

PREPARING FOR A SUCCESSFUL SINGLE AUDIT WITH NEW AND INCREASED FUNDING

February 23, 2023



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Presentation Topics

- ☐ New and Existing Federal Programs Impacted by IIJA
- ☐ Effect of New Funding on the Single Audit Process
- ☐ Preparing for a Single Audit Involving New or Significantly Increased Funding
- ☐ Helpful Resources



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Commonly Used Acronyms

Acronym	Description
AICPA	American Institute of Certified Public Accountants
ALN	Assistance Listing Number (formerly CFDA)
CFR	Code of Federal Regulations
DOAA	Georgia Department of Audits & Accounts
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act
GAQC	Governmental Audit Quality Center
GFOA	Government Finance Officers Association
IIJA	Infrastructure Investment and Jobs Act
OMB	Office of Management and Budget
R&D	Research and Development
UG	Uniform Guidance



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New and Existing Federal Programs Impacted by IIJA

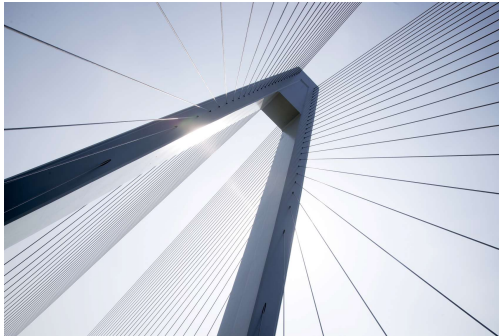


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Infrastructure Investment and Jobs Act (IIJA)



- Signed into law on November 15, 2021.
- \$1.2 trillion authorization for infrastructure projects related to roads, bridges, broadband, public transit, clean/electric vehicles, railways, airports, water, power, etc.
- Link: [IIJA \(congress.gov\)](https://www.congress.gov/infrastructure)



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Existing Programs Receiving IIJA Funding

Highway Planning and Construction

- Assistance Listing Number: 20.205
- IIJA Funding for Georgia: \$9.1 billion
- Use of Funds: Construction, preservation, and improvement of highways and bridges
- Subprograms: National Highway Performance Program, Surface Transportation Block Grant, Bridge Formula Program, Highway Safety Improvement Program, etc.

Federal Transit Formula Grants

- Assistance Listing Number: 20.507
- Additional IIJA Funding: \$710.7 million
- Use of Funds: Develop new transit systems and improve, maintain, and operate existing systems in urbanized areas



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Existing Programs Receiving IIJA Funding *(continued)*

Drinking Water State Revolving Fund

- Assistance Listing Number: 66.468
- Additional Funding: \$690.1 million
- Use of Funds: Infrastructure improvements for public water systems
- Subprograms: Emerging contaminants, lead service line replacement

Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs

- Assistance Listing Number: 20.106
- Additional IIJA Funding: \$656.7 million
- Use of Funds: Airport infrastructure investments



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Existing Programs Receiving IIJA Funding *(continued)*

State of Good Repair Grants Program

- Assistance Listing Number: 20.525
- Additional Funding: \$437.2 million
- Use of Funds: Capital projects for existing fixed guideway systems and high intensity motorbus systems

Clean Water State Revolving Fund

- Assistance Listing Number: 66.458
- Additional Funding: \$205 million
- Use of Funds: Construction of wastewater treatment facilities and implementation of other water quality management activities



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Existing Programs Receiving IIJA Funding *(continued)*

Formula Grants for Rural Areas and Tribal Transit Program

- Assistance Listing Number: 20.509
- Additional Funding: \$160.3 million
- Use of Funds: Planning, capital, and operating expenses to provide efficient and coordinated public transportation service in non-urbanized areas

Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program

- Assistance Listing Number: 66.442
- Additional Funding: \$136.4 million
- Use of Funds: Projects and activities needed for public water systems to comply with the Safe Drinking Water Act, programs to provide household water quality testing, and activities for a state to respond to a drinking water contaminant



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Effect of New Funding on the Single Audit Process



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Increases in Reported Findings

- Agencies that do not typically receive federal funding or receive very little federal funding are now receiving it.
- Staff is stretched thin.
- Guidance is constantly being updated and/or changing.
- Overwhelming amount of money received and disbursed.



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Increases in Major Program Testing



- Findings increase risk in subsequent periods.
- New programs created by COVID legislation and the IIJA must be audited in the first year that expenditures exceed the Type A threshold.
- Additional funding to existing programs may increase programs from Type B to Type A, as well.



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Increases in Major Program Testing *(continued)*

- More programs have been designated as "higher risk."
- Type A programs that are designated as "higher risk" and include a material amount of COVID-19 funding must be audited per Appendix IV of the 2022 Compliance Supplement.

Agency	Assistance Listing (CFDA) Number	Title
Education*	84.425	Education Stabilization Fund
FCC*	32.009	Emergency Connectivity Fund Program
HHS*	93.461	Testing for the Uninsured
HHS*	93.498	Provider Relief Fund
HHS**	93.778/93.777/93.775	Medicaid Cluster
Transportation**	20.106	Airport Improvement Program
Transportation**	20.500/20.507/20.525/20.526	Federal Transit Cluster
Transportation**	20.315	National Railroad Passenger Corporation Grants
Treasury*	21.023	Emergency Rental Assistance
Treasury*	21.027	Coronavirus State and Local Fiscal Recovery Funds

Note:

* These programs were created by one of the laws cited at the beginning of this section and are thus considered 100% COVID-19 funding.

** These programs were existing programs that received additional funding from one or more of the laws cited at the beginning of this section.



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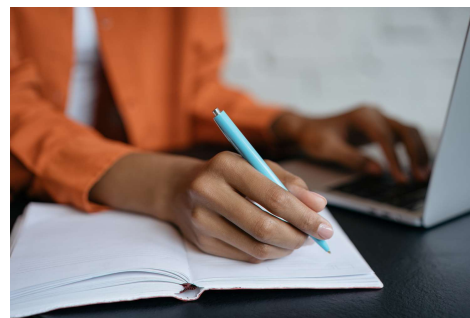
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More Money and Work

- More work for auditors and auditees.
 - Researching new programs and award agreements.
 - Training staff.
 - Implementing/identifying internal controls over new programs.
 - Ensuring that SEFA reporting is appropriate.
- Increases in audit hours/ costs.



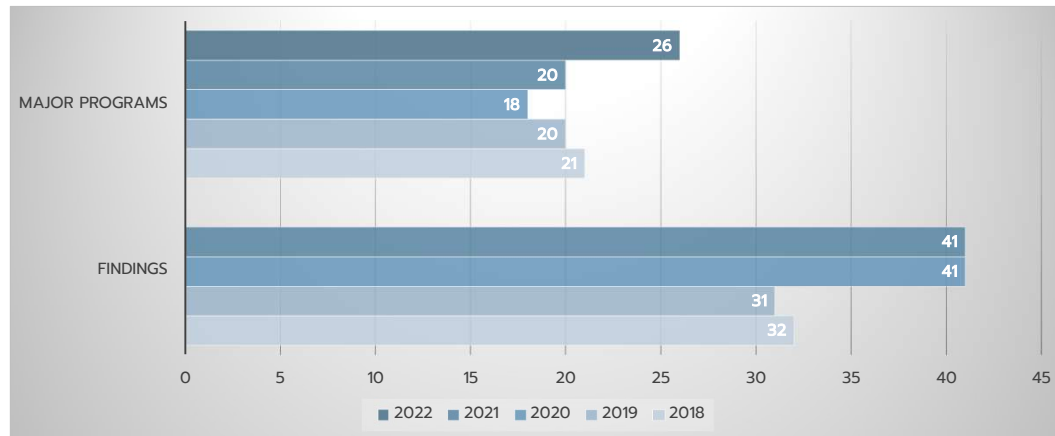
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Illustrative Example – State of Georgia



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Preparing for a Successful Single Audit



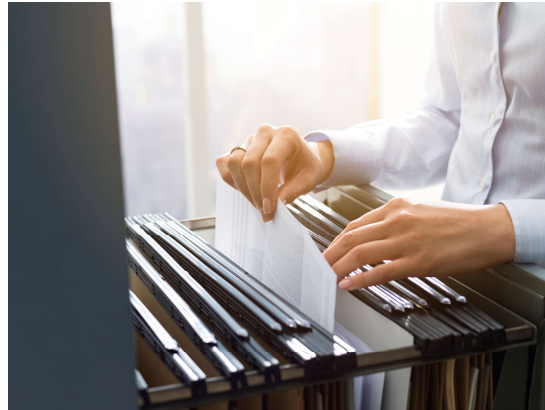
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Maintain Documentation

- Documentation must be maintained to evidence control and compliance activities performed.
- Auditors are required to test controls over every direct and material compliance requirement denoted as subject to audit within the Compliance Supplement.
- The rationale associated with individual expenditures that may not be straight-forward should be adequately documented.



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Study Regulations and Award Documents



- Become very familiar with requirements related to these funds.
- Understand the Uniform Guidance (2 CFR 200) requirements and which portions apply to the program.
- Obtain and review all award documents.



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Study Award Documents and Regulations *(continued)*

- The following information should be included in award documents per 2 CFR 200.211:
 - Federal award performance goals
 - Recipient name and unique entity identifier
 - Federal award identification number (FAIN)
 - Federal award date
 - Period of performance start and end date
 - Budget period start and end date
 - Amount of funds obligated
 - Cost sharing or matching
 - Budget approved
 - Description, including statutory requirements such as FFATA
 - Federal of awarding agency
 - Assistance listing number and title
 - Whether or not R&D
 - Indirect cost rate
 - General terms and conditions
 - Specific terms and conditions
 - Federal awarding agency requirements



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Develop Policies and Procedures



- Clear, written policies and procedures should be developed to address applicable compliance requirements and related internal controls.
- These policies and procedures should adhere to state and federal regulations, as necessary.



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Develop Policies and Procedures *(continued)*

- Under the Uniform Guidance, the following policies and procedures must be documented in writing:
 - 200.302 Financial management –
 - Determining the allowability of costs
 - Cash payments/management under 200.305
 - 200.318 General procurement standards – Conflicts of interest
 - 200.319 Competition – Procurement transactions
 - 200.320 Methods of procurement to be followed – Conducting technical evaluations of the proposals received and making selections
 - 200.430 & 431 Compensation – Personal services and fringe benefits
 - 200.464 Relocation costs of employees – Reimbursement to employees
 - 200.475 Travel costs – Reimbursement to employees



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Explore the OMB Compliance Supplement

- Auditors follow the steps reflected in the Compliance Supplement.
- Review those steps to determine what will be tested and address all significant compliance requirements and related internal controls.
- Examples of appropriate internal controls for each compliance requirement category are reflected in Part 6 – Appendix 2 of the Compliance Supplement.

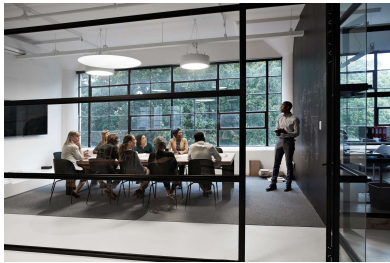


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Take Advantage of Resources



- Consult awarding agencies, OMB, AICPA, various associations, etc.
- Attend trainings and conferences.
- Sign up for pertinent email updates and Google alerts.
- Network to find reliable peer groups.
- Ask questions.

Helpful Resources

Georgia Department of Audits & Accounts

[Resources - DOAA \(ga.gov\)](#)

Resource Library

Find guidance on technical issues, the audit process, submission processes, as well as key presentations, tools, and templates

Next Deadline

December 31, 2022 - Financial Statement Submission

[School Districts >](#)

Resource for Organizations

[Colleges & Universities >](#)

[RESAs >](#)

[Local Government >](#)

[School Districts >](#)

[Non-Profits >](#)

[State Agencies >](#)

[Regional Commissions >](#)

Other Resources

Transparency in Government Act

Submissions information in compliance with the Transparency In Government Act

Immigration

Submissions information in compliance with Georgia's Illegal Immigration Reform and Enforcement Act



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Code of Federal Regulations

[eCFR :: Home](#)



Code of Federal Regulations

A point in time eCFR system



Title 2

Displaying title 2, up to date as of 11/30/2022. Title 2 was last amended 11/07/2022. [view historical versions](#)

Go to CFR Reference

Go

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ECFR CONTENT

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PART 200 - UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS



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OMB Compliance Supplement

[Office of Federal Financial Management | OMB | The White House](#)

Resources and Other Information

- OMB Bulletin No. 22-01, Audit Requirements for Federal Financial Statements (August 26, 2022) (44 Pages, 599 KB)
- **2022 Compliance Supplement – 2 CFR Part 200 Appendix XI (May 11, 2022) (1,968 Pages, 20,994 KB)**
- 2021 Compliance Supplement – 2 CFR Part 200 Appendix XI (August 25, 2021) (1,787 Pages, 29,513 KB)
- OMB Circular A-136, Financial Reporting Requirements – Revised (6/03/2022) (124 pages, 2.1 MB)
- 2020 Compliance Supplement Addendum – 2 CFR Part 200 Appendix XI (December 22, 2020) (118 Pages, 1,280 KB)
- Federal Program Inventory Exploratory Pilot (December 03, 2020) (4 Pages, 4,058 KB)
- 2020 Compliance Supplement – 2 CFR Part 200 Appendix XI (August 14, 2020) (1,559 pages, 15,241 KB)
- 2020 Compliance Supplement FRN ↗ (August 18, 2020)



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Official U.S. Government Website
100% Free

The Official U.S. Government System for:

- Contract Opportunities**
(was fbo.gov)
- Contract Data**
(Reports ONLY from fpds.gov)
- Wage Determinations**
(was wdol.gov)
- Federal Hierarchy**
Departments and Subtiers
- Assistance Listings**
(was cfa.gov)
- Entity Information**
Entities, Disaster Response Registry, and Exclusions
- Entity Reporting**
SCR and Bio-Preferred Reporting

Register Your Entity or Get a Unique Entity ID
Register your entity or get a Unique Entity ID to get started doing business with the federal government.

Get Started

Renew Entity

☒ **Check Registration Status**



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USASpending.gov

[Federal Awards | USAspending.gov](https://www.usaspending.gov)

USASpending.gov

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Keyword

Time Period

Award Type

Agency

Treasury Account Symbol (TAS)

Location

Recipient

Recipient Type

Award Amount

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Choose your filters and submit your search to begin.

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Prime Awards Sub-Awards



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AICPA Governmental Audit Quality Center (GAQC)

[Governmental Audit Quality Center \(GAQC\) \(aicpa.org\)](https://aicpa.org/governmental-audit-quality-center)

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Audits that include single audits, financial statement audits of both governments & NFPs.

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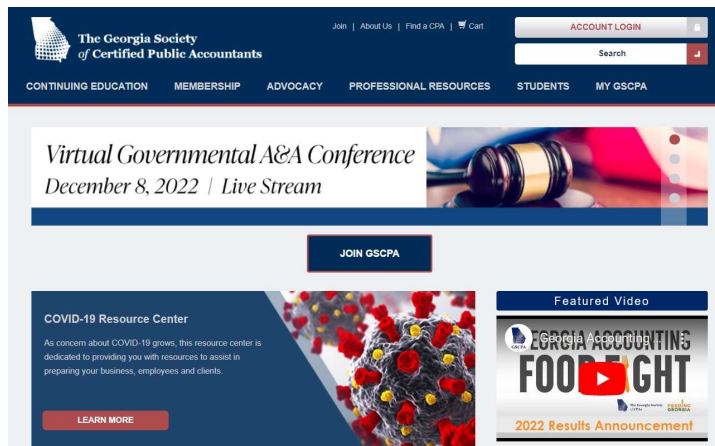


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Georgia Society of CPAs

[The Georgia Society of CPAs \(gscpa.org\)](https://gscpa.org)



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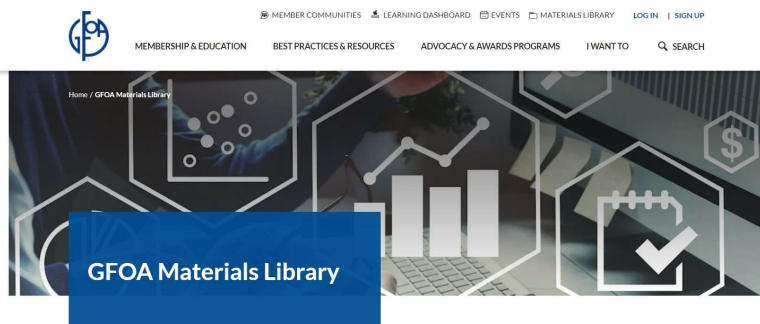
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Government Finance Officers Association (GFOA)

- Home Page: [Government Finance Officers Association \(gfoa.org\)](https://gfoa.org)
- COVID: [Coronavirus Response Resource Center \(gfoa.org\)](https://gfoa.org)
- IIA: [IIA Implementation Resources \(gfoa.org\)](https://gfoa.org)



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Federal Audit Clearinghouse

[Main Menu](#)
(census.gov)



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Questions?



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