



Single Audit Requirements

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Iowa Economic Development Authority

Overview

- Single Audit Basics
- Single Audit Filing Requirements
- Reporting Single Audits to IEDA
- IEDA Review of Audits
- Audit Resolution

2 CFR Part 200 Subpart F -- Audit Requirements

What is a Single Audit? *(formerly A-133 audit)*

- An organization-wide financial statement and Federal awards audit of a non-federal entity that expends **\$1,000,000** or more in federal funds in its fiscal year. *2 CFR 200.501(b)*
- Organizations that expend less than \$1,000,000 are exempt from Single Audit requirements. Records still need to be maintained and made available in case of review or audit by Federal or State officials. *2 CFR 200.501(e)*

**The new audit threshold is effective for fiscal years beginning on or after 10/1/24*

Importance of a Single Audit

- Compliance check to ensure Federal funding is being used appropriately. Includes testing of major program(s).
- Helps IEDA learn more about the organization and how it manages funding
- Federal Regulations
 - Audit Requirements: 2 CFR 200 Subpart F
<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-F>

Who Performs the Single Audit?

- Performed by an independent auditor, usually a Certified Public Accountant (CPA).
- Auditor must be experienced with Federal funds and with Single Audits.
- Individual completes continuing education courses as required by Generally Accepted Government Accounting Standards (GAGAS).
- Procurement of accountant should occur well in advance of the end of the Fiscal Year.

Who Pays for the Single Audit?

- Single audit costs are an allowable expense to the CDBG grant.
- The costs should be allocated in a reasonable manner across programs.

Contents of a Single Audit Report

- Financial Statements
- Schedule of Expenditures of Federal Awards (SEFA)
- Summary Schedule of Audit Findings
- Corrective Action Plan
- Prior Audit Findings & Corrective Action Plan (if applicable)

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How IEDA Uses the Single Audit

- During monitoring (i.e., Risk Assessment, Site Visit) 2 CFR 200.332
- To identify areas for training and technical support
- To ensure federal grant compliance
- At the time of application, IEDA reserves the right to review the audit to assess experience and capacity to manage federal grant funds

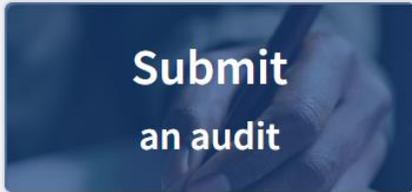
Single Audit: Federal Filing Requirement

Filing Information

- Timeline: within 30 calendar days after the entity receives the audit report or within nine months of the end of the audit period, whichever is earlier
- Who: The recipient of Federal funds
- Submit to: Federal Audit Clearinghouse (FAC), which is the official repository of record (www.FAC.gov)

The Federal Audit Clearinghouse (FAC) is the place to submit and review federal grant audits.

I want to



or



Consequences for Not Filing

- Temporarily withhold payments
- Disallow costs for all or part of the activity
- Suspend or terminate the Federal award in part or in full
- Initiate suspension or debarment proceedings
- Withhold further Federal funds (new awards or continuations)
- Pursue other legally available remedies

Single Audit Reporting to IEDA

Common Single Audit Issues for IEDA CDBG

- Selecting “yes” for Single Audit when one is not required.
- Assuming an annual audit is a Single Audit.

Single Audit	Annual Audit
Entire organization’s financial operations	Audit scope is determined by organization
More detailed than annual audit	Scope is tailored to the organization
Ensure federal grant compliance	Limited, if any, federal compliance review
Higher levels of transactional testing	Limited, if any, testing
Expends \$1 million or more in Federal funds	Expends less than \$1 million in Fed. funds
Schedule of Expenditures of Federal Awards	No SEFA

CGA Single Audit Responsibilities

- For every open project, the Certified Grant Administrator (CGA) will coordinate with the City/County to determine whether a Single Audit is required.

CGA Notification to IEDA for Open Projects

- The CGA will respond in IowaGrants in the Audit Documents section as to whether the Single Audit is required or not.
- If a project is not subject to Single Audit requirements, an audit is not required. But the CGA is required to notify IEDA by responding in IowaGrants.

Component	Form Type / Source / Security
General Information	⚙️ ⚙️ 📄
WS-Main Data	🔗 ⬇️ 📄
WS - Budget	💰 ⬇️ 📄
Activity	📄 ⚙️ 📄
Appropriations	⚙️ ⚙️ 🔒
Compliance Forms	📄 ⚙️ 🔒
Claims	📄 ⚙️ 🔒
Contract Amendments	📄 ⚙️ 🔒
Site Visits	📄 ⚙️ 🔒
Close-Out	🔗 👁️ 📄
Contract Holds	🔗 👁️ 🔒
Contract Condition Clearance Documents	🔗 👁️ 🔒
Audit Documents	🔗 👁️ 🔒
Risk Assessment	🔗 👁️ 📄
Monitoring Uploads	🔗 👁️ 🔒
Required Uploads	🔗 👁️ 🔒
Electronic Documents	🔗 👁️ 🔒
Correspondence	⚙️ ⚙️ 🔒
Funding Opportunity	📄 ⬇️ 📄
Application	📄 ⬇️ 📄
Application Versions	📄 ⬇️ 🔒



Respond under
 “Audit Documents”
 for each contract to
 indicate if an entity
 is subject to a Single
 Audit

**Fields are not updated in IowaGrants yet, but they will be by the summer when the new process takes effect.*

Notification to IEDA for Closing Projects

- On the final claim, there will be a question about Single Audit.
- If a Single Audit is required, CGA will mark “Yes”.
- IEDA will look for the Single Audit in the FAC after closeout.
- If there is follow-up on the Single Audit, IEDA will follow up directly with the Entity/City.
- IEDA will review Single Audits for closed projects in the FAC.
- If needed, IEDA will reopen projects and work with the Entity/City to address repayments or adjustments that are identified in the Single Audit of completed projects.

Single Audit: IEDA Responsibilities Notification, Review, and Resolution

IEDA Single Audit Responsibilities

- Email CGA in June to notify them to respond Yes/No in the Audit Documentation section
- Follow up with CGA on missing Single Audit responses
- Check the Federal Audit Clearinghouse (FAC) for Single Audit reports between January and March
- Follow up with CGA on late or missing Single Audits
- Follow up with City/County on late or missing Single Audits for closed projects
- Download and attach the Single Audit in IowaGrants

IEDA Single Audit Review Responsibilities

- Review Schedule of Expenditures of Federal Awards
- Ensure CDBG is listed

Schedule of Expenditures of Federal Awards				
Year ended June 30, 2024				
Grantor/Pass-Through Entity	Assistance Listings Number	Pass-Through Entity Identifying Number	Program Expenditures	
U.S. Department of Transportation:				
Airport Improvement Program, COVID 19 Airport and Infrastructure Investment and Jobs Program	20.106		\$ 1,756,757	
Total U.S. Department of Transportation:			<u>1,756,757</u>	
U.S. Department of the Treasury:				
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	FY2024	339,560	
Total U.S. Department of the Treasury:			<u>339,560</u>	
U.S. Department of Housing and Urban Development:				
Passed through Iowa Economic Development Authority:				
Community Development Block Grants/State's Program and Non-Entitled Grants in Hawaii	14.228		88,370	
Community Development Block Grants/State's Program and Non-Entitled Grants in Hawaii	14.228		143,704	
Total U.S. Department of Housing and Urban Development:			<u>232,074</u>	
Total			<u>\$ 2,328,391</u>	

**CDBG CFDA
14.228**

IEDA Single Audit Review Responsibilities

- Review Schedule of Findings and Questioned Costs to Identify any CDBG Findings
- Review Corrective Action Plan for CDBG Findings(if applicable)

Note: IEDA is not responsible for resolving cross-cutting audit findings that pertain to more than one Federal award

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

CFDA Number 14.228: COVID-19 – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii

Pass-through Entity Identifying Number: [REDACTED]

Federal Award Year: 2020, 2021, 2022
Prior Year Finding Number: NA
U.S. Department of Housing and Urban Development
Passed through the Iowa Economic Development Authority

**CDBG CFDA
14.228**

2023-007 Special Test – Wage Rate Requirements

Criteria – 29 CFR part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assistance Construction”, requires contractors to submit a copy of the payroll and statement of compliance (certified payrolls) weekly. Payrolls should be reviewed by the City to ensure compliance with the wage rate requirements.

Condition – Two of three projects’ certified payrolls tested had no evidence of review by the grant administrator.

Cause – Procedures have not been designed and implemented to ensure all certified payrolls are reviewed.

Effect – The City is not always reviewing certified payrolls to ensure compliance with Federal regulations pertaining to wage rate requirements.

Recommendation – The City should implement procedures to ensure certified payrolls are reviewed. The reviews should be documented by the initials or signature of the reviewer and the date of review.

Response and Corrective Action Planned – The City will begin to request that ALL supporting documents of an [REDACTED] claim accompanies the claim. This will include (but is not limited to) the certified payrolls, the contractor invoices, time analysis worksheets for [REDACTED] personnel being charged to the grant and reporting from [REDACTED] tracking systems.

Conclusion - Response accepted.

IEDA Single Audit Review Responsibilities

- Review Summary Schedule of Prior Audit Findings for CDBG Findings (if applicable)
- Review Corrective Action Plan for CDBG Findings (if applicable)

Summary Schedule of Prior Audit Findings

Year ended June 30, 2023

Comment Reference	Comment Title	Status	If not corrected, provide reason for finding's recurrence and planned corrective action or other explanation
2022-001	Segregation of Duties	Not corrected.	The City continually weighs the costs and benefits of additional staff to address this issue.
2022-002	Utility Billing	Partially corrected.	The City continually weighs the costs and benefits of changes to a system on the utility billing. The City did adopt a write-off policy.
2022-003	Monitoring and Reporting Program Performance	Completed	
2022-004	Procurement Suspension & Debarment	Completed	
2022-005	Single Audit Process	Completed	

IEDA Single Audit Resolution Responsibilities

- Issue management decision for audit findings pertaining to CDBG Funds within six months of the release of the audit report
- Resolve findings related to the CDBG grant funds
- IEDA reserves the right to reopen projects to address CDBG-related adjustments or repayments identified in Single Audits released after closeout

Management Decision: A written decision issued by IEDA that evaluates single audit findings and specifies necessary corrective actions for the Recipient. It may include technical assistance if necessary.

IEDA Single Audit Corrective Actions

- For late or missing Single Audit responses, Single Audit reports, or Single Audit resolutions our first step will be to temporarily withhold payments until the issue is satisfactorily resolved or until a corrective action plan is established.
- If the issue persists, IEDA may take additional steps as outlined on Slide 12.



THANK YOU

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