Single Audit

LEA Handbook

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Table of Contents

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Single Audit – Background

Per 2 CFR (The Code of Federal Regulations) §200.501 all non-Federal entities who spend $750,000 or more in federal awards are required to have a Single Audit conducted in accordance with §200.514. If there are multiple entities or organizations that **share** a DUNS number (The Dun & Bradstreet D-U-N-S Number is a unique nine-digit identifier for businesses) and/or EIN number (an employer identification number is a nine-digit number assigned by the IRS), the entities **must take an aggregate amount of Federal funds** spent for each individual entity. If the aggregate amount is $750,000 or more, a Single Audit must be conducted. All entities in Arizona that receive Federal funds from the Arizona Department of Education (ADE) are required to submit a Single Audit to ADE if they were required to have a Single Audit conducted, meaning they met the specific expenditure threshold.

If the above-mentioned criteria are met, your organization must contract an independent third party certified public accountant (CPA) to conduct the Single Audit, an organization-wide financial audit. Once the CPA firm presents the Single Audit report to your organization, you must present the Single Audit and any related materials in a Single Audit Reporting Package (SARP), to the Arizona Department of Education. ADE is the cognizant agency responsible for ensuring that any reported audit findings are addressed appropriately. ADE is responsible for monitoring audit findings and questioned costs related to federal awards that are passed through the Arizona Department of Education. This information is contained within the audit finding(s) in the SARP.

If the Single Audit contains audit findings, your organization will also prepare a Corrective Action Plan (CAP).

Important note: Grants Management does not perform the audit. The Single Audit Reporting Package will be uploaded and reviewed in GME.

User Role Requirement

- **LEA Single Audit Update** is the required user role to perform this function in GME.
- The **LEA User Access Administrator** will assign this role to the individual(s) performing this function in GME.

Finding the Single Audit in GME

1. Begin by logging into GME, selecting your organization and then selecting Monitoring Instruments. If your entity shares a DUNS and/or EIN number and is tied to multiple LEAs, you must log in under each individual LEA in GME and complete the steps discussed further in this document for each of these LEAs, as applicable.

2. Select the previous fiscal year and Single Audit under the LEA Monitoring Instrument column.

Initiating the Single Audit Questionnaire in GME

1. Begin the Single Audit (SA) process by changing the status from LEA Single Audit Not Started to LEA Single Audit Qualifier Questionnaire Started.

2. Select Single Audit Qualifier Questionnaire from the sections.

a. Select the response that applies to your organization.

Single Audit Qualifier Questionnaire

* Please select from the options below the most applicable response for your organization:

○ Organization expended less than $750,000 in federal award(s) from the Arizona Department of Education and federal award(s) from all other entities

● Organization expended $750,000 or greater in federal award(s) from the Arizona Department of Education and federal award(s) from all other entities

○ Organization is not subject to the Single Audit requirement (including, but not limited to, for-profit organizations, BIE/BIA schools, or Federal entities).

2a

* When is your entity's fiscal year end date?

06/30/2019 ▼

2b

b. Select your organization's fiscal year end date.

3. Submit the Single Audit Qualifier Questionnaire by changing the status to LEA Single Audit Qualifier Questionnaire Submitted.

Single Audit Sections

Public District - FY 2019 - Medium F

This is the TE‎ Please be sure to complete your work on the LIVE site.
Status: **LEA Single Audit Qualifier Questionnaire Started**

3

Change Status To: LEA Single Audit Qualifier Questionnaire Submitted

4. Once the Qualifier Questionnaire is submitted, GME automatically changes the status to one of the following:

Single Audit Sections

Public District - FY 2019

This is the TEST site. Please be sure to complete ‎ork on the
Status: **LEA Single Audit Started**   **4a**

Change Status To: LEA Single Audit Submitted

a. LEA Single Audit Started: The Single Audit (SA) is required because your organization expended **$750,000 or more** in Federal awards. You must upload your entity's Single Audit Reporting Package (SARP).

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b. <u>LEA Single Audit Not Required</u>: Single Audit (SA) is **not required** because **your organization is exempt or did not expend $750,000 or more** in Federal awards. No further action is required by your organization.

Single Audit Sections

Public District

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Status: LEA Single Audit Not Required

LEA Single Audit Qualifier Questionnaire Started — LEA Single Audit Qualifier Questionnaire Submitted → LEA Single Audit Started / LEA Single Audit Not Required

Single Audit Started

History Log
- History Log
- Create Comment

Single Audit Qualifier Questionnaire
- Single Audit Qualifier Questionnaire

Single Audit
- Related Documents (1)

1. If GME updates the status to <u>LEA Single Audit Started</u>, your organization is **required** to upload a Single Audit Reporting Package (SARP) to the <u>Related Documents</u> page.

Keep in mind, if your entity shares a DUNS and/or EIN number and is tied to multiple LEAs, you must submit the Single Audit including uploading the completed SARP to each individual LEA, that qualifies for Single Audit, in GME.

The **Single Audit Reporting Package** consists of:

- Financial statements and a schedule of expenditures
- Summary schedule of prior audit findings
- Auditor's report(s)
- Corrective Action Plan (CAP) - if finding(s) exist

2. To submit the SA Reporting Package and complete the Single Audit process for your organization, change the status to LEA Single Audit Submitted.

Single Audit Sections

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Status: **LEA Single Audit Started**

Change Status To: LEA Single Audit Submitted   2

Note: The Single Audit Reporting Package must be uploaded into GME within 9 months after your organization's fiscal year end date, or within 30 days after receiving your Single Audit Report from a third-party CPA, whichever occurs first. Your Single Audit Reporting Package will be reviewed by ADE staff, who will contact you with more instructions if necessary.

Single Audit Follow-Up

This is the TEST site. Please be sure to complete your work on the LIVE site.

Status: SEA Single Audit Returned for Edits - see History Log

Change Status To: LEA Single Audit Submitted   1

1. Upon review of your Single Audit Reporting Package, if determined some documents are missing, ADE staff will change the status to SEA Single Audit Returned for Edits – see History Log.

2. Review the History Log comments regarding the Single Audit Reporting Package.

All
History Log
History Log   2
Create Comment
Single Audit Qualifier Questionnaire
Single Audit Qualifier Questionnaire
Single Audit
Related Documents   3

3. Select the Related Documents page and upload the appropriate documents. If your entity shares a DUNS and/or EIN number and is tied to multiple LEAs, you must submit the Single Audit and upload the completed Single Audit Reporting Package to each individual LEA in GME.

This is the TEST site. Please be sure to complete your work on the LIVE site.

Status: SEA Single Audit Returned for Edits - see History Log

Change Status To: LEA Single Audit Submitted   4

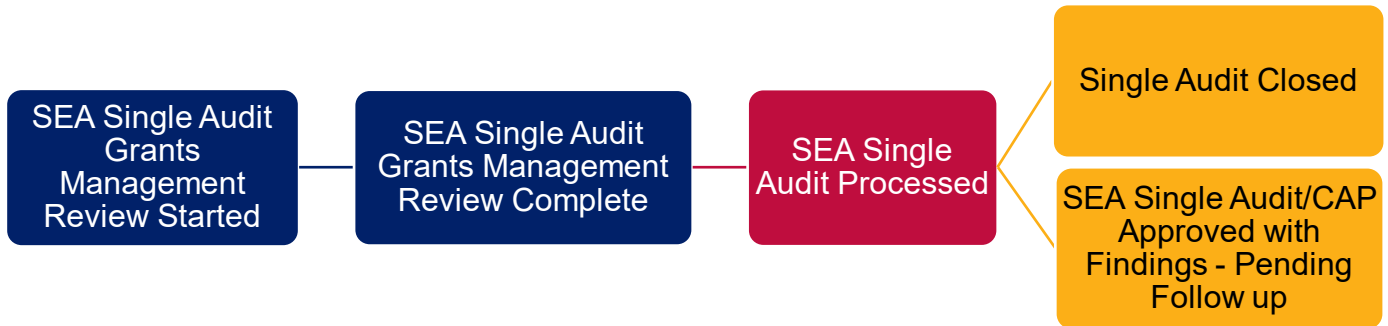4. Once you have uploaded the appropriate documents, change the status to LEA Single Audit Submitted.
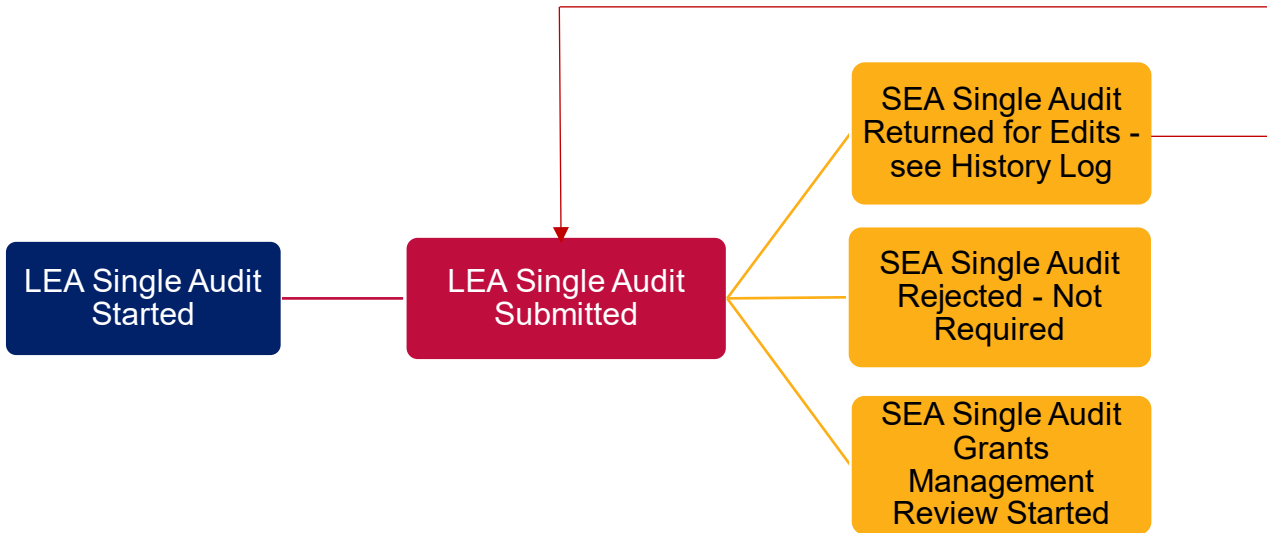
Note: If you submit your SA Reporting Package and ADE staff determines that the Single Audit was not required, the status will be changed to SEA Single Audit Rejected – Not Required. The Single Audit is now closed and your entity will receive an email stating the Single Audit is not required.

Status Changes

Throughout the oversight of each entity's Single Audit, the statuses will change at various points. To assist in navigating the process, below are the status change possibilities with notes on what each status means. Following the explanation of status changes described is a visual representation of these statuses.

If the status is SEA Single Audit Grants Management Review Started, ADE Staff has begun reviewing your Single Audit Reporting Package (SARP). If the status is SEA Single Audit Grants Management Review Complete, ADE staff has completed the initial review of the SARP. A Fiscal Monitoring Team Lead will then place the status in SEA Single Audit Processed when it is determined that the audit information is correct and can be sent on the Management Decision Letter. A copy of this letter is populated in GME and located in the Management Decision Letter page, in the **Audit Notices and Letters** section. This letter is only available after the status has been changed to SEA Single Audit Processed. If no follow up is necessary, the status will be changed to Single Audit Closed, which ends the audit process.

If follow up is needed, the status will be changed to SEA Single Audit/CAP Approved with Findings – Pending Follow up. An email will be sent to your entity indicating that follow-up has started, including the specific follow-up item(s) and instructions on what is required from your entity.

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┌──────────────────┐     ┌──────────────────┐     ┌──────────────────┐     ┌──────────────────────┐
│ SEA Single Audit │─────│ SEA Single Audit │─────│   SEA Single     │─────│  Single Audit Closed  │
│     Grants       │     │Grants Management │     │ Audit Processed  │     └──────────────────────┘
│   Management     │     │ Review Complete  │     │                  │     ┌──────────────────────┐
│  Review Started  │     └──────────────────┘     └──────────────────┘     │ SEA Single Audit/CAP │
└──────────────────┘                                                        │  Approved with       │
                                                                            │  Findings - Pending  │
                                                                            │     Follow up        │
                                                                            └──────────────────────┘
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Once the corrective action has been successfully resolved, the status will change to SEA Single Audit/CAP Approved with Findings – Follow up Complete, and then changed to Single Audit Closed.

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┌──────────────────────┐     ┌──────────────────────┐     ┌──────────────────┐
│ SEA Single Audit/CAP │─────│ SEA Single Audit/CAP │─────│  Single Audit    │
│  Approved with       │     │  Approved with       │     │    Closed        │
│  Findings            │     │  Findings            │     │                  │
│  - Pending Follow up  │     │  - Follow up Complete │     └──────────────────┘
└──────────────────────┘     └──────────────────────┘
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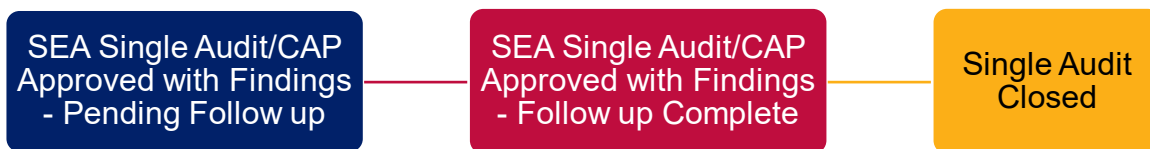
Need Assistance?

Grants Management System (GME)	Passwords/ADEConnect Support
Phone: 602.542.3901	Phone: 602.542.7378
Help Desk: http://helpdeskexternal.azed.gov	Email: adesupport@azed.gov