

OHIO AUDITOR OF STATE  
KEITH FABER

How to Prepare for a Single Audit

2025 Local Government Officials Conference

Presented By:  
Amanda Stidham, CPA, CFE  
Single Audit Coordinator

March 27, 2025Efficient • Effective • Transparent1

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Agenda

What is a Single Audit?

How to Prepare for a Single Audit

Alternative Compliance Examination Engagements

Common Issues in Single Audits

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What is a Single Audit?

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### What is a Single Audit?

**Audits of the Year Ended December 31, 2024**

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

**Audits of the Year Ended December 31, 2025 and Subsequent**

- Required if a non-Federal entity expends \$1,000,000 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	Single Audit Reporting Deadline	Other Deadlines
<ul style="list-style-type: none"> <li>GAAP: 150 Days After Year-End</li> <li>Non-GAAP: 60 Days After Year-End</li> </ul>	<ul style="list-style-type: none"> <li>30 Days after Auditor's Report Date</li> <li>OR</li> <li>9 Months After Year-End</li> </ul>	<ul style="list-style-type: none"> <li>Grantor</li> <li>Debt Rating</li> <li>ACFR</li> </ul>

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### Auditee Responsible: Financial Statement Components

GAAP Basis

- Management's 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's 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

Compliance Opinion

Basis for Opinion

Entity Management and Auditor Responsibilities

Other Matters

Assessment of Internal Controls Over Compliance

In Relation Opinion on Federal Schedule

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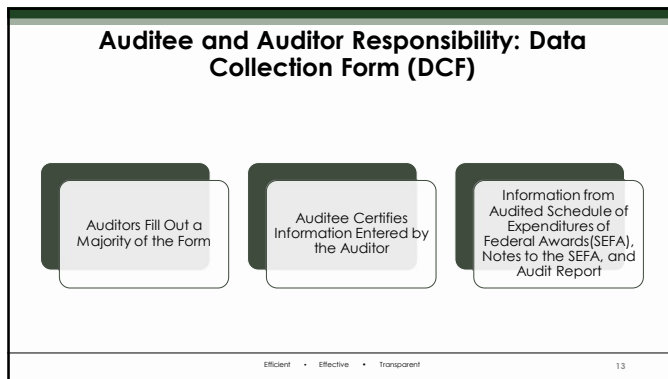
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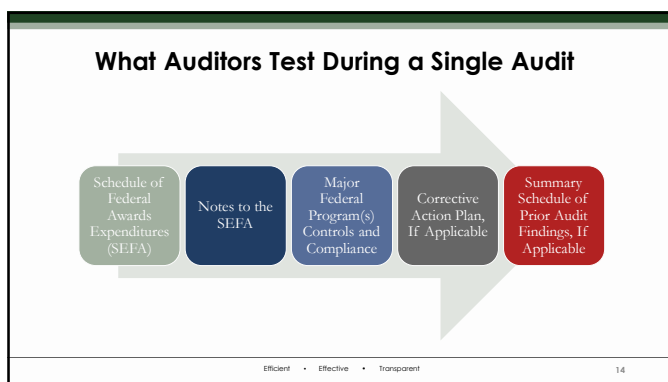
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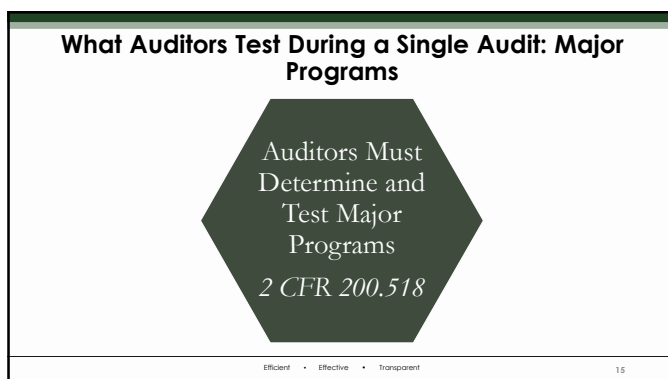
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## Major Program Testing

### 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

A. Activities Allowed and Unallowed	B. Allowable Costs and Cost Principles	C. Cash Management	E. Eligibility
F. Equipment and Real Property	G. Matching, Level of Effort, and Earmarking	H. Period of Performance	I. Procurement Suspension and Debarment
J. Program Income	L. Reporting	M. Subrecipient Monitoring	N. Special Tests and Provisions

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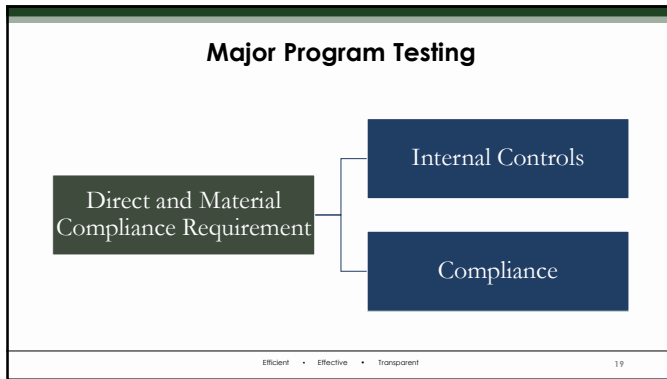
## Major Program Testing: Compliance Sections Tested by Auditors

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
	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
Program Number												
20.327	Y	Y	Y	N	N	Y	N	Y	N	N	N	N
20.500/20.507/20.525 /20.526 (Federal Transit Cluster)	Y	Y	Y	N	N	N	Y	Y	N	N	Y	N

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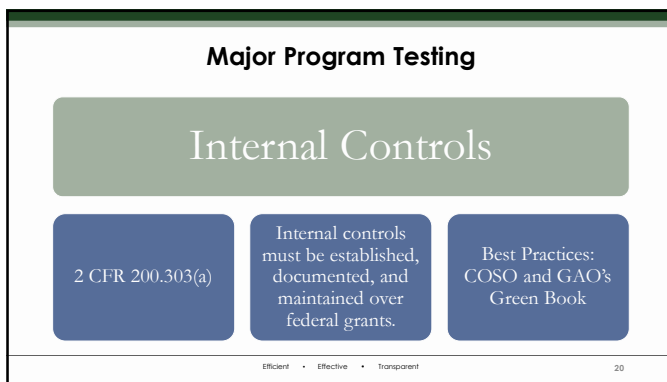
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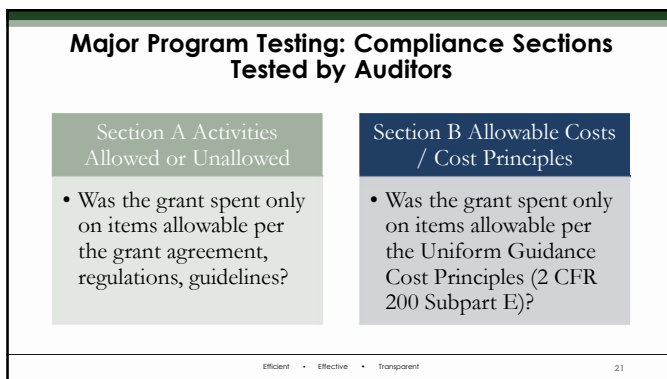
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**Major Program Testing: Compliance Sections Tested by Auditors**

**Section C Cash Management**

When advance-funded: Were procedures in place to minimize the time elapsed between the draw-down of federal funds and the subsequent disbursement of those funds?	When reimbursement basis: Were procedures in place to ensure reimbursements requested only for allowable expenditures already incurred?
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**Major Program Testing: Compliance Sections Tested by Auditors**

**Section E Eligibility**

Were benefits provided to eligible individuals?	Were subgrants awarded to eligible subrecipients?
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**Major Program Testing: Compliance Sections Tested by Auditors**

**Section F Equipment and Real Property Management**

- Was the local government in compliance with requirements regarding the use, maintenance, and disposal of equipment and real property (i.e., buildings and land) purchased with federal money?

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## Major Program Testing: Compliance Sections Tested by Auditors

### Section G Matching, Level of Effort, Earmarking

- **Matching:** Did the local government comply with requirements to provide (cash or in-kind) contributions (usually non-federal) of a specified dollar amount or percentage to match federal awards?
- **Level of Effort** – Did the local government comply with requirements for:
  - Providing a specified level of service from period to period?
  - Maintaining a specified level of expenditures from non-federal or federal sources for specified activities from period to period?
  - Using federal funds to supplement (use in addition to) and not supplant (use instead of) nonfederal funding of services?

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## Major Program Testing: Compliance Sections Tested by Auditors

### Section G Matching, Level of Effort, Earmarking

- **Earmarking** – Did the local government comply with requirements that specify the minimum and/or maximum dollar amount or percentage of the program's funding that must/may be used for specified activities, including funds provided to subrecipients?

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## Major Program Testing: Compliance Sections Tested by Auditors

### Section H Period of Performance

Were federal funds used only during the period specified in the federal award?

Where a funding period is specified, were costs only charged to the award that were obligated/incurred during the funding period and any pre-award costs authorized by the Federal Awarding Agency?

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**Major Program Testing: Compliance Sections Tested by Auditors**

**Section I Procurement, Suspension and Debarment**

<p><b>Procurement</b> – Did the local government follow federal procurement requirements for the solicitation and award of contracts and subcontracts for goods and services?</p>	<p><b>Suspension and Debarment</b> – Did the local government establish procedures to ensure goods and services were not purchased from, and subawards were not issued to, suspended or debarred parties?</p>	<p>Did the local government comply with Build America, Buy America requirements, if applicable?</p>
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**Major Program Testing: Compliance Sections Tested by Auditors**

**Section J Program Income**

- If program income was earned, did the local government properly calculate, record, and use the program income?

**Section L Reporting**

- Did the local government file complete, accurate, and timely reports (financial, special, and/or performance) as required by the grant?

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**Major Program Testing: Compliance Sections Tested by Auditors**

**Section M Subrecipient Monitoring**

- Does the local government have sufficient monitoring procedures over subrecipients?
- Did the local government include required information in subrecipient agreements?

**Section N Special Tests and Provisions**

- Significant requirements which are unique to the federal program.
- Can have multiple Section N's for a given program.

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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

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## How to Prepare for a Single Audit

### Track Federal Activity

Retain Copies of  
Grant Awards  
Letters and Other  
Documents

Record Financial  
Activity in Separate  
Fund and/or Cost  
Center

Consider Whether  
2024 Uniform  
Guidance Revisions  
Apply to Each  
Award

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## How to Prepare for a Single Audit

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)
- Procedures for Conducting Technical Evaluations of Competitive Proposals and Making Selections 2 CFR 200.320(b)(2)
- Procurement Transactions 2 CFR 200.319(d)

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### How to Prepare for a Single Audit: 2024 Revisions to the Uniform Guidance

Review the 2024 Revisions and evaluate their impact on policies / procedures for Federal programs.

Revise policies, procedures, and internal controls, as necessary.

Gather and retain support for whether the 2024 Revisions apply to grant awards.

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### How to Prepare for a Single Audit: 2024 Revisions to the Uniform Guidance

Implement a system to separately track portions of grant awards subject to the 2024 Revisions if only a portion of certain awards is subject to the 2024 Revisions.

Remain alert for additional guidance from the Council on Federal Financial Assistance (COFFA), OMB, the Auditor of State, etc.

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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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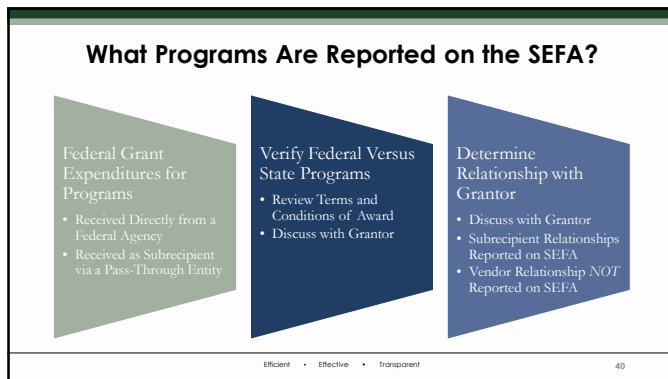
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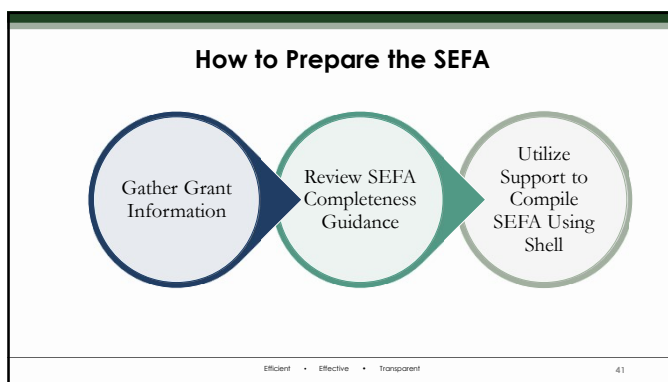
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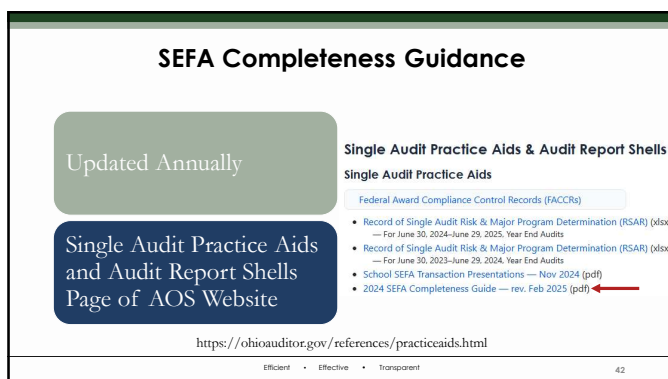
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## SEFA Completeness Guidance

**#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 seven eligible uses of SLFRF funds). For SEFA reporting purposes, the aggregate expenditures for all seven eligible use categories are reported on the SEFA and not the result of the revenue loss calculation or standard allowance.

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: 2024 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 clarified 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.

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## 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 2024 (xlsx) ←
- Notes to the Schedule of Expenditures of Federal Awards Uniform Guidance — Nov 2024 (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>

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## SEFA Shell

[ENTITY NAME]  
[COUNTY NAME] COUNTY

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

[1] and [6] FEDERAL GRANTOR	[1] Federal	[2] Pass Through	[3] Provided	[3 > 6] Total Federal
Pass Through Grantor Program / Cluster Title	AL Number	Entity Identifying Number	to Subrecipients	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

- Sample Corrective Action Plan Uniform Guidance (docx)
- Schedule of Expenditures of Federal Awards Uniform Guidance — Nov 2024 (xlsx)
- Notes to the Schedule of Expenditures of Federal Awards Uniform Guidance — Nov 2024 (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>

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## Notes to the SEFA Shell

(CLIENT NAME)  
(COUNTY NAME) COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(3)  
FOR THE YEAR ENDED (FYE DATE)  
November 2024<sup>1</sup>

(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 AICPA 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 financial reporting framework).

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis (1) of accounting. (1) Except expenditures passed through (list pass-through agency or program) are presented on an accrual basis. (2) 1. 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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Summary Schedule of Prior Audit Findings		
Status of Findings Reported in Prior Audit	Fully Corrected	
	Partially Corrected or Not Corrected	Describe Reason(s) and Partial / Planned Corrective Action
	No Longer Valid	Describe Reason(s)

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How to Keep Single Audit Costs Low	
1	Timely and Effective Communication with your Auditors
2	Provide Records in Electronic Format, When Possible
3	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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### State and Local Fiscal Recovery Fund (SLFRF): Alternative Compliance Examination (ACE) Engagements

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## Alternative Compliance Examination (ACE) Engagements



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## ACE Engagement Eligibility


<https://www.ohioauditor.gov/references/practiccaids.html>

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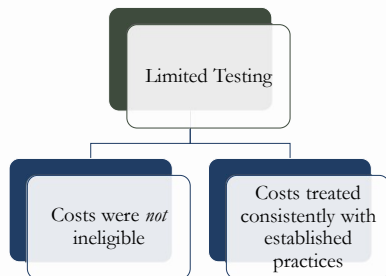
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## ACE Engagements: What is Tested?



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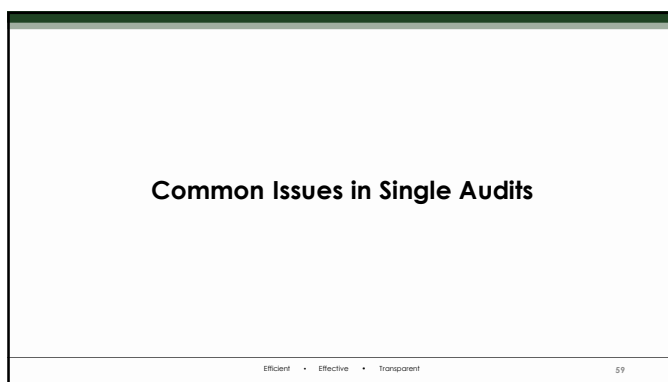
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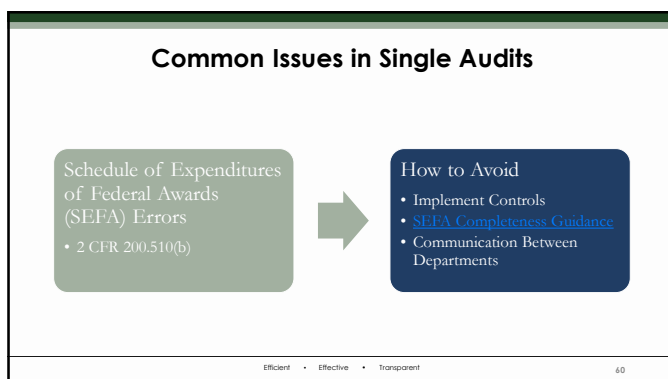
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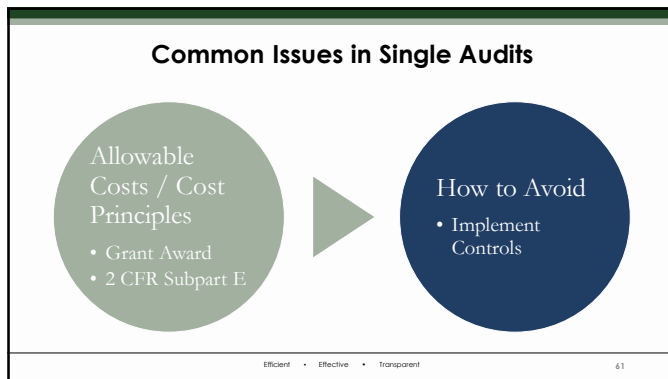
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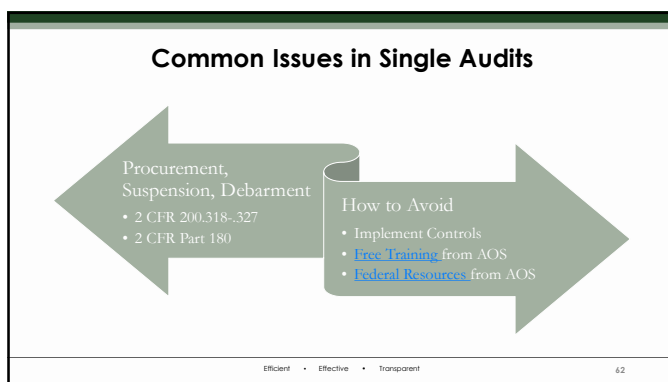
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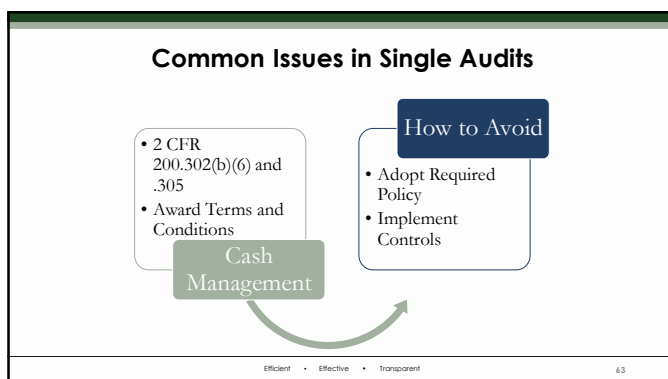
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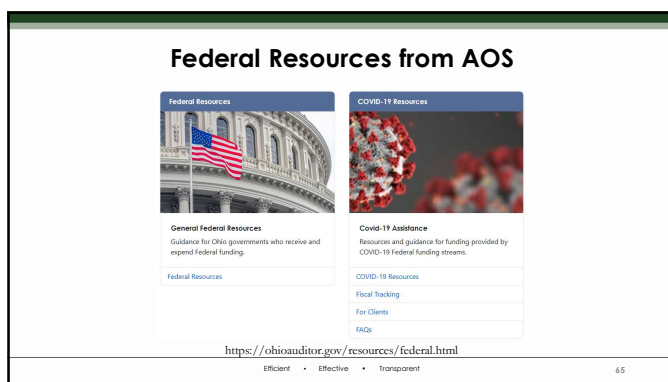
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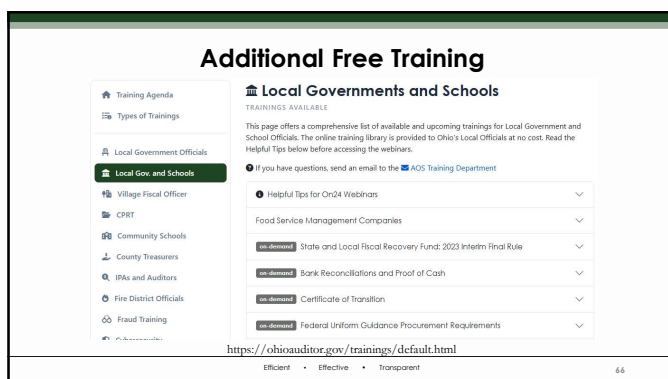
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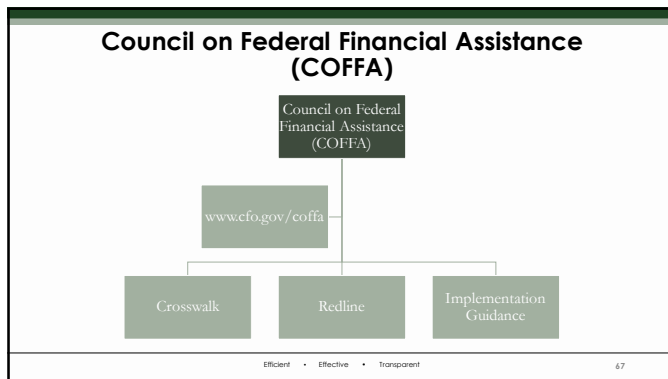
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