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OMB Circular A-133 single audits are often a confusing and difficult part of an audit for auditees. What is the auditor looking for? Why do they select specific grants for testing and not others? Why do they have so many questions on internal controls and what are they even testing? How come a finding of such a small dollar amount results in a significant deficiency or material weakness? How do I present my SEFA completely and what is a SEFA, anyway? Clusters? What are clusters? These are *great* questions and there are *great* resources available to address these questions and increase your knowledge to set you up for a *great* next single audit.

1. The OMB Circular A-133 is the root of all evil (I mean Single Audits!). It details out the single audit and its requirements, responsibilities of auditors and auditees including Schedule of Expenditures of Financial Awards (SEFA) preparation, subrecipient vs. vendor criteria, and beyond. A copy of OMB Circular A-133 can be found at: <http://www.whitehouse.gov/omb/rewrite/circulars/a133/a133.html>. See subpart C – Auditees (.300 - .320) for your responsibilities including SEFA preparation in .310. You may find some other interesting things in the circular like sections .520 (how to determine major programs) and .530 (criteria for low-risk auditee for single audit).
2. The SEFA is required to be prepared listing federal programs by Catalog of Federal Domestic Assistance (CFDA) number and name. You may have been dinged in the past for listing an incorrect name (why do those pass-throughs call them anything different?), but it is easy to find the proper name of the program by going to <https://www.cfda.gov/>. You can easily search by CFDA number and locate the correct name to report on the SEFA. It also has some supplemental, general information about each grant.
3. Several entities have recently received a finding for not meeting the requirement of verifying that an awarded vendor is not a suspended or debarred vendor. The easiest way to comply with this requirement is to look up the vendor on the Excluded Parties List System (EPLS) which can be found at <https://www.epls.gov/>. Complying is only half the battle when it comes audit time. There should be a control in place which ensures the vendor has been checked. A checklist or some sort of review which takes place before a contract is awarded to a vendor including the performance of this step would give evidence that a control is in place. Of course, retention of the checklist would be necessary to test the control.
4. Auditors use the Compliance Supplement produced by the OMB to test major programs. The Compliance Supplement, March 2009, can be found at the bottom of the following page: http://www.whitehouse.gov/omb/circulars_default/. This is where you will find the 2010 supplement which will be released by April or May (**Note:** the 2010 supplement should be used for single audits for fiscal years **beginning after** June 30, 2009). When you link to the March 2009 supplement, you will find our backbone for guidance on testing. Part 5 contains a list of clusters, starting on page 60. However, see below for the ARRA addendum which has updated clusters.

5. As you are aware by now, the American Recovery and Reinvestment Act (ARRA) has put a twist on single audits. Between March 2009 and the current date, an addendum was released by the OMB to address the latest effects of ARRA. This addendum can be found at:
http://www.whitehouse.gov/omb/assets/a133_compliance/arra_addendum_1.pdf.
Updated cluster listings are found starting on page 288. The March 2010 Compliance Supplement will replace the 2009 supplement and ARRA addendum for fiscal years **beginning after** June 30, 2009.
6. In recent years, the AICPA recognized that the results of government and single audits have not been performed to the standards expected. To assist with improving these audits, the AICPA formed the Government Audit Quality Center (GAQC). As a member, TKW is on top of the latest information regarding the changing single audit and ARRA requirements. Their website can be found at <http://gaqc.aicpa.org/>. There are a lot of good resources on the resource tab including the Recovery Act Resource Center. Also, there are parts of OMB A-133 in more understandable English (like major program selection). Some other interesting stuff on the GAQC site include:
 - a. A free archived GAQC Call titled, "Preparing for Your Single Audit: An Auditee Perspective." It is almost 3 hours long and about a year old, but it is good training on topics including major program selection, SEFA preparation, the 14 compliance requirements potentially applicable to each program, information on clusters, internal control requirements and subrecipient monitoring. There is a PowerPoint slideshow to follow as you listen. The link for this is: <http://gaqc.aicpa.org/Resources/Preparing+for+Your+Single+Audit+Conference+Call.htm>
 - b. There is an Auditee Disclosure Checklist for the SEFA which will help you in your preparation for adequate disclosures. The link for this checklist is near the bottom of the following page: <http://gaqc.aicpa.org/Resources/Research+Tools+and+Aids/Single+Audit+Practice+Aids.htm>
7. All the above resources are free, but there is a helpful AICPA guide which can be purchased: "Government Audit Standards and Circular A-133 Audits – AICPA Audit Guide." For information on how to purchase this, click the following link: http://www.cpa2biz.com/AST/Main/CPA2BIZ_Primary/AuditAttest/IndustryspecificGuidance/NotforProfit/PRDOVR~PC-012743/PC-012743.jsp

We do hope these resources provide you with answers to questions and a strong foundation for preparing for your auditors this upcoming audit season. As always, please do not hesitate to contact us with any questions. We'd love to help!