

# Single Audit: Are You Ready?

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# Single Audit: Are You Ready?

- Explain the basics of the Single Audit
- Explain how the Single Audit differs from your standard audit
- Explain what your auditors will be looking for
- Explain how to address questions before and during your audit

Single Audit:  
Are You Ready?

## Delta Managed Solutions

- 18 Years of Consistent & Stable Growth
- California & Nevada, Charter-Only Focus
- Over 40 Charter School Clients
- 45+ Dedicated & Experienced Staff Members
- All Payroll Run In-House (incl. STRS/PERS)
- Cash Flow Advisory Services
- Up To Date on Latest Compliance & Funding

# Single Audit: Are You Ready?

Many schools that haven't needed a Single Audit before will need one now – is your school one of them?

Federal funding provided to charter schools during the COVID-19 crisis has delivered much needed financial support. While these funds were crucial in assisting your school adjust to remote learning and create safe in-person learning opportunities, they are accompanied by confusing compliance requirements. If your federal expenditures have or will meet the threshold for the Single Audit, do not panic.

# Single Audit: Are You Ready?

## Single Audit Act

- The Single Audit Act, as amended, establishes requirements for audits of States, local governments, Indian tribes, institutions of higher education and nonprofit organizations that expend a certain amount in Federal awards during its fiscal year (currently \$750,000).
- A Single Audit is not a punishment. It was created to streamline the process of auditing multiple programs at once and ensures Federal dollars have been expended appropriately.
- A school that has not undergone a Single Audit before will be considered to be “high risk” which means the auditor will need to select samples from programs for testing that total at least 40% of the total federal awards expended.

# Single Audit: Are You Ready?

## Key Differences

Standard Audit	Single Audit
Financial Statement Audit performed under GAS (Government Accounting Standards)	Financial Statement and Compliance Audit performed under the Single Audit Act Amendments of 1996 and the Uniform Guidance.
Not required	SEFA (Schedule of Expenditures of Federal Awards) Required
Review of Fiscal policies – do they exist and are they being followed?	Review of Fiscal policies – do they exist, are they being followed, do they address compliance guidelines of Federal programs administered?
Not required	Audit submitted to Federal Audit Clearing House

# Single Audit: Are You Ready?

## SEFA (Schedule of Expenditures of Federal Awards)

Program	Agency	CFDA Number	Award Number	Award Period	Expenditures
ESSER I	US Dept. of Education	84.425	S425D210016 (pass-through 15536)	3/13/2020-9/30/2022	\$387,500
ESSER II	US Dept. of Education	84.425	S425D210016 (pass-through 15547)	3/13/2020-9/30/2023	\$42,000
National School Lunch Program	USDA	10.555	21-23668-75713-00	7/1/2020-6/30/2021	\$93,578
PCSGP		84.282	U383A160024	10/11/2019-7/31/2020	\$175,000
Title I	US Dept. of Education	84.010	A010A180005	7/1/2020-6/30/2021	\$110,237
				Total	\$799,315

# Single Audit: Are You Ready?

**Adequate Internal Controls** define how the school protects against potential errors, fraud, and loss

- ✓ Do you have documented and approved Fiscal policies? Do they address Federal compliance standards?
- ✓ How often are your policies updated?
- ✓ Are you following approved Fiscal policies?



## Single Audit: Are You Ready?

### Fiscal Policy Considerations

- Key factor in proper internal controls is separation of duties, avoiding any one person handling all steps of a financial transaction (“second set of eyes”)
- For small charters, full segregation of duties is difficult – ask your auditors about solutions
- Capital Assets
- Equipment inventory is important to keep your assets from “walking out the door”

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# Federal Compliance Considerations for Policy Development

- Must meet general cost principles – reasonable, necessary, allocable
- Must follow federal procurement requirements
  - Quotes and bids (State and Federal may vary, go with most restrictive as best practice – three quotes best rule of thumb)
  - Record retention and access
- Must follow federal construction regulations – including Davis-Bacon wage requirements

# Single Audit: Are You Ready?

## Compliance with Program Requirements

- Is the expense allowable under the program guidelines?
- Was the expense incurred during the award period?
- Do you have the appropriate time certifications for salary costs?

For specific program requirements visit:

[Categorical Programs - Allocations & Apportionments \(CA Dept of Education\)](#)

[SAM.gov | Assistance Listings](#)

# Single Audit: Are You Ready?

## Time Certification

- ✓ Periodic vs PAR
- ✓ Level of detail required will vary by employee
- ✓ Signed by employee and responsible official within 5 -10 days of period ending

### Personnel Activity Report (PAR)

Period Ending: 9/30/2021 Fiscal Year: 2020-21

Name: Charles, Michael Division/Dept: Delta Charter

Cost Objective/Program Title	Account/Resource Code Funding Source	Hours Worked	% of Hours Worked
Teacher - Title I	Title I - 3010	21	14%
Teacher - General Purpose	General Purpose - 0000	123	86%

Total Hours Worked 144 100%

I hereby certify that this report is an after-the-fact explanation of actual effort expended for the period indicated and I have full knowledge of these activities.	
Employee	Date
Responsible Official	Date

## Single Audit: Are You Ready?

# Teamwork!

- ✓ Plan ahead, plan ahead, plan ahead
  - Have your board approved documents completed
  - Program Certification documents
  - Work closely with your fiscal services department or provider
- ✓ When in doubt about allowability or accounting method, collaborate with your auditor
- ✓ Your auditor understands the complex and everchanging environment of the charter school world

# Questions & Comments

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