

SINGLE AUDIT ACT

OFFICE OF
MANAGEMENT
AND BUDGET



Brief introduction of the act.

The *Single Audit Act* provides for the uniform requirements for audits of Federal awards administered by non-federal entities. This Statute pursues the sound financial management by means of internal controls within Federal awards administered by non-federal entities, designed to provide reasonable assurance regarding the achievements of objectives of effectiveness, efficiency, reliability, and compliance, as to promote the use of audit resources, while reducing burdens to the maximum extent practicable.



HOW is the act applicable?

For any non-federal entity that meets the established threshold, shall observe the requirements on the Single Audit Act, the requirements established by the Federal Office of Management and Budget outlined in the Uniform Guidance, Subpart F:

“Audit Requirements”

As the Generally Accepted Government Auditing Standards, as published by the U.S. Government Accountability Office.

WHO is the act applicable to?

This Act applies to:

- Non-Federal Entities (defined thereunder as State)
- Local Government
- Non-Profit Organizations

On the other hand, nonprofit organizations include any corporation, trust, association, cooperative, or other organization for scientific, educational, service, charitable, or similar purposes in the public interest.

WHEN is the act applicable to?

If the non-federal entity reaches the threshold amount, shall perform either the **Single Audit** or the **Program-specific audit**, as applicable, *on a yearly basis*.

The Single Audit package, with all its requirements, shall be submitted within the earlier of **30 calendar days** after the auditor's report(s), or **nine (9)** months from the entity fiscal year period.

Nevertheless, although non-Federal entities spending less than **\$1,000,000** are not required to perform a single audit, are required to have **sufficient records** for the Federal officials to review, as required.

SINGLE AUDIT ACT



REQUIREMENT CHECKLIST

1

Single Audit



A non-Federal entity that spends **\$1,000,000¹** or more in federal awards in a year shall request a single on the entity's financial statements and federal awards.

The single audit shall be performed by an **independent auditor**, who must comply with the required qualification standards outlined in the Generally Accepted Auditing Standards, incorporated for the Federal awards under the Uniform Guidance. In a general view, the qualifications standards require:

- **Independence** of mind and in appearance, for an impartial and reasonable conclusion.
- Reflect adequate **competence** by means of education, experience, knowledge, skills, and abilities.
- The independent auditor shall have and maintain **licensure, certifications**, and be compliant with **continuing professional education** for auditors who perform single audits (CPE).
- The auditee, as per CFR requirements, must follow **Federal procurement policies**, including and open and competitive process, as include small business, minority and women owned business.

2

Report Package

The report package must include:

- Financial Statements,
- Audit of Federal program requirements compliance, and
- Schedule of Expenditures of Federal Awards



This package must be submitted to the **Federal Audit Clearinghouse**.

3

Program Specific Audit

When the non-federal entity expends Federal awards under **only one Federal program** (excluding R&D), and the Federal program statutes, regulation, or the terms and conditions of the Federal award do not require a financial statement audit, a Program Specific Audit may be conducted.

- The non-Federal entity shall submit the results to the Federal Audit Clearing House (FAC), now administered by the General Services Administration (GSA).

¹As per the OMB revisions to the Uniform Guidance of 2024, the Single Audit threshold increases from **\$750,000** to **\$1,000,000**. This change shall be enforced from October 1, 2024.