

## Chapter 6 SINGLE AUDIT

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## Chapter 6

### SINGLE AUDIT

#### 6.1 PURPOSE

This chapter explains the State and Federal single audit requirements for MPOs. The chapter provides guidance for the District MPO Liaisons who are involved in the single audit compliance process.

#### 6.2 AUTHORITY

**Federal Office of Management and Budget (OMB) Circular A-133** (Audits of State, Local Government, and Nonprofit Organizations), available at: [www.whitehouse.gov/omb/circulars/](http://www.whitehouse.gov/omb/circulars/)

**Section 215.97, Florida Statutes (F.S.)** (Florida Single Audit Act), available at <http://www.flsenate.gov/statutes>

#### 6.3 REFERENCES

**Rules 10.550 and 10.650, Rules of the Auditor General**, effective September 30, 2010, available at: [http://www.myflorida.com/audgen/pages/rules\\_localgovt.htm](http://www.myflorida.com/audgen/pages/rules_localgovt.htm)

Rule 27D, Florida Administrative Code, Executive Office of the Governor, available at: <https://www.flrules.org/Default.asp>

Local Government Audit Report Submittal Checklist, Florida Auditor General (current checklist available at: <http://dotsco371700.co.dot.state.fl.us/pls/saa/welcome2>)

Procedure No. 450-010-001-i, Single Audit Procedure, Florida Department of Transportation, available at: <http://procnet.co.dot.state.fl.us/procedures/current/450010001.pdf>

Checklist for Reviewing Single Audit Reports, Florida Department of Transportation, available at: <http://dotsco371700.co.dot.state.fl.us/pls/saa/welcome2>

## 6.4 REQUIRED CONTRACT WORDING FOR SINGLE AUDITS

Federal funding awards are to be identified as follows on the cover page of the Joint Participation Agreement (JPA):

- (1) Catalog of Federal Domestic Assistance (CFDA) title and number;
- (2) Award number and year;
- (3) Name of awarding federal agency;
- (4) Dun & Bradstreet Universal Numbering System (D-U-N-S) number.

State funding awards are to be identified as follows on the cover page of the JPA:

- (1) Catalog of State Financial Assistance (CFSA) title and number;
- (2) Award number (Financial Project ID/Contract Number) and year;  
and,
- (3) Name of awarding state agency.

The current version of the Planning Funds Joint Participation Agreement (**Form 525-010-02**) includes the Department's standard contract language regarding single audits. The form can be accessed through the infonet at:

<http://ombnet.co.dot.state.fl.us/forms/formsbynum.asp?index=5>

## 6.5 SINGLE AUDIT REQUIREMENTS

### 6.5.1 Federal Requirements

Any MPO that expends \$500,000 or more of federal financial assistance in a fiscal year is required to have a single audit conducted by an independent CPA for that year in accordance with **OMB Circular A-133**.

If an MPO expends less than \$500,000 in federal financial assistance during its fiscal year, a federal financial audit is not required except as noted in OMB Circular A-133, Section 215 (a). However, this does not prohibit a pass-through entity from charging Federal awards for the cost of limited scope audits to monitor its subrecipients in accordance with **OMB Circular A-133: Section 400(d) (3)**, provided the subrecipient does not have a single audit. In this case, limited scope audits can only include agreed-upon procedures engagements conducted in accordance with either the AICPA's generally accepted auditing standards or attestation standards, that are paid for and arranged by a pass-through entity and address one or more of the following compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; matching, level of effort, earmarking; and, reporting. If the single audit requested does not meet the exemptions listed above, then the cost must be paid from non-federal funds.

## 6.5.2 State Requirements

The threshold for requiring a single audit for state funds is the same as for federal funds. MPOs that expend \$500,000 or more of state financial assistance in a fiscal year are required to have a single audit conducted by an independent CPA for that year. [\[Subsection 215.97, F.S. and Rules 10.550 and 10.650, Rules of the Auditor General\]](#)

If an MPO expends less than \$500,000 in state financial assistance during its fiscal year, a single audit is not required; however if the MPO elects to have such a single audit conducted anyway, the cost must be paid from non-state funds.

## 6.5.3 Sufficiency of Federal Audits

The state single audit required by Florida law is in addition to any single audit of federal requirements required by [OMB Circular A-133](#) and other federal laws and regulations. However, to the extent that the federal single audit provides the Department with information it needs to carry out its responsibilities under Florida law, the Department shall rely upon and use that information [\[Subsection 215.97\(8\)\(j\) F.S.\]](#)

According to the Auditor General's rules, auditors employed by the MPO to perform single state or single federal audits should be aware that there are statutory differences between federal and state single audit requirements as to what is to be audited and in the way similar terms are defined. Auditors are cautioned to preserve these distinctions [\[Subsection 10.551\(6\), Rules of the Auditor General\]](#).

Federal and state governments require that the single audit be performed by an independent auditor in accordance with generally accepted government auditing standards. [\[OMB Circular A-133 and Subsection 215.97\(8\)\(f\), F.S.\]](#)

Each federal and state single audit of an MPO shall:

- (1) Determine whether the MPO's financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles;
- (2) Determine whether state financial assistance shown on the schedule of Expenditures of Federal Awards and State Financial Assistance and/or the schedule of expenditures of federal awards are presented fairly in all material respects in relation to the MPO's financial statements taken as a whole;
- (4) To obtain an understanding of the MPO's internal financial controls, assess risk, and perform tests of control;

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- (5) Determine whether the MPO has complied with applicable state and/or federal laws, rules, regulations and contracts and/or agreements; and
  - (6) Determine whether the MPO has internal controls in place to provide reasonable assurance of compliance with the provisions of laws and rules pertaining to financial assistance [\[OMB Circular A-133\]](#) and [\[Subsection 215.97\(9\)\(a\), \(b\), \(c\), and \(d\)\]](#).

The federal single audit must cover the operations of the entire non-federal entity, (e.g. if an MPO is under a County government or Regional Planning Council) or at the discretion of the non-federal entity, be a series of audits of those specific departments and/or units that expended federal funds during the fiscal year. [\[OMB Circular A-133\]](#)

## 6.6 SUBMITTAL OF SINGLE AUDIT DOCUMENTATION

The auditor shall deliver a copy of the audit report to each member of the MPO Board. According to the [Rules of the Auditor General](#), the MPO has **30 days** after delivery to file a written statement of explanation or rebuttal of any deficiencies identified in the report and management letter, including corrective action to be taken [\[Subsection 10.558\(1\)\]](#). The MPO has **45 days** after delivery (but no later than **9 months** after the fiscal year, to submit the report along with their explanations, rebuttals, and corrective actions to the Auditor General and the Department's District office. The Auditor General requires two (2) copies. [\[Subsection 10.558\(2\) and \(3\)\]](#)

The due date for delivery of the single audit to FHWA is slightly different from delivery to the MPO Board. The MPO, or District Liaison, must submit a copy of the audit report to FHWA within the earlier of **30 days** after receipt or **9 months** after the end of the audit period unless a longer period is agreed to in advance by the cognizant or oversight agency for audit. [\[OMB Circular A-133, Section 320\(a\)\]](#) The MPO's report package should include several items. [\[Subsection 215.97\(9\)\(e\) and \(f\), F.S.; Subsection 10.557\(3\) Rules of the Auditor General; and OMB Circular A-133, Section 320\(c\)\]](#)

- MPO financial statements
- Schedule of Expenditures of Federal Awards and State Financial Assistance
- Independent Auditor's Report
- Management Letter (i.e. a statement of the auditor's comments and recommendations (See [Subsection 10.554\(h\)](#) for format)
- MPO's responses/rebuttals and any corrective actions
- Follow up correspondence to any previous corrective actions
- Other information as the Auditor General determines necessary

## 6.7 SINGLE AUDIT REVIEW CHECKLIST

The MPO Liaison reviews the audit following [Procedure No. 450-010-001-i, Single Audit Procedure](#). Documentation that the review has occurred shall be recorded on the [Checklist for Reviewing Single Audit Reports](#). The checklist can be found and completed in the Single Audit System, at: <http://dotsco371700.co.dot.state.fl.us/pls/saa/welcome2>

The Office of Inspector General's Single SharePoint site also contains a number of links and tools to help with other single audit questions and issues and can be accessed at: <http://fdotsharepoint.dot.state.fl.us/dot/oig/singleaudit/default.aspx>. If the recipient does not conduct or submit a single audit, the Department Program Manager must document good faith efforts requesting the recipient to comply.

Audit findings and questioned costs identified in the single audit report shall be indicated on the automated checklist. Department Program Manager shall document efforts made to resolve single audit findings and questioned costs within **six months**.

## 6.8 RETENTION OF RECORDS

Project records shall be retained and available for at least five years from the date the single audit report is issued (mandated by the Florida Department of Financial Services in the Reference Guide for State Expenditures). Records related to unresolved single audit findings, appeals, or litigation shall be retained and made available for single audit purposes until the action is completed or the dispute is resolved. Audit working papers and reports should be readily available upon request. [\[OMB Circular A-133, Section 515 \(a\)\]](#)