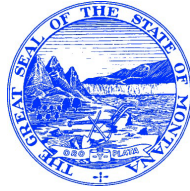


# LEGISLATIVE AUDIT DIVISION

Angus Maciver, Legislative Auditor  
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Deputy Legislative Auditors:  
Cindy Jorgenson  
William Soller

## MEMORANDUM

**TO:** Members of the Legislative Audit Committee  
**FROM:** Cindy Jorgenson, CPA, Deputy Legislative Auditor  
**DATE:** October 5, 2023  
**RE:** Single Audit Reporting

We recently completed projections to determine our ability to meet the March 31, 2024, Single Audit reporting deadline. This includes projecting the audit threshold, identifying potential major programs, estimating required audit effort, and quantifying our available people resources. The current Single Audit report will not be available by the March 31, 2024, deadline. Corresponding delays will occur for the U.S. Housing and Urban Development Real Estate Assessment Center (REAC) and U.S. Department of Education eZ-Audit submissions. Increased workload and a tight labor market for accountants are the primary factors contributing to the projected delay.

In March 2021, the U.S. Office of Management and Budget (OMB) authorized an automatic six-month federal reporting extension for fiscal year-ends through June 30, 2021, due to the pandemic and workload associated with new federal programs. We used almost three months of that extension, issuing our prior Single Audit report on June 21, 2021. Meeting the coming deadline will require us to complete two years' worth of federal and financial reporting work over a 21-month period instead of the normal 24-month period. We anticipate testing at least 30 major programs during the current Single Audit. This is an increase of at least 6 programs. In addition to testing new programs, some existing programs are more complex due to new sources of federal funding and expanded testing requirements.

Since July 1, 2019, some of our financial compliance positions were vacant between 186 and 744 calendar days, with an average of 409 days, despite repeated recruiting efforts. Current trends indicate fewer students are graduating from accounting programs and more accountants are moving into other fields, such as finance and technology.

Other states are experiencing similar challenges. We are aware of two other states already anticipating delays for their fiscal year 2023 Single Audits. The following table compares timeliness of state Single Audit reporting before and during the pandemic using data available through the Federal Audit Clearinghouse. It is important to note that some states issue a statewide Single Audit report, while others issue multiple reports.

Fiscal Years Ending in	States with Data Available	States with at Least One Late Report	Median Days Late
2018	48	11	47
2022	44	25	48

Consistent with audit guidance, we will notify our cognizant agent with the U.S. Department of Health and Human Services of our anticipated delay and completion goal. We will ask our cognizant agent to notify other federal agencies of the anticipated delay for both the Single Audit report and the associated REAC and eZ-Audit submissions.

Based on currently known facts and circumstances, we project the report will be available in late May 2024. We are actively prioritizing the work needed to complete the Single Audit. This includes the financial audits of the state's Basic Financial Statements and its component units. We will continue to monitor status of the work and reassess anticipated timelines if there are significant changes in facts and circumstances.