Single Audit
Auditing Montana’s Federal Grants
Before 1984...
After 1984...

Hi!
I’m from the Legislative Audit Division
The Single Audit Act

- Established a **single** set of audit requirements
  - Governments receive **one** audit of federal funds
  - Standardized the audit process
  - A **single** report submitted to the federal government

- Office of Management and Budget (OMB)
  - Prescribed regulations to implement the Act
Montana’s Single Audit

- Biennial
  - Section 5-13-304, MCA
  - Provides for biennial audits of state agencies

- Statewide
Internal Control: a **process** designed to provide reasonable assurance that transactions are properly accounted for and **comply** with applicable regulations.
Effective controls

Internal Control over Compliance

Compliance

Reduced testing

Focus of Audit Work
Internal Control over Compliance | Compliance

Ineffective controls

Increased testing

Focus of Audit Work
Reporting Results

- Federal findings reported in the agency audit reports
- Accumulated in the Single Audit report
- Submitted to Federal Audit Clearinghouse

- Common types of findings:
  - Internal control
  - Noncompliance
  - Questioned costs > $25,000
Federal Agency Responsibility

- Issue management decision
  - Sustain the finding?
  - Require repayment of disallowed costs?
  - Require some type of corrective action?
- Six-month deadline
And then what?

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