

Title I – Finance and Accounting

1100 – ANNUAL AUDIT REQUIREMENTS FOR FEDERAL AWARDS SINGLE AUDIT

A. Policy Purpose

The purpose of this policy is to establish countywide guidelines and procedures for adhering to the federal Single Audit Act and its implementing regulations at Part 200 of Title 2 of the Code of Federal Regulations, often referred to by the short-hand term “Uniform Guidance.”

B. Policy Summary

To comply with the Uniform Guidance, the County must have a Single Audit conducted if it expends \$750,000 or more in federal awards during the County’s fiscal year. Each fiscal year, the Auditor-Controller-Treasurer-Tax Collector (Auditor-Controller) must hire an independent auditor to conduct a Single Audit of all spending of federal funds. As part of the Single Audit requirements, the County must submit the following information to the auditor:

1. total federal award amounts expended for each federally funded program;
2. the dates of when each award was granted; and
3. all new federal grants and any renewals of existing grants, with or without additional funding or any amendments, awarded after December 26, 2014.

In accordance with the Uniform Guidance, the independent auditor must use a risk-based approach to determine which federal programs are major programs for Single Audit purposes. The Uniform Guidance requires this risk-based approach to include consideration of:

1. current and prior year audit experience;
2. oversight by federal agencies and pass-through entities; and,
3. inherent risk of the federal program.

Based on the entity-wide risk level, the auditor must test a certain percentage of the County-wide total federal expenditures. All Single Audit reports must be submitted annually to the federal Office of Management and Budget (OMB) via the Federal Audit Clearinghouse where they are available electronically to government agencies and members of the public.

In order to ensure the County is in compliance with these requirements, the Auditor-Controller collects data on an annual basis from County Agencies and Departments on all federal assistance disbursed for the current fiscal year, including all estimated expenditures of federal assistance received directly from the federal government or passed through from other nonfederal agencies. County Agencies and Departments subsequently report the actual expenditures on the Schedule of Expenditures of Federal Awards (SEFA).

It is the responsibility of the Auditor-Controller to:

1. Compile and reconcile the SEFAs submitted by County Agencies and Departments. The compiled SEFA includes all actual expenditures for all federal financial assistance programs that the County participated in during the fiscal year.
2. Coordinate the audit process and submit the signed audit report to the California State Controller's Office and federal Office of Management and Budget (OMB) by March 31st of each year.
3. Approve the submission of the required Data Collection Form to the Federal Audit Clearinghouse designated by OMB, to provide information about the auditee, its federal programs, and the results of the audit. It is the responsibility of County Agencies and Departments to abide by federal requirements and accurately account for, record, and report costs.
4. Submit the Single Audit to the Board of Supervisors for acceptance.
5. Follow up with County Agencies and Departments on audit findings to ensure that appropriate and timely corrective actions have been implemented.

It is the responsibility of the County Agencies and Departments to:

1. Keep accurate and complete records of the federal awards and report the information annually to the Auditor-Controller.
2. Monitor subrecipients to ensure compliance with Single Audit requirements as outlined in the Office of Management and Budget's (OMB) guideline 2 CFR Part 200 (referred to as the "Uniform Guidance").
3. Take corrective action on audit findings immediately after the issuance of the audit report.
4. Provide the Auditor-Controller with an update on the corrective actions implemented to address the audit findings.

C. Definitions

1. **"Audit finding"** means a significant issue or deficiency identified during the audit.

2. **“County’s accounting system”** means the ONESolution system or other similar system used by the County as its primary accounting and finance system.
3. **“Single Audit”** means one audit of all of an entity’s federal programs versus separate audits of each federal program. Entities which expend \$750,000 or more in federal award funds in one fiscal year are subject to this audit. A Single Audit is generally conducted by an independent certified public accountant and is intended to assess whether the recipient is in compliance with the federal programs’ requirements.
4. **“Subrecipient”** means an entity that: (a) receives a subaward from a federal grant awarded to the County, and (b) is accountable to the County for the use of the federal funds provided by the subaward.

D. Related Forms and Information

- Code of Federal Regulations: The Executive Office of the President, Office of Management and Budget’s (OMB) guideline 2 CFR Part 200 (referred to as the “Uniform Guidance”) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards –
<https://www.ecfr.gov/cgi-bin/text-idx?SID=f52b7b4c9e714d73dca442e41f47a9d1&mc=true&node=pt2.1.200&rgn=div5>