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Single Audit Update

Brian McCall

Samantha Strejcek

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MDCPA.CNF.IO

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Topics

- Key changes in the 2024 OMB *Compliance Supplement*
- Specific program updates for commonly audited programs
- Uniform Guidance Revisions
- Effective dates and transition
- Other Single Audit updates and reminders

Terminology and Abbreviations

AICPA	Association of International Certified Professional Accountants	FEMA	Federal Emergency Management Agency
ACEE	Alternative Compliance Examination Engagement	GAQC	Governmental Audit Quality Center
ALN	Assistance Listing Number	GAS-SA Guide	AICPA Audit Guide, Government Auditing Standards and Single Audits
BABA	Build America Buy America Act	HHS	Department of Health and Human Services
CFR	Code of Federal Regulations	IIJA	Infrastructure Investment and Jobs Act
CARES Act	Coronavirus Aid, Relief, and Economic Security Act	OMB	Office of Management and Budget
COVID-19	Coronavirus Disease	QCR	Quality Control Reviews
CPE	Continuing Professional Education	QC	Questioned Cost
CSLFRF	Coronavirus State and Local Fiscal Recovery Funds	PTE	Pass Through Entity
DCF	Data Collection Form	R&D	Research and Development
DOT	Department of Transportation	SEFA	Schedule of Expenditures of Federal Awards
ESF	Education Stabilization Fund	SFA	Student Financial Assistance
FR	Federal Register	SFQC	Schedule of Findings Questioned Cost
FAC	Federal Audit Clearinghouse	TQA	AICPA Technical Questions and Answers
FAQ	Frequently Asked Questions	USDA	United States of Department of Agriculture
FNS	Food Nutrition Services	UG	Uniform Guidance

Compliance Supplement and Section Titles

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The Current Single Audit Environment

- Historic federal funding continues resulting in increased risk
 - New Infrastructure Investment and Jobs Act (IIJA) programs and funding added to existing programs
 - COVID-19 funding still in play but winding down
 - Some programs are still considered “higher risk” in 2024 audits which impacts major program determination
 - Federal focus on oversight, accountability, and transparency.
- New Uniform Guidance regulation
- FAC transition to GSA resulting in new submission approach and need for staff education
- Staffing resource challenges

Single Audit - Significant Stress in System Continues

Over \$1 trillion in additional pandemic funding

\$500 billion in new infrastructure funding

Normal federal funding on annual basis (over \$500 billion)

End result: Continued need for Single Audits and other similar Compliance Audits

Year	# of Single Audits *
2019	37,960
2020	39,796
2021	44,027
2022	45,286
2023	42,867

*Above numbers do not include for-profit audits of federal funding (e.g. healthcare entities and shuttered venues) which likely would add another 10,000+ audits for 2021 and likely for 2022

Key Changes in the 2024 Compliance Supplement

Background and Effective Date

Issued May 29, 2024

- Effective for audits of fiscal years beginning after June 30, 2023
- Access the Supplement on OMB's website at:
 - <https://www.whitehouse.gov/omb/office-federal-financial-management/current-compliance-supplement/>
 - A single PDF file is available
 - Industry sections (in PDF) are also available

**To understand changes made, Appendix V is a place to start.
A best practice is to run comparisons between the 2023 and 2024
Supplement to fully understand changes.**

Part 2 - Matrix

- There are more changes than usual to the requirements subject to audit and in the additions and deletions noted.
- Identifies changes to requirements subject to audit.
 - Requirements that were changed from a “Y” to a “N” or from a “N” to a “Y” since the last Supplement are shown in bold and yellow highlight
 - New programs are identified as “(new)” and deleted programs are identified as “(delete)”.
- Many of the deleted programs were removed because they are not audited frequently.
 - Auditors that still need to audit those programs will have to use Part 7 of the Supplement

**REMINDER: 6- requirement mandate continues with 2 exceptions:
R&D Cluster and the HHS Child Care Disaster Fund Cluster**

Part 3 - Compliance Requirements

- Only a few changes noted in Part 3 this year
- Improper Payments Clarification
 - For purposes of producing an estimate, when the agency cannot determine, due to lacking or insufficient documentation, whether a payment is proper or not, the payment shall be treated as an improper payment
- Clarification in Equipment and Real Property Management that the audit procedures in the section “Disposition of Real Property Acquired Under Federal Awards” are relevant to all non-federal entities, including states.

Part 3 - Compliance Requirements

- Procurement Changes- Build America Buy America Act
 - Made clarifying edits to the compliance requirement section
 - Audit procedure from prior year retained (i.e., to test whether the non-federal entity included the BABA domestic preference provisions in each agreement or obtained a BABA waiver)
 - New audit procedure added:
 - *For each agreement selected where a waiver was not applicable, review the non-federal entity's documentation supporting that it monitored the contractor's compliance with the BABA domestic preference provisions within the agreement.*

Part 4 - New Programs

- **New Programs**
 - 10.181 – Pandemic Relief Activities: Farm and Food Worker Relief Grant
 - 10.182—Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes and Local Governments
 - 10.185 – Local Food for Schools Cooperative Agreement
 - 10.186 – Regional Food Business Centers
 - 10.190 – Resilient Food System Infrastructure
 - 10.331 – Gus Schumacher Nutrition Incentive Program
 - 11.028 – Connecting Minority Communities Pilot Program
 - 11.029 – Tribal Broadband Connectivity
 - 11.032 – State Digital Equity Planning and Capacity Grant
 - 11.033 – Middle Mile (Broadband) Grant
 - 11.035 – Broadband, Equity, Access and Deployment
 - 20.326 – Federal-State Partnership for Intercity Passenger Rail
 - 66.957 – National Clean Investment Fund
 - 66.959 – Section 134(a)(1) – Zero Emission Technologies Grant
 - 66.960 – Clean Communities Investment Accelerator
 - 93.210/93.441 – Tribal Self Governance and Determination Cluster

Part 4 - Deleted Programs

- Deleted (excluding cluster changes which are noted on next slide)
 - 10.500 – Cooperative Extension Service
 - 10.511 – Smith-Lever 3(b) and 3(c), Smith-Lever Special Needs, and University of District of Columbia Public Postsecondary Education Reorganization Act Program
 - 10.512 – Agriculture Extension at 1890 Land-Grant Institutions Program
 - 10.514 – Expanded Food and Nutrition Education Program
 - 10.515 – Renewable Resources Extension Act (RREA) and National Focus Funds
 - 10.516 – Rural Health and Safety
 - 10.517 – Tribal College Extension Program and Special Emphasis, and Federally Recognized Tribes Extension Program
 - 10.520 – Agriculture Risk Management Education Partnership Grants
 - 10.521 – Children, Youth, and Families At-Risk
 - 10.607 – Section 416(b)
 - 14.235 – Supporting Housing Program
 - 14.238 – Shelter Plus Care
 - 93.545 – Consumer Operated and Oriented Plan (CO-OP_ Program)

Part 5 - Other Clusters

- A new cluster was added, Tribal Self-Governance and Determination Cluster (93.210/93.441)
- Hurricane Sandy Relief Cluster (93.095/93.096) was deleted in its entirety
- Several Clusters had programs that were removed from the cluster and therefore no longer listed as clusters as follows:
 - Community Facilities Loans and Grants – 10.766 (deleted 10.780)*
 - Clean Water State Revolving Fund – 66.458 (deleted 66.482)*
 - Drinking Water State Revolving Fund – 66.486 (deleted 66.483)*
- Other Clusters with program deletions
 - Section 8 Project-Based Cluster – 14.195/14.249/14.856 (deleted 14.182)
 - Highway Safety Cluster – 20.600/20.616 (deleted 20.611)

*Remaining programs now included as a separate program in Part 4

Part 6 Reminders

Sum of requirements for internal control under the UG

Background discussion on important internal control concepts

Appendices that include illustrations of:

Entity-wide internal controls over federal awards

Internal controls specific to each type of compliance requirement

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Home Alone

Part 7 Reminders

- Use Part 7 to help identify compliance requirements and to develop your audit approach/program
 - What are the program objectives, program procedures, and compliance requirements for a specific program?
 - Which of the compliance requirements could have a direct and material effect on the program?
 - Which of the compliance requirements are susceptible to testing by the auditor?
 - Into which of the 12 types of compliance requirements does each compliance requirement fall?
 - For Special Tests and Provisions, what are the applicable audit objectives and audit procedures?

Appendix IV- 2024 “Higher Risk” Programs

Assistance Listing Number (ALN)	Title
93.778/93.777/93.775**	Medicaid Cluster
21.023*	Emergency Rental Assistance
21.027*	Coronavirus State and Local Fiscal Recovery Funds
15.252**	Bipartisan Infrastructure Law (BIL) Abandoned Mine Land (AML) Grants

Appendix IV has been renamed to “Higher Risk Designation.” This Appendix removed the previous list of programs which have “Other Information” sections in Part IV of the Supplement.

*Supplement identifies these programs as being considered 100% COVID-19 funding or IJA funding.

** Supplement identifies these programs as being existing programs that received additional funding from one or more of the COVID-19 laws or the IJA

Appendix IV- 2024 “Higher Risk” Programs

- Type A Program Considerations
 - A “higher risk” designation will often result in a Type A program or other cluster being audited as a major program. However, an auditor is not precluded from determining that a “higher risk” Type A Program or other cluster qualifies as a low-risk Type A program if **both** of the following criteria are met:
 - The program otherwise meets the criteria for a low risk Type A program in section 200.518 of the UG; and
 - The percentage of COVID-19 funding or IJA funding in the program or other cluster during the non-federal entity’s fiscal year is not material to the program or other cluster as a whole.
 - Example: the Medicaid Cluster expenditures relevant to COVID-19 funding is not material (can qualify as low-risk Type A program)
 - Example: Emergency Rental Assistance expenditures would be considered material because COVID-19 funding comprises the entire program (cannot qualify as low-risk Type A program)

Appendix IV- 2024 “Higher Risk” Programs

- Type B Program Considerations
 - There are no changes to the normal risk assessment process for Type B programs identified as “higher risk”.
 - The “higher risk” identification must be considered with the other factors
 - The auditor is not required to prioritize the assessment of risk for “higher risk” Type B programs over other Type B programs
- Auditors should prepare audit documentation supporting the risk considerations and conclusions for “higher risk” programs

Appendix IV- Programs Removed from Higher Risk List

84.425 – Education
Stabilization Fund

93.498 - Provider
Relief Fund

21.026 -
Homeowner
Assistance Fund

21.029 -
Coronavirus
Capital Projects
Fund

96.001/96.006 -
Disability
Supplemental
Security Income

Appendix VII - Other Audit Advisories

- The most significant updates are as follows:
 - **Due date for submission of audit reports and low-risk auditee criteria**
 - Emphasizes that the auditor considers both the 30-day aspect of the single audit due date AND the nine-month aspect (prior Supplements only referred to the nine-month aspect)
- Among the audit procedures described:
 - Obtain a copy of the DCF and reporting package for prior-year
 - Calculate the “Due Date” to file
 - Compare the initial “FAC Accepted Date” to the **earlier** of 9 months and 30 days to determine if due date was met.

What is the Single Audit Submission Due Date?:

The earlier of (i) nine (9) months after the end of the audit period or (ii) 30 calendar days after the entity received the auditor’s report

Appendix VII- FAC Transition

- GSA took over the FAC from the U.S. Census Bureau on October 2, 2023, and is accepting:
 - Single audits with periods ending in 2023 and 2024
 - Single audits of other periods that were not submitted as required to Census before October 1, 2023
 - Resubmissions
- This section has been updated to describe the FAC transition and all previous waivers granted. Note that there are no new waivers provided by OMB.

FAC Transition - Other Notes

- Things have been improving but work still to be done
 - Login changes as compared to Census (login.gov)
 - No real form - submissions are made through a series of Excel workbooks
 - Search function evolving
 - Program Specific Audit Submissions
 - Still no e-mail reminders

Appendix VII - Other Reminders

- Requirement to separately identify COVID-19 expenditures on the SEFA and DCF retained
 - SEFA: on a separate line by ALN with “COVID-19” as a prefix to the program name
 - DCF: on a separate row with “COVID-19” in Part II Item 1c, *Additional Award Identification*
- Note that Appendix VII did not establish similar SEFA and DCF requirements for IJA funding.

Appendix VII also states that auditors should include the COVID-19 identification for audit findings

**Specific
program
updates for
commonly
audited
programs**

Part 4 - Frequently Most Audited Major Programs

ALN	Program Name	# of Times Audited
84.425	Education Stabilization Fund	7592
10.555 / 10.553 / 10.559 /10.556 / 10.582	Child Nutrition Cluster	2056
21.027	Coronavirus State and Local Fiscal Recovery Funds	2123
84.027 / 84.173	Special Education Cluster (IDEA)	1794
84.010	Title 1 Grants to Local Educational Agencies	1217
14.157	Supportive Housing for the Elderly	1183
84.268 / 84.063 / 84.033 / 84.007 / 84.038	Student Financial Assistance Cluster	1208

CSLFRF - 21.027

- Substantive changes made to this program in part to reflect updates to the [CSLFRF FAQs](#) issued by Treasury and a [2023 Interim Final Rule](#)
 - Definition of “obligation”
 - Three new eligible use categories
- Section is broken down into two sections
 - Section 1 - Audits of CSLFRF performed under the Uniform Guidance
 - Section 2 - An alternative compliance examination engagement for certain eligible recipients.

Continues as a “higher risk” program

CSLFRF - 21.027 - Section 1 - UG Audits

- New eligible use categories:

Provide emergency relief from natural disasters or the negative economic impacts of natural disasters



Use funds for Surface Transportation projects under certain programs administered by DOT



Use funds for projects eligible under the programs established in Title 1 projects



CSLFRF - 21.027 – Section 1 - UG Audits

- Source of Governing Requirements significantly revised
 - Pay attention to this section as it includes guidance for auditors about the interplay of the various rules and FAQs that Treasury has issued
- Availability of Other Program Information section expanded to include additional resources and explanations of what they include
- Activities Allowed or Unallowed
 - Additional detail added to several of the broad eligible use categories about activities allowed (e.g. revenue loss and premium pay for essential workers)

CSLFRF - 21.027- Section 1- UG Audits

- Allowable Cost/Cost Principles
 - Guidance added regarding disallowable operating expenses for certain surface transportation projects
 - Clarifies that internet service provider subrecipients that receive fixed amount subawards are not required to comply with Subpart E.
- Matching, Level of Effort, Earmarking
 - Matching and Level of Effort are now subject to audit and detailed guidance about the requirements for each has been added
 - New earmarking requirement added for Surface Transportation and Title 1 projects.

CSLFRF- 21.027- Section 1- UG Audits

- **Period of Performance**
 - expanded to address the three new eligible uses for costs incurred and to expand the guidance addressing “obligations” for those eligible uses
- **Reporting**
 - Added more explanatory information about the Project and Expenditure Report in the performance reporting section
 - Clarification added to the key line items in the performance reporting section related to capital expenditures
- **Subrecipient Monitoring**
 - Added guidance for broadband infrastructure investment projects

CSLFRF - 21.027- Alternative Compliance Examination Engagement - A Reminder

- Permits eligible recipients to engage a practitioner to perform a compliance examination engagement of the CSLFRF program
- Practitioner tests narrowly scoped compliance requirements relating to A/B - Activities Allowed or Unallowed/Allowable Cost and Cost Principles
- Results in an examination opinion on compliance

CSLFRF- 21.027- Alternative Compliance Examination Engagement - A Reminder

Who is Eligible?

- A CSLFRF recipient that spends \$750,000 or more in federal awards during its fiscal year is eligible to have an auditor perform an ACEE if:
 - 1. The recipients total CSLFRF award received directly from Treasury or received (through states) as a non-entitlement unit of local government is at or below \$10 million **AND**
 - 2. Other federal award funds the recipient expended (not including its direct CSLFRF award funds) are less than \$750,000 during the recipient's fiscal year.

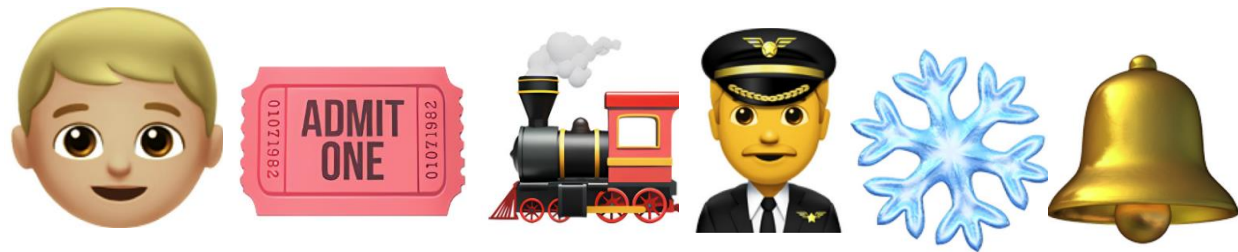
CSLFRF- 21.027- Section 2 - Alternative Compliance Examination Engagement

- No changes made to the eligibility requirements
- Expanded to include the new eligible use categories and to make other changes consistent with Section 1
- Submission instructions were updated in the Other Information section, but they are not reflective of the current state which is as follows:
 - The FAC is not currently able to accept these engagements; they should now be submitted via the Treasury portal.

Supporting Housing for the Elderly (Section 202) - 14.157

- Program Procedures
 - Regulatory updates added
 - Revision added to state that the initial project rental assistance contract term is up to 5 years and subsequent contracts are renewable for up to a 5-year term.
- Activities Allowed/Unallowed
 - Expanded this section to describe in more detail the activities owners are allowed to perform.
- The Reporting compliance requirement is no longer subject to audit
 - Removed the CARES Act Funding section since no longer relevant

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The Polar Express

Uniform Guidance Revisions

UG Revisions

- OMB issued final revisions to the UG in a [Federal Register notice](#) on April 22, 2024.
- A [redline document](#) showing UG revisions is also available with several [reference guides](#)
- The effective date stated in the FR notice is October 1, 2024 (applied to awards issued on or after that date)
- A [memo to federal agencies](#) further discusses the effective date and the implementation of the new regulation
 - Federal agencies can apply the new guidance prior to October 1, 2024, but they are not required to do so
 - Federal agencies cannot apply the new changes prior to June 21, 2024 (60 days from the release of the final rules)

UG Revisions - Key Auditor Changes

- Increased the single audit threshold from \$750,000 to \$1,000,000
- The Type A threshold increases to \$1 million and the amount of awards expended for which it applies increased from \$25 million to \$34 million
- The questioned costs definition is revised, and examples have been provided to help provide further clarification.
- There is no questioned cost solely because of:
 - Deficiencies in internal control; or
 - Noncompliance with the reporting type of compliance requirement (described in the compliance supplement) if this noncompliance does not affect the amount expended or received from the Federal award.

UG Revisions - Key Auditor Changes (continued)

- How questioned costs were computed example:
 - Questioned Costs: \$1,200, computed as the total of five payroll transactions that lacked proper documentation evidencing the transactions were allowable
- For audit findings where the auditor indicates the amount of questioned costs, is “undetermined” or “unknown” the auditor will have to explain why.
 - Example:
 - Questioned Costs: Not determinable. XYZ auditee provided sufficient documentation to establish that these six individuals qualified for benefits but insufficient documentation to establish the correct benefit amount.
- Throughout subparts A-E of the regulation the use of the term non-federal entity has been replaced with recipient and/or subrecipient.
 - Subpart F, *Audit Requirements*, retains the non-federal entity term to align with the Single Audit Act

UG Revisions - Auditee Changes

The following are a few examples:

- Raises the de minimis indirect cost rate from 10% to 15%
- Removes the requirement that indirect cost rates be available on a governmental website
- Raises equipment and supply thresholds from \$5,000 to \$10,000
- Removes prior written approval for 10 items of cost
- Modifies and expands many definitions such as period of performance and questioned costs
- Modifies the definition of “Modified Total Direct Costs” to exclude subaward costs above \$50,000
- Added requirement related to cybersecurity measures.

Appendix VII - UG Revisions

New section that clarifies the effective date of the increase in the single audit threshold to \$1 million (established in the recently revised UG)

Effective date threshold increase is for auditee fiscal years beginning on or after October 1, 2024 (that is, fiscal year ends September 30, 2025, and later)

The same effective date applies to increase in the type A threshold to \$1 million

This section also discusses the broader government-wide effective date of the UG (for awards issued on or after October 1, 2024), how federal agencies may elect to implement the revisions as early as June 21, 2024, and the related auditor implications (see next slide)

UG Revisions - Compliance Supplement

Appendix VII

- The auditor should perform reasonable procedures to ensure that compliance requirements identified as subject to the audit are current and determine whether there are any additional or modified provisions of federal awards based on the 2024 revisions.
- Auditors must not, however, apply compliance requirements from the 2024 revisions in circumstances in which the federal agency has not yet applied the 2024 revisions to the federal award subject to audit.

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A Christmas Carol

Effective Dates and Transition

Effective Dates

- 2024 Revisions effective for:
 - **New awards** entered into on or after October 1, 2024
 - **Notice of Funding Opportunity (NOFOs)** issued prior to October 1, 2024, that will result in awards issued on or after October 1, 2024. Federal agencies should provide clear direction to applicants that 2024 Revisions will be in effect

Effective Dates

- 2024 Revisions effective for **existing awards** (issued prior to October 1, 2024):
 - Federal agencies encouraged to apply 2024 Revisions to:
 - Any amendments entered on or after October 1, 2024
 - Existing awards that will extend into FY2025 or beyond
 - Amendments should explicitly state the 2024 Revisions apply and be executed by the agency and recipient
 - 2024 Revisions will generally apply prospectively to activities on or after the date of the amendment

Effective Dates



- The following information about effective dates is based on reviewing the Council on Federal Financial Assistance (COFFA) guidance
<https://www.cfo.gov/coffa/>
- Proceed with caution and watch for any future federal guidance updates

2024 Revisions - Effective Dates Considerations

Award Details	What UG applies?*
New direct federal award issued on or after October 1, 2024, with no reference to UG	2024 Revisions
Amendment to existing direct federal award issued on or after October 1, 2024, that explicitly states 2024 UG Revisions apply	2024 Revisions
Amendment to existing direct federal award issued on or after October 1, 2024, with no reference to new UG	Assume the prior UG if the amendment does not explicitly state 2024 Revisions apply
Same as prior item, but the agreement's terms and conditions contain a link to the federal agency's standard terms and conditions, which have been revised to state that the 2024 Revisions apply	Recommend discussing the applicability of the 2024 Revisions with the federal awarding agency.

*Information provided is based on interpreting the COFFA guidance. When in doubt contact the appropriate federal awarding agency for guidance

2024 Revisions - Effective Dates Considerations

Award Details	What UG applies?
Same as prior item but the federal agency only issues broad guidance on its website saying that “all awards” are to apply the new UG	Recommend discussing the applicability of the 2024 Revisions with the federal awarding agency
New federal subaward issued by PTE on or after October 1, 2024	Depends. PTE must tell subrecipient what UG applies based on its direct federal award
Existing federal subaward issued by PTE prior to October 1, 2024	Depends on whether the PTE’s direct federal award has been amended to apply the new UG. Per the COFFA guidance, the PTE must amend the subaward when a federal agency amends an existing award to apply 2024 Revisions.

***Information provided is based on interpreting the COFFA guidance. When in doubt contact the appropriate federal awarding agency for guidance**

Effective Dates and Transition

Question:

During the transition from Circular A-133 to the first UG (ten years ago), there was a concept of incremental funding into existing awards that allowed the new UG rules to be applied. Does that same concept apply this time?

Answer:

No. The same concept does not apply under this transition. A federal awarding agency is encouraged, but not required, to issue an amendment to an existing award to apply the 2024 Revisions. The expectation is that the amendment should explicitly state the 2024 Revisions apply.

Effective Dates and Transition

Question:

Will recipients and subrecipients need to track old and new requirements for their awards after October 1, 2024?

Answer:

Yes. Recipients and subrecipients will need to track the requirements applicable to each award. This is needed so they are aware of the requirements they need to comply with, as well as to provide to the auditor that is performing the single audit

Effective Dates and Transition

Question:

How will we deal with testing compliance when some awards will be subject to the prior UG and some the current UG?

Answer:

You will need to determine the UG criteria relevant to each award and test accordingly.

The *2024 Compliance Supplement*, Part 8, Appendix VII states “the auditor should perform reasonable procedures to ensure that compliance requirements identified as subject to the audit are current and determine whether there are any additional or modified provisions of federal awards based on the 2024 revisions.”

While the *2024 Compliance Supplement* does not incorporate the 2024 UG revisions, if they are applied to a specific award the auditor will need to modify procedures accordingly to address the revised guidance.

Effective Dates and Transition

Question:

Will the 2025 *Compliance Supplement* be revised to address the new UG?

Answer:

Yes. The 2025 *Compliance Supplement* will address both the prior and current UG requirements in Part 3.

Similar to the transition from OMB Circular A-133 to the UG, OMB will include a Part 3.1 and Part 3.2, with the latter covering the 2024 Revisions.

Effective Dates - Audit Thresholds

- 2024 Revisions effective for the **audit and major program thresholds**:
 - For non-federal entity fiscal years beginning on or after October 1, 2024 (September 30, 2025 year-ends and later)
- Changes to the single audit thresholds are effective regardless of whether the awarding federal agency takes any action to amend its existing awards
- A federal agency may **NOT** early implement the audit and major program thresholds

Effective Dates – Audit Thresholds

Question:

My client has a December 31st year-end. Total expenditures for the year ended December 31, 2024 are anticipated to be approximately \$925,000. Do we have to perform a single audit for the December 31, 2024 year-end?

Answer:

Yes. The increase to the threshold is applied based on the fiscal year-end. The 2024 Compliance Supplement, Part 8, Appendix VII states “among other things, the 2024 revisions increased the audit threshold to \$1,000,000 for **auditee fiscal years beginning on or after October 1, 2024.**”

Keep in mind that you will also use the Type A program threshold table from the “prior” UG for this audit.

Other Single Audit Updates and Reminders

SAS No. 148, Amendments to AU-C section 935

- Amends AU-C section 935, Compliance Audits, to update the appendix “AU-C Sections That Are Not Applicable to Compliance Audits”
- Conforms AU-C section 935 to reflect the issuance of:
 - SAS No. 142, *Audit Evidence* (AU-C section 500)
 - SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* (AU-C section 315)
- Identified controls for which the auditor evaluates design and determines implementation differ from financial statement audit
 - Do not include controls over significant risks
 - Include controls required to be tested for operating effectiveness by the governmental audit requirement

Effective dates align with SAS 142 and SAS 145; Changes in Appendix are already effective (to align with SAS 142) and the rest of the standard is effective for audits of periods ending on or after December 15, 2023.

SAS No. 148- Reminders, Clarifications, and Changes Regarding Risk Assessment

- For identified risks of material noncompliance for each applicable compliance requirement, the auditor should assess inherent risk by assessing the likelihood and magnitude of noncompliance
- For identified risk of material noncompliance for each applicable compliance requirement, the auditor should assess control risk based on the auditor's understanding of controls and the auditor's plan to test the operating effectiveness of controls.
 - If controls are not tested for operating effectiveness, control risk is at the maximum level
- Document identified and assessed risks and rationale for significant judgments

Refer to the Appendix of AU-C 935 to understand requirements in GAAS that do not apply to compliance audits.

Yellow Book - 2024 Revision Issued

- New Chapter 5 titled, Quality Management, Engagement Quality Reviews, and Peer Review
- Clarifies when the concept of reporting key audit matters, previously introduced in AICPA auditing standards, might apply
- Effective date
 - Effective for financial audits, attestation engagements and reviews of financial statements for periods beginning on or after December 15, 2025.
 - Early implementation is permitted

Yellow Book- 2024 Revision Issued

- Nongovernment audit organizations subject to the [AICPA's quality management standards](#) should comply with those quality management requirements, as well as specific additional requirements as follows:
 - If an engagement is terminated before it is completed and an audit report is not issued, a requirement to document the results of the work to the date of termination and why engagement was terminated.
 - If auditors change the engagement objectives during the engagement, a requirement to document the revised engagement objectives and the reason for changes.
 - Quality objectives relevant to resources should address that auditors performing work in accordance with the Yellow Book meet its CPE requirements.

Green Book - 2024 Exposure draft

- *Standards for Internal Control in the Federal Government* (commonly known as the Green Book) last revised in 2014
 - [Access the exposure draft](#); comments were due by August 26, 2024
- May be adopted by federal entities outside the executive branch and nonfederal entities, such as state, local, and quasi-governmental entities and nonprofit organizations, as a framework for an internal control system
- Planned effective date is October 1, 2025.

Looking Forward: 2025 Compliance Supplement Process

- OMB has recently begun the 2025 Compliance Supplement update
- Expect a similar level of change as this year
 - Changes to Part 3 for the recent UG
 - Approximately 100 programs with changes expected
 - Some COVID-19 guidance will need to be removed
 - New IIJA program sections or revisions to existing programs for IIJA provisions
 - Continued improvements to Part 4 reporting sections

Resources

- AICPA ‘Single Audit Update’
- AICPA ‘The New Uniform Guidance” What Has Changed?’”

Guess the
Christmas
movie



Guess the
Christmas
movie

Miracle on 34th Street

Questions? Contact Us!

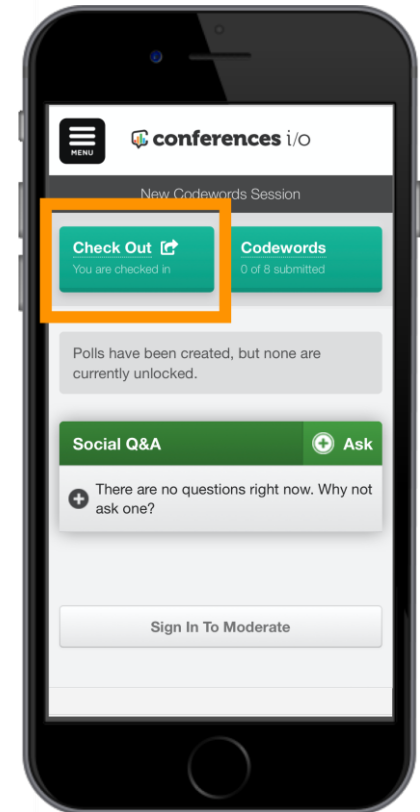


Brian McCall
bmccall@md-cpas.com



Samantha Strejcek
ssrejcek@md-cpas.com

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