

## How to Prepare for a Single Audit

2024 Local Government Officials Conference  
March 27, 2024

Presented By:  
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Quality Assurance and Technical Specialist

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## Agenda

What is a Single Audit?

How to Prepare for a Single Audit

Common Issues in Single Audits

Other Federal Updates

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## What is a Single Audit?

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## What is a Single Audit?

Required if a non-Federal entity expends \$750,000 or more of Federal awards during a single fiscal year.

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## What is a Single Audit?

Performed in Conjunction with Financial Statement Audit

Opinion Issued on Financial Statements

In-Relation Opinion on the Federal Schedule

Major Federal Programs

- Internal Controls Testing
- Compliance Opinion

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## Required Frequency of an Audit

Ohio Law- Biennial

Federal Single Audit - Annual

Public Office Request or AOS Initiative – If Requested / Necessary

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## Required Financial Statement Basis

Ohio Admin.  
Code 117-2-  
03(B) and (C)

- Counties, cities, and schools must file on GAAP basis.
- Entity types not required to file GAAP basis may use a special purpose framework.

2 CFR  
200.514(b)

- Auditors must determine whether financial statements are presented fairly in all material respects in accordance with GAAP.

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## Deadlines to Consider

### Financial Statement Filing Deadline

- GAAP: 150 Days After Year-End
- Non-GAAP: 60 Days After Year-End

### Single Audit Reporting Deadline

- 30 Days after Auditor's Report Date
- OR
- 9 Months After Year-End

### Other Deadlines

- Grantor
- Debt Rating
- ACFR

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## Auditee Responsible: Financial Statement Components

### GAAP Basis

- Management Discussion and Analysis
- Financial Statements
- Notes to the Financial Statements
- Other Required Supplementary Information

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## Auditee Responsibly: Financial Statement Components

### OCBOA Basis

- Management Discussion and Analysis (Optional)
- Financial Statements
- Notes to the Financial Statements

### Regulatory Basis

- Financial Statements
- Notes to the Financial Statements

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## Auditee Responsibility: Single Audit

- Schedule of Expenditures of Federal Awards (SEFA)
- Notes to the SEFA
- Data Collection Form - Federal Audit Clearinghouse
- Corrective Action Plan (If Applicable)
- Summary Schedule of Prior Audit Findings (If Applicable)

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## Auditor Responsibility: Single Audit Letter



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## Auditee and Auditor Responsibility: Data Collection Form (DCF)

Auditors Fill Out a Majority of the Form

Auditee Certifies Information Entered by the Auditor

Information from Audited Schedule of Expenditures of Federal Awards (SEFA), Notes to the SEFA, and Audit Report

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## What Auditors Test During a Single Audit

Schedule of Federal Awards Expenditures (SEFA)

Notes to the SEFA

Major Federal Program(s) Controls and Compliance

Corrective Action Plan, If Applicable

Summary Schedule of Prior Audit Findings, If Applicable

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## What Auditors Test During a Single Audit: Major Programs

Auditors Must Determine and Test Major Programs

*2 CFR 200.518*

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## Major Program Testing

### OMB Compliance Supplement

- Issued by Federal Office of Management and Budget (OMB) each year to assist auditors in performing single audits.
- Contains sections required to be audited and suggested audit procedures.

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## Major Program Testing: Compliance Sections Tested by Auditors




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## Major Program Testing: Compliance Sections Tested by Auditors

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
Program Number	ACTIVITIES ALLOWED OR UNALLOWED	ALLOWABLE COSTS, COST PRINCIPLES	CASH MANAGEMENT	ELIGIBILITY	EQUIPMENT, REAL PROPERTY, MANAGEMENT	MATCHING, LEVEL OF EFFORT, EARMARKING	PERIOD OF PERFORMANCE	PROCUREMENT, SUSPENSION & DEBARMENT	PROGRAM INCOME	REPORTING	SUBRECIPIENT MONITORING	SPECIAL TESTS AND PROVISIONS
10.665/10.666 (Forest Service Schools and Roads Cluster)	Y	Y	Y	N	N	Y	Y	N	N	Y	N	Y
10.760	Y	Y	N	N	Y	Y	N	Y	N	Y	N	N
10.766/10.780 (Community Facilities Loans and Grants Cluster)	Y	Y	N	N	N	N	Y	N	N	Y	N	Y
11.300/11.307 (Economic Development Cluster)	Y	Y	N	N	N	Y	N	N	Y	Y	Y	Y

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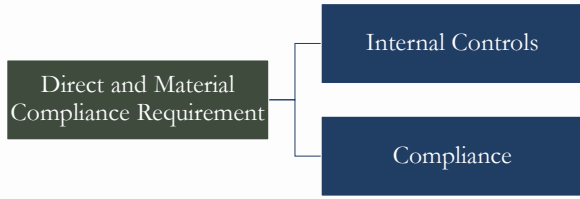
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## Major Program Testing



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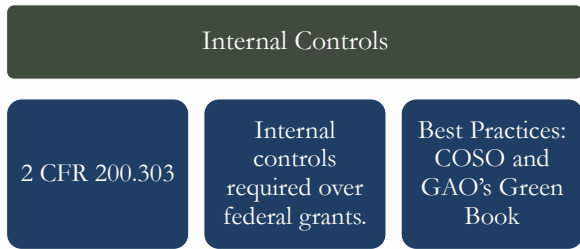
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## Major Program Testing



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## How to Prepare for a Single Audit

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## How to Prepare for a Single Audit

### Remain Alert for New Federal Awards

- Talk to Department Heads
- Pay Attention to Board/Trustee/Council Approvals

### Track Federal Activity

- Retain Copies of Grant Awards Letters and Other Documents
- Record Financial Activity in Separate Fund and/or Cost Center

### Adopt Required Policies

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## Required Written Policies under Uniform Guidance

### Cost Principles

- Allowability of costs in accordance with Cost Principles 2 CFR 200.302(b)(7)
- Employee Compensation, including Time and Effort 2 CFR 200.430
- Leave Policies 2 CFR 200.431
- Reimbursement of relocation costs 2 CFR 200.464(a)(2)
- Travel Reimbursements 2 CFR 200.475

### Cash Management

- Cash Management requirements of 2 CFR 200.305 2 CFR 200.302(b)(6)

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## Required Written Policies under Uniform Guidance

### Procurement

- Conflicts of Interest 2 CFR 200.318(c)(1)
- Organizational Conflicts of Interest 2 CFR 200.318(c)(2)
- Method for Conducting Technical Evaluations of Competitive Proposals 2 CFR 200.320(b)(2)
- Procurement Transactions 2 CFR 200.319(d)

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### Schedule of Expenditures of Federal Awards (SEFA)

List Individual Federal Programs by Agency, Including Assistance Listing Number	Federal Clusters Must Include Cluster Name (and Individual Programs)	Cash and Non-Cash Expenditures for Each Program and Totals by Program, Cluster, and Agency
Pass-through Entity Name and Identifying Number	Amount Provided to Subrecipients From Each Program	COVID Funding Must be Separately Identified

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### What Programs Are Reported on the SEFA?

<b>Federal Grant Expenditures for Programs</b> <ul style="list-style-type: none"> <li>Received Directly from a Federal Agency</li> <li>Received as Subrecipient via a Pass-Through Entity</li> </ul>	<b>Verify Federal Versus State Programs</b> <ul style="list-style-type: none"> <li>Review Terms and Conditions of Award</li> <li>Discuss with Grantor</li> </ul>	<b>Determine Relationship with Grantor</b> <ul style="list-style-type: none"> <li>Discuss with Grantor</li> <li>Subrecipient Relationships Reported on SEFA</li> <li>Vendor Relationship <i>NOT</i> Reported on SEFA</li> </ul>
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### How to Prepare the SEFA

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    graph LR
      A((Gather Grant Information)) --> B((Review SEFA Completeness Guidance))
      B --> C((Utilize Support to Compile SEFA Using Shell))
  
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# SEFA Completeness Guidance

Updated Annually

Single Audit Practice Aids and Audit Report Shells Page of AOS Website

Single Audit Practice Aids & Audit Report Shells  
Single Audit Practice Aids

- Federal Award Compliance Control Records (FACCR)
- Record of Single Audit Risk & Major Program Determination (RSAR) (xlsx) (For 2022 Audits)
- Record of Single Audit Risk & Major Program Determination (RSAR) (xlsx) (For June 30, 2023 – June 29, 2024, Year End Audits)
- School SEFA Transaction Presentations – Nov 2023 (pdf)
- 2023 SEFA Completeness Guide – rev. Dec 2023 (pdf) ←

<https://ohioauditor.gov/references/practiceaids.html>



# SEFA Completeness Guidance

## #21.027 Coronavirus State and Local Fiscal Recovery Fund (SLFRF)

The dollar amount of the revenue loss determines the limit for the amount of SLFRF funds that can be used to "provide government services" (which is one of four eligible uses of SLFRF funds). For SEFA reporting purposes, the aggregate expenditures for all four eligible use categories are reported on the SEFA and not the result of the revenue loss calculation or standard allowance.

On December 28, 2022, the Consolidated Appropriations Act, 2023 was enacted, amending the SLFRF program to provide additional flexibility for recipients to use SLFRF funds for emergency relief from natural disasters, surface transportation projects, and Title I projects. Recipients may use SLFRF funds for the new eligible uses for costs incurred beginning December 28, 2022.

Additionally, because NEUs are considered direct recipients under SLFRF, NEUs that do not elect or are not eligible for the alternative compliance examination engagement are required to report their award expenditures on the SEFA and data collection form as direct awards. Further, States must not report award funds that were required to be distributed to the NEUs on State SEFAs or data collection forms.

(Source: 2023 OMB Compliance Supplement, Part 4, Treasury, #21.027 Coronavirus SLFRF)

When Treasury initially issued State and Local Fiscal Recovery Funds (SLFRF) to recipients, to expedite payments and meet statutory timelines the funding was issued under the same Assistance Listing Number (AL #) as the Coronavirus Relief Fund (21.019). Treasury subsequently identified that SLFRF funding should be reported under AL # 21.027. Auditors should be aware that some SLFRF grant agreements may reflect AL # 21.019; however, the funding should be reported under AL #21.027. See the [SLFRF Compliance and Reporting Guidance](#) for further guidance.

Further, auditors should be aware that SLFRF may be used for general government services up to the amount of revenue loss (either as calculated by the entity or up to the standard \$10 million allowance). The total amount of revenue loss is not reported on the SEFA; rather, entities report revenue loss dollars when expended on allowable general government services.



# SEFA Shell

Single Audit Practice Aids and Audit Report Shells Page of AOS Website

## Single Audit Report Shells

- Sample Corrective Action Plan Uniform Guidance (docx)
- Schedule of Expenditures of Federal Awards Uniform Guidance – Nov 2023 (xlsx) ←
- Notes to the Schedule of Expenditures of Federal Awards Uniform Guidance – May 2023 (docx)
- Schedule of Findings and Questioned Costs Uniform Guidance (docx)
- Schedule of Prior Findings and Questioned Costs Uniform Guidance – Nov. 2023 (docx)

<https://ohioauditor.gov/references/practiceaids.html>



## SEFA Shell

[ENTITY NAME]  
[COUNTY NAME] COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED [YE DATE]

[7] and [8]	[1]	[4]	[2]	[3 - 6]
FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF [AGENCY NAME] Passed Through Ohio Department of [Agency Name]				
				_____
Total U.S. Department of [Agency Name]				_____

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## Notes to the Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

Summary of Significant Accounting Policies

Indirect Cost Rate

Other Information

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## Notes to the SEFA Shell

### Single Audit Practice Aids and Audit Report Shells Page of AOS Website

Single Audit Report Shells

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<https://ohioauditor.gov/references/practiceaids.html>

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# Notes to the SEFA Shell

(CLIENT NAME)  
(COUNTY NAME) COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED (FYE DATE)  
May 2023

[Note: This shell is an example of disclosures for the Schedule of Expenditures of Federal Awards. Auditors should review 2 CFR 200 and Chapter 7 of the ACIPA Single Audit Guide for additional guidance to consider. Blue font language should be removed when submitted for audit.]

**NOTE A - BASIS OF PRESENTATION**  
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of (NAME OF ENTITY) (the Entity) under programs of the federal government for the year ended (FYE DATE). The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Entity, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Entity (modify as necessary depending on the financial statement's financial reporting framework).

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
Expenditures reported on the Schedule are reported on the cash basis (1) of accounting. (except expenditures passed through (the pass-through) agency or program) are presented on an accrual basis. (2) Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. (Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.)

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# Corrective Action Plan (CAP)

## For Each Report-Level Audit Finding

Name(s) of Contact Person Responsible	Planned Corrective Action	Anticipated Completion Date
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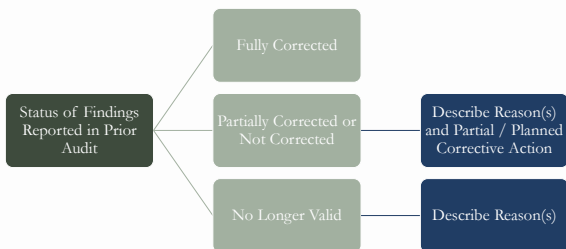
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# Summary Schedule of Prior Audit Findings



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## How to Keep Single Audit Costs Low

- Timely and Effective Communication with your Auditors
- Provide Records in Electronic Format, When Possible
- Understand Grant Requirements, Maintain Records to Support Compliance

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## How to Keep Single Audit Costs Low

- Implement Effective Internal Controls
- Ensure Relevant Staff is Available During Audit
- Be Aware of Unique Circumstances
- Maintain Complete, Organized Records

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## Typical Records Requested During a Single Audit

Ledgers to Support SEFA	Grant Agreements, Award Letters, Communications	Minutes	Asset Records
Receipt Support	Procurement Records	Contracts	Policies and Procedures
Support for Expenditures (Payroll and Nonpayroll)	Reports Required by Grantor	Eligibility Determinations	Subgrant Agreements

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**Common Issues in Single Audits**

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**Common Issues in Single Audits**

Schedule of Expenditures of Federal Awards (SEFA) Errors  
• 2 CFR 200.510(b)

How to Avoid

- Implement Controls
- [SEFA Completeness Guidance](#)
- Communication Between Departments

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**Common Issues in Single Audits**

Allowable Costs / Cost Principles  
• Grant Award  
• 2 CFR Subpart E

How to Avoid

- Implement Controls

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### Common Issues in Single Audits

Procurement, Suspension, Debarment

- 2 CFR 200.318-.327
- 2 CFR Part 180

How to Avoid

- Implement Controls
- [Free Training](#) from AOS
- [Federal Resources](#) from AOS

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### Common Issues in Single Audits

Cash Management

- 2 CFR 200.302(b)(6) and .305
- Award Terms and Conditions

How to Avoid

- Adopt Required Policy
- Implement Controls

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### Other Federal Updates

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## New Federal Audit Clearinghouse (FAC)

Transition from Census to GSA October 2023

- [www.FAC.gov](http://www.FAC.gov)

Must have a Login.gov account

Must have a Unique Entity Identifier (UEI)

Continuous Improvement Process by GSA

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## Coming Soon: Uniform Guidance Update

Draft Released  
Fall 2023

Comment  
Period Through  
December 2023

Anticipated  
Release: Spring  
2024

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## Coming Soon: Uniform Guidance Update

### Anticipated Changes

Single Audit  
Threshold  
Increase

Plain  
Language  
Updates

Fixed Award  
Clarifications

Increased  
Equipment  
Threshold

Change in  
Prior  
Approval  
Requirements

Increase in  
De Minimis  
Rate

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# Resources

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## Federal Resources from AOS




**General Federal Resources**  
General resources for Ohio governments who receive and expend Federal funding, including governments subject to a single audit.

- Federal Resources
- Cybersecurity Resources



**COVID-19 Assistance**  
Resources and guidance for funding provided by COVID-19 Federal funding streams.

- COVID-19 Resources
- Fiscal Tracking
- Guidance for Clients
- FAQs



**Infrastructure Law**  
Resources and guidance for funding provided by the Infrastructure Investment and Jobs Act.

- Infrastructure Investment and Jobs Act

<https://ohioauditor.gov/resources/federal.html>

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## Additional Free Training

- Training Agenda
- List of All Trainings

**Conferences & Webinars**

- Local Government Officials
- Local Government and Schools
- Village Fiscal Officer
- CPRT
- Community Schools
- County Treasurers
- IFAs and Auditors
- Fire District Officials
- Fraud Conferences
- Cybersecurity
- Other Trainings

### Training Department

The Auditor of State's Office provides educational opportunities to keep Ohio's local government officials up-to-date on Ohio laws. Our department is continuously pursuing additional training opportunities. Because training dates are forthcoming and this page changes regularly, be sure to check back for new info. [Scroll Down](#)

**Training Agenda**

**Upcoming Training**

**March 26, 27, and 28, 2024**  
2024 Local Government Officials Conference  
in-person [Learn More >>](#)

**On Demand Trainings**

AOS CPRT Part 1-3  
on-demand [Learn More >>](#)

**Training Formats**

- on-demand** On-Demand Training: A prerecorded session that can be accessed any time.
- in-person** In-Person Training: Any session in which individuals participate face-to-face.
- virtual** Virtual Training: Online training in which the learner and instructor are in separate locations.
- hybrid** Hybrid Training: Both in-person and virtual options are available, either through a live video-conference feed or an in-person session.

<https://ohioauditor.gov/trainings/default.html>

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51

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**Questions?**

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53

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