

Single Audit

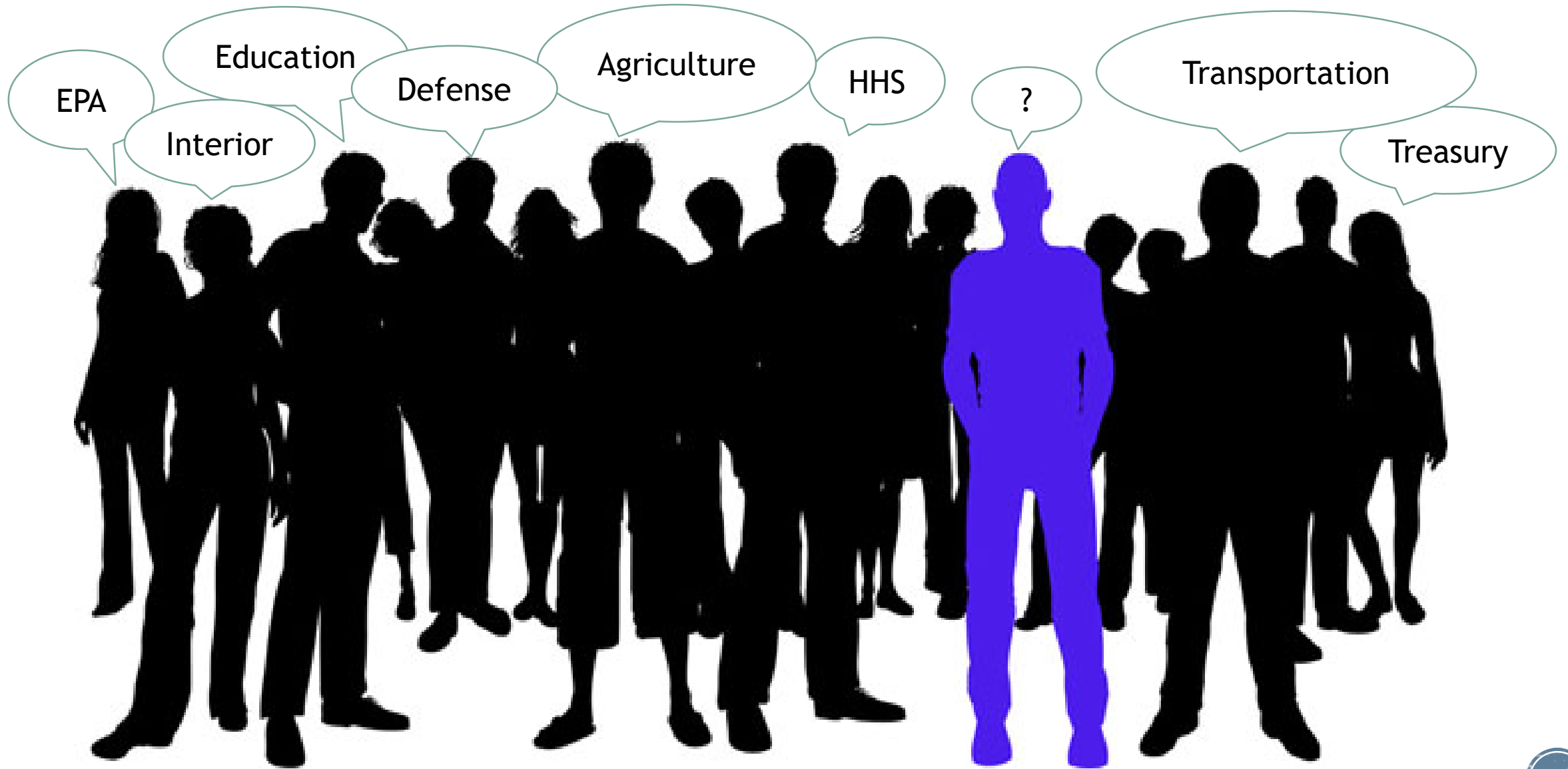
Auditing Montana's
Federal Grants



1984



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

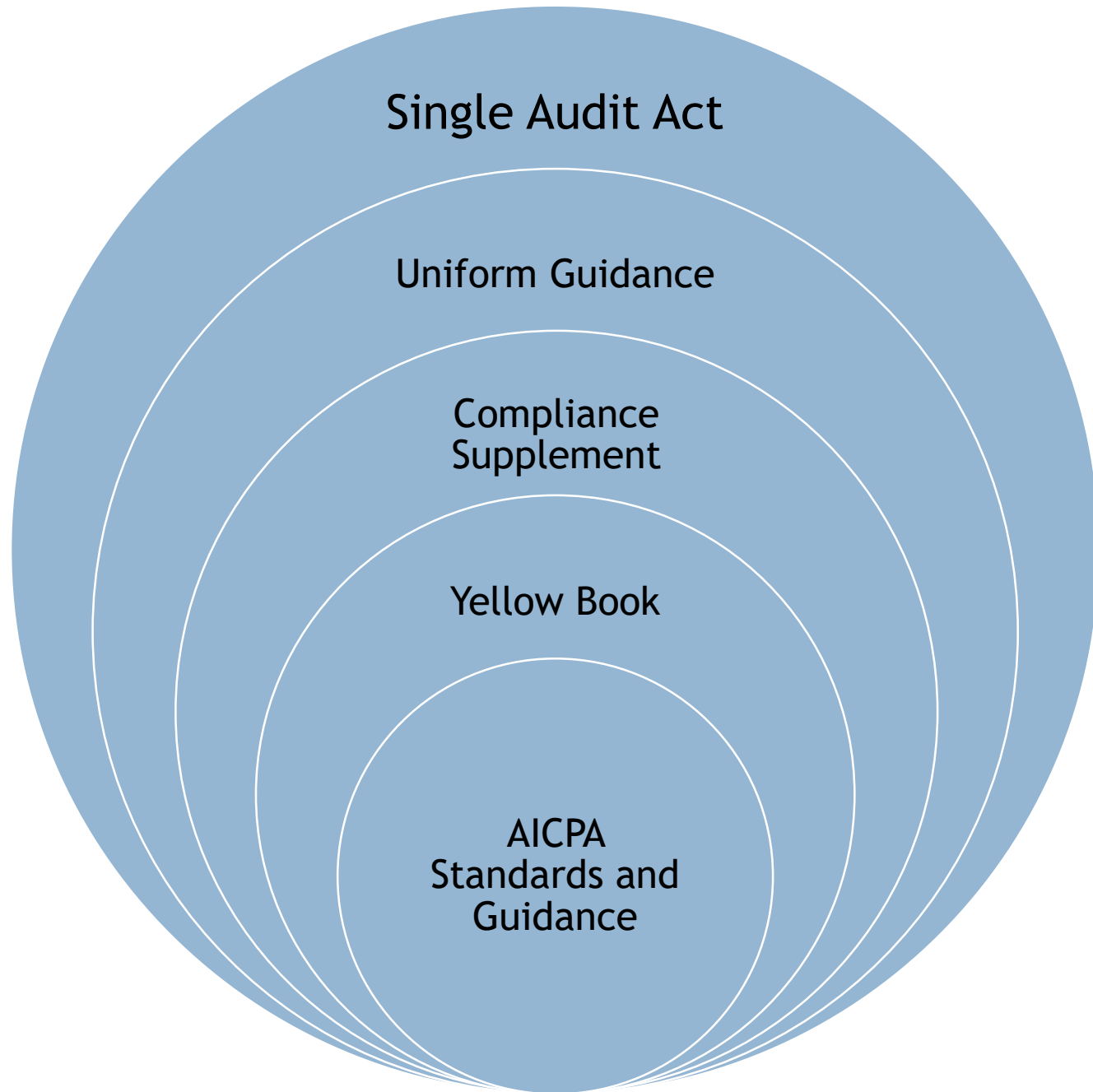


Montana's Single Audit

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



Audit Standards and Guidance



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

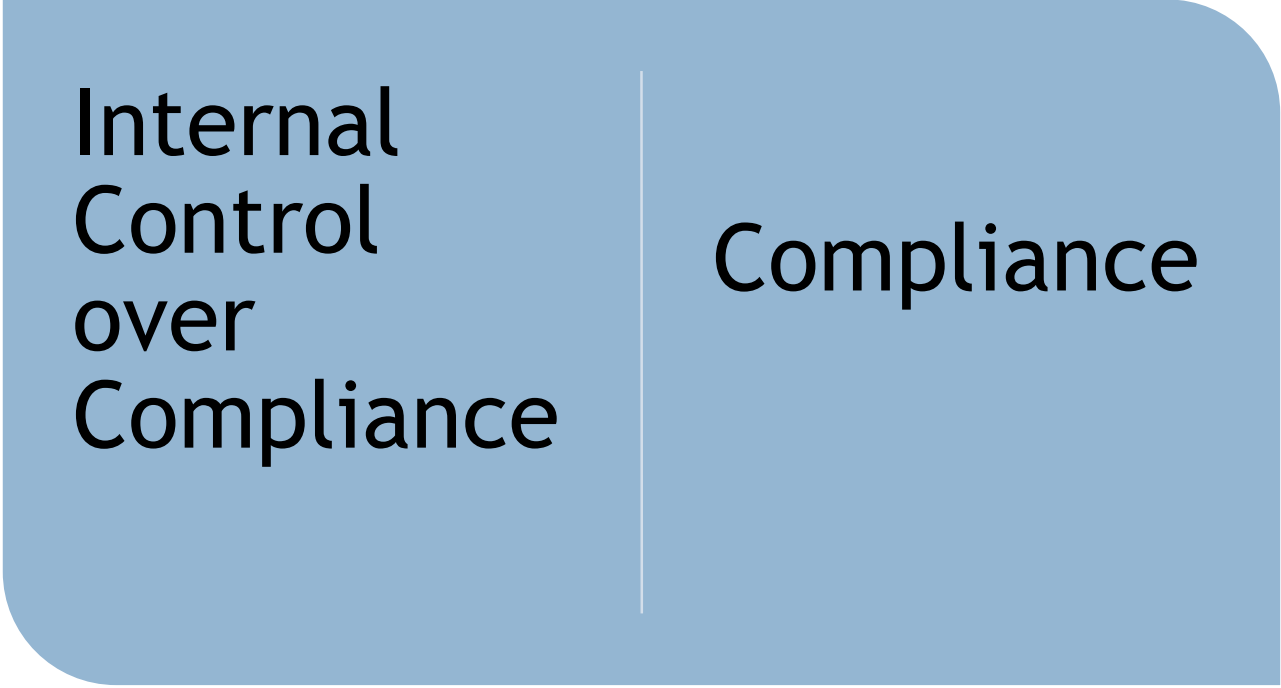
Compliance

Reduced testing

**Focus of Audit
Work**



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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