provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements;

- E. Schedule of findings and questioned costs using a reference numbering system to facilitate audit follow-up. One option is to use an identifying prefix of the last two digits of the year under audit, then the sequence number of issues listed;
- F. Summary schedule of prior audit findings. The auditee may prepare a summary schedule that indicates that there were no reportable prior year findings; and
- G. Corrective action plan for all audit findings and recommendations or an explanation as to why an action plan was not necessary.

## PROGRAM-SPECIFIC AUDIT REPORTS

The required elements of a program-specific audit, for eligible non-federal entities, are dependent on whether a program-specific audit guide is available from the Office of the Inspector General of the federal agency. If a program-specific audit guide is available, the auditor must follow the guide and Generally Accepted Government Auditing Standards. In the absence of a program-specific audit guide, the following is required:

- A. Financial statements of the federal program, notes to the financial statements and auditor's opinion;
- B. Report on internal control related to the federal programs;
- C. Report on compliance with laws, regulations and provisions of contracts or grant agreements;
- D. Schedule of findings and questioned costs for the federal program that includes a summary of the auditor's results and findings and questioned costs;
- E. Summary schedule of prior audit findings; and
- F. Corrective action plan for all audit findings or explanation as to why one was not necessary.

## SUBMISSION TO CLEARINGHOUSE

All auditees must submit to the federal clearinghouse the data collection form and one (1) copy of the reporting package described above and the Data Collection Form (Form SF-SAC) to the Federal Audit Clearinghouse (FAC). The auditee must electronically submit to the FAC at <https://harvester.census.gov/facweb/>.

## SUBMISSION TO PASS-THROUGH ENTITIES

Sub-recipients should review the most current version of the State Single Audit Guidelines for submission requirements: (<https://doa.wi.gov/Pages/StateFinances/State-Single-Audit-Guidelines.aspx>).

## REPORT RETENTION REQUIREMENTS

One (1) copy of the data collection form and one copy of the complete reporting package must be kept on file for three (3) years from the date of submission to the federal clearinghouse.

## AUDIT COSTS

The costs of audits made in accordance with the provisions of 2 CFR 200 Subpart E are allowable charges to the CDBG program unless the non-federal entity expended less than \$750,000 of federal awards and is, therefore, exempted by the Act from having an audit conducted. In accordance with 2 CFR 200 Subpart E, "Special Considerations for States, Local Governments and Indian Tribes," the percentage of costs charged to the CDBG program for a single audit shall not exceed the percentage derived by dividing federal funds expended by total funds expended by the recipient or sub-recipient (including program matching funds) during the fiscal year.

## QUALITY CONTROL REVIEWS

The *Guidelines* require state cognizant agencies to conduct quality control reviews (QCRs) of the work of independent auditors performing single audits to ascertain they have adhered to required auditing standards and guidelines, and the scope of the audit was sufficient to provide a reasonable chance of detecting material errors, deficiencies, or irregularities, if any. Annually, a minimum number of single audits are randomly selected by DOA for quality control review. DOA may also judgmentally select audits for quality control review based on the results of a desk review.

The chief elected official of a non-federal entity selected for QCR will be asked to authorize its independent auditor to allow the DOA Auditor to review audit work papers supporting the audit. Written results of the review are provided to the non-federal entity, independent auditor, and DOA within two (2) weeks of completion of the QCR. The non-federal entity is expected to work with its independent auditor to correct deficiencies, if any, noted during the QCR.

## ATTACHMENTS

Attachments for this chapter are listed below.

- ATTACHMENT 11-A: SINGLE AUDIT STATEMENT [AUDIT REQUIRED]
- ATTACHMENT 11-B: SINGLE AUDIT STATEMENT [AUDIT NOT REQUIRED] (TEMPLATE)
- ATTACHMENT 11-B1 SINGLE AUDIT STATEMENT [AUDIT NOT REQUIRED] (SAMPLE)

**ATTACHMENT 11-A: SINGLE AUDIT STATEMENT [AUDIT REQUIRED]**

**PLACE THE FOLLOWING ON THE UGLG'S LETTERHEAD**

**SINGLE AUDIT STATEMENT (AUDIT REQUIRED)**

DEHCR Project Representative  
Wisconsin Department of Administration  
Division of Energy, Housing and Community Resources  
Bureau of Community Development, 6<sup>th</sup> Floor  
P.O. Box 7970  
Madison, WI 53707-7970

I hereby attest, under penalties of perjury, that during the calendar year ending, December 31,  
20\_\_, \_\_\_\_\_ (UGLG name) has expended **more than \$750,000**  
in total federal funds and will comply with the federal Single Audit Act and the requirements of  
Uniform Guidance 2 CFR 200.

**TEMP LATE**

\_\_\_\_\_  
(Signature of Chief Elected Official)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Typed Title)

-----  
  
*\*(The CFDA # for all CDBG projects is 14.228.)*



**ATTACHMENT 11-B: SINGLE AUDIT STATEMENT [AUDIT NOT REQUIRED]  
(TEMPLATE)**

**PLACE THE FOLLOWING ON THE UGLG'S LETTERHEAD**

SINGLE AUDIT STATEMENT (AUDIT NOT REQUIRED)

DEHCR Project Representative  
Wisconsin Department of Administration  
Division of Energy, Housing and Community Resources  
Bureau of Community Development, 6<sup>th</sup> Floor  
P.O. Box 7970  
Madison, WI 53707-7970

I hereby attest, under penalties of perjury, that during the calendar year ending, December 31,

20\_\_, \_\_\_\_\_ (UGLG name):

1. Has expended **less than \$750,000** in total federal funds and, therefore, is not required to submit an audit which meets the Federal Single Audit Act and the requirements of Uniform Guidance 2 CFR 200.
2. Has expended the following amount(s) of federal funds, including funds received from the Wisconsin Department of Administration, Division of Energy, Housing and Community Resources or any other source.

CFDA #*	GRANT CONTRACT #	SOURCE AGENCY	AMOUNT EXPENDED
_____	_____	_____	_____
_____	_____	_____	_____

\_\_\_\_\_  
(Signature of Chief Elected Official)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Typed Title)

-----

\*(The CFDA # for all CDBG projects is 14.228.)

# ATTACHMENT 11-B1: SINGLE AUDIT STATEMENT [AUDIT NOT REQUIRED] (SAMPLE)

## PLACE THE FOLLOWING ON THE UGLG'S LETTERHEAD

### SINGLE AUDIT STATEMENT (AUDIT NOT REQUIRED)

DEHCR Project Representative  
Wisconsin Department of Administration  
Division of Energy, Housing and Community Resources  
Bureau of Community Development, 6<sup>th</sup> Floor  
P.O. Box 7970  
Madison, WI 53707-7970

I hereby attest, under penalties of perjury, that during the calendar year ending, December 31,  
2018, the Village of Lebanon:

1. Has expended **less than \$750,000** in total federal funds and, therefore, is not required to submit an audit which meets the Federal Single Audit Act and the requirements of Uniform Guidance 2 CFR 200.
2. Has expended the following amount(s) of federal funds, including funds received from the Wisconsin Department of Administration, Division of Energy, Housing and Community Resources or any other source.

<u>CFDA #*</u>	<u>GRANT CONTRACT #</u>	<u>SOURCE AGENCY</u>	<u>AMOUNT EXPENDED</u>
14.228	CDBG PF 17-67	DOA/HUD	\$150,000
14.268	CDBG Housing 17-48	DOA/HUD	\$75,000
66.468	DNR**		\$50,000
66.458	DNR**		\$50,000

Sam Winchester

(Signature of Chief Elected Official)

Sam Winchester

(Typed Name)

President, Village of Lebanon

(Typed Title)

\* The CFDA # for all CDBG projects is 14.228.

\*\* For any non-CDBG funds, please contact the granting agency directly to determine if funds are considered federal.

ADDITIONAL NOTES: (optional)

ADDITIONAL NOTES: (optional)