



Office of the State Controller

Single Audit FAQs

Federal government grant programs fund over \$400 billion in countless programs around the country. The government is required to keep a record of the money given as grants and for what the money is used. This process can be very expensive and time-consuming. Rather than each receiving organization and state performing its own audit and then a federal audit, the process is a local level audit reported to the federal government. This is called a single audit process.

The single audit process is used to save taxpayers money over yearly federal audits of grant program recipients. Audits can be very expensive to perform yearly on the volume of organizations and states receiving federal funds. Instead, the audits take place on the local level, and the paperwork is provided to the federal department that dispersed the grant money. The federal government relies on the audit performed at the local level to satisfy its accounting and record-keeping.

What is a single audit?

A single audit is an audit of an organization's financial statements, internal controls, and compliance of its major federal programs with federal statutes, regulations, and award terms and conditions.

When is a single audit required?

Generally, a single audit will be conducted if you expend \$750,000 or more in Federal awards in a fiscal year.

When is the audit done?

An audit is conducted every year.

What time period does it cover?

The audit covers the State fiscal year.

Does it include all Federal programs?

No.

Which Federal programs does it cover?

The audit only includes major programs.

At what do auditors look?

What the auditors look for will depend on the program. This is covered in the Office of Management and Budget (OMB) 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, commonly referred to as the *Uniform Guidance*.

Typically, several compliance requirements are reviewed:

1. Activities allowed or disallowed
2. Allowable costs/cost principles
3. Cash management
4. Eligibility



Office of the State Controller

Single Audit FAQs

5. Equipment and real property management
6. Period of availability
7. Procurement
8. Reporting
9. Subrecipient Monitoring
10. Special test and provisions

Is the Statewide Single Audit Report submitted to the Federal Audit Clearinghouse?

In accordance with 2 CFR 200.512, the State of NC submits the Statewide Single Audit Report to the Federal Audit Clearinghouse nine months after the end of the audit period or March 31, 202x. It is a collaborative effort between the NC Office of the State Controller and the NC Office of the State Auditor to ensure all requirements are met and included in the reporting package before submission.

The Reporting Package includes:

- Financial Statements (Statewide ACFR)
- Schedule of Expenditures of Federal Awards (Statewide Single Audit Report)
- Summary Schedule of Prior Audit Findings (Statewide Single Audit Report)
- Auditor's Report (Statewide ACFR and Statewide Single Audit Report)
- Corrective Action Plan (Statewide Single Audit Report)

The following entities prepare and submit their Single Audit Report separately to the Federal Audit Clearinghouse:

- North Carolina Housing Finance Agency
- State Education Assistance Authority
- The Economic Development Partnership of North Carolina
- North Carolina Biotechnology Center

State of North Carolina Most Common Single Audit Findings

- Reporting/recordkeeping
- Time and Effort documentation
- Cash management
- Procurement
- Unallowable costs
- Acceptable use of funds

Useful Links:

2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

<https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrativerequirements-cost-principles-and-audit-requirements-for-federal-awards>



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Federal Grant Reporting Site

USASpending.gov

Sam.gov

<https://beta.sam.gov>

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