

Single audit frequently asked questions and common findings

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 what the money is used for. 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 process audit.

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.

Single audit FAQs

What is a single audit?

A single audit is an audit of an organization's financial statements and a compliance audit of Federal awards.

When is a single audit required?

A single audit will be conducted if you expend \$500,000 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.

What do auditors look at?

What the auditors look for will depend on the program. This is covered in the Office of Management and Budget (OMB) [A-133 compliance supplement](#).

Typically, a number of compliance requirements are reviewed:

1. Activities allowed or unallowed
2. Allowable costs/cost principles
3. Cash management
4. Eligibility
5. Equipment and real property management
6. Period of availability
7. Procurement
8. Reporting
9. Subrecipient monitoring
10. Special tests and provisions

Commonwealth of Massachusetts' most common Single Audit findings

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