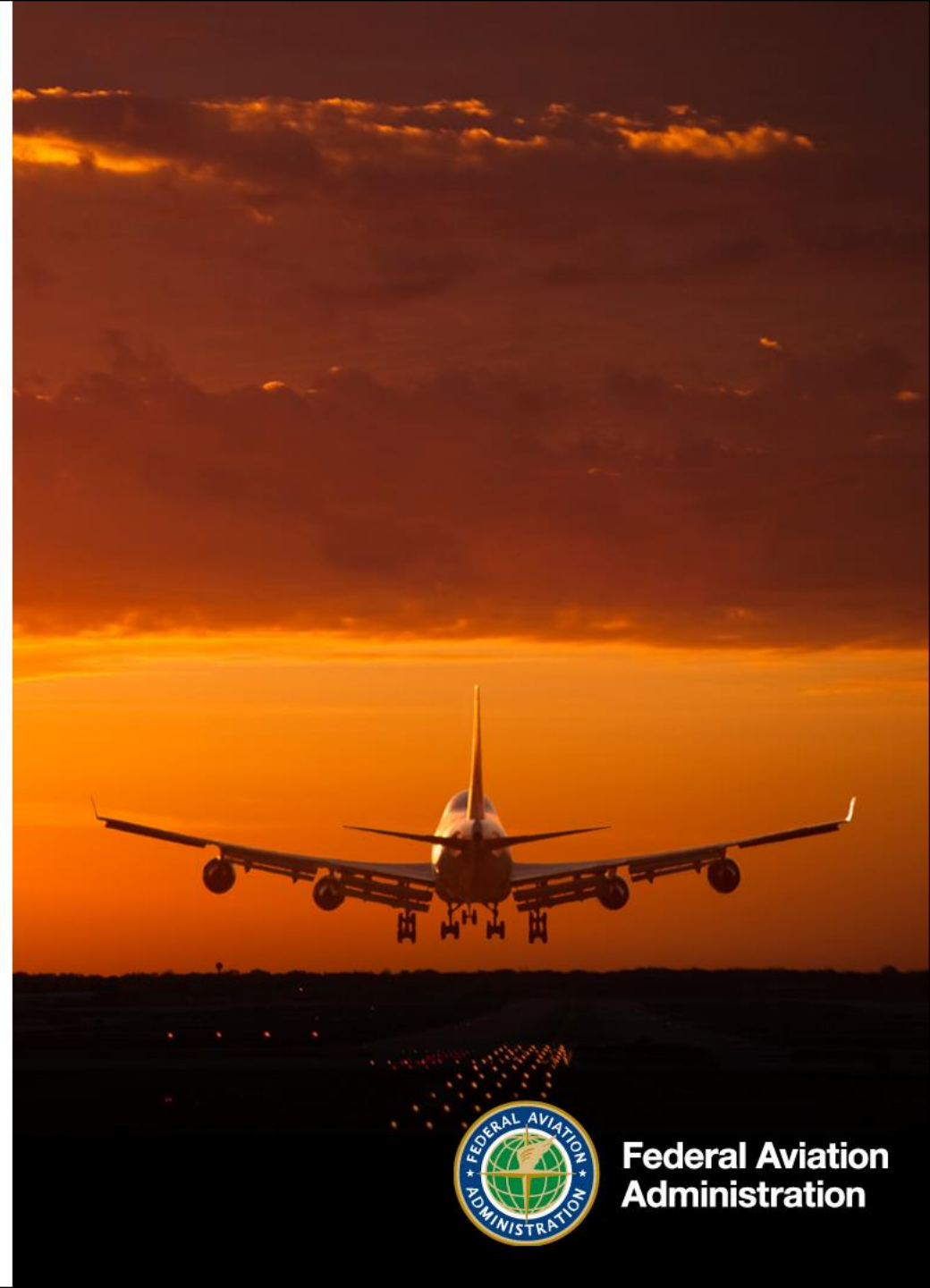


# Single Audits and Office of Airports Compliance Process

**Presented to:** Airports Compliance Workshop

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# Grant Assurances (GA)

## GA #1 – General Federal Requirements

- **Federal Legislation**
  - X. Single Audit Act of 1984
- **Federal Regulations**
  - 2 CFR Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
  - GA #13– Accounting System, Audit and Record Keeping Requirement



# What is a Single Audit?

- An audit procedure
  - Done by independent CPA firm
  - Done on non-federal entities that spend \$750,000 or more in federal funds during a fiscal year.
- Ensures these entities are using federal funds in accordance with various laws, regulations, and specific conditions of federal grants or contracts.



# Audit Report Submission (§ 200.512 )

- **When.** The earlier of 30 calendar days after receipt of the auditor's report(s) or 9 months after the end of the audit period.
- **Reporting package.** The reporting package must include the following:
  - Financial statements and schedule of expenditures of Federal awards discussed.
  - Summary schedule of prior audit findings.
  - Auditor's report(s).
  - Corrective action plan discussed in § 200.511(c).
- **Submission to FAC.** The auditee must electronically submit to the FAC the data collection form and the reporting package to the Federal Audit Clearinghouse (FAC).



# Federal Audit Clearinghouse (FAC)

- The Federal Audit Clearinghouse (FAC) operates as a central repository for Single Audit reports and data. Its primary purpose is to distribute audit information to federal agencies to be used in oversight, monitoring, and management of federal awards.
- Additionally, the public can access these audit reports, promoting transparency and accountability in the use of federal funds.



# Upcoming Changes to Report Filing Requirements

- The threshold for requiring a Single Audit has been raised from \$750,000 to \$1 million
- The cognizant agency for audit or oversight agency for audit may authorize an extension when the nine-month timeframe would place an undue burden on the auditee
- Scheduled for Implementation in October 2024
- (We're seeking guidance from OMB on the duration of the extension and identifying the FAA or DOT office responsible for its approval)



# Role of ACO in Single Audits

- Awarding Agency Responsibilities
  - Provide technical assistance to auditees
  - Follow-up on findings to ensure auditee took appropriate and timely corrective action
  - Issue Management Decision
  - Updates to Compliance Supplement Appendix XI



# Auditee Responsibilities § 200.508

- Procure and arrange for the audit
- Prepare financial statements
- Prepare Schedule of Expenditures of Federal Awards in accordance with § 200.510 (b) (2)





# Auditor's Responsibilities (§§ 200.514 - 200.520)

- Conduct Audit in Accordance with GAGAS
- Establish Auditor Objectives
- Research Federal Assistance Awards
- Test Internal Controls
- Audit Findings
  - Auditors must issue reports on financial statements, internal control over financial reporting, and compliance for major federal programs, following required formats and including findings and questioned costs



# Office of Inspector General Involvement

- Oversight of FAA
- OIG Audits FAA Every 3 Years
- Quality Control Reviews of Single Audits



# Remedies for Non-Compliance (§ 200.339)

- If a Non-Federal Entity Fails to Comply...
- Temporarily withhold cash payments
- Disallow activity associated with non-compliance
- Suspend or terminate the award
- Withhold further Federal Awards



# CFR Resources – Where to find?

- [2 CFR Part 200 Subpart F](#)
- [Compliance Supplement](#) (OMB)



# Process

- ACO-200 will address all findings from Single Audit Reports concerning AIP grants
- Semi-annual or quarterly audit report downloads from FAC



# ACO-200 Review Procedures

- Review airport sponsors' findings and their corresponding corrective action plans related to AIP grant findings
- Distribute emails to airport sponsors to request updates on the status of corrective action plans
- A 30-day response period is required



# ACO-200 Review Procedures (Cont.)

- Evaluate the appropriateness of airport sponsor's responses
- Engage directly with airport sponsors to address Single Audit findings, recommendations, and corrective action plans
- Formulate and issue management decision emails upon resolution of findings
- Submit close-outs package to OIG/OST as required



# Non-Response/Non-Compliance

- Issue a second email notice after 30 days of non-response
- After another 30 days of non-response, escalate to the RO for follow-up
- In case of continued failure to respond, refer to § 200.339 for applicable remedies





# RO's Responsibility

- Follow-up on previously unresolved findings
- The RO will collaborate directly with airport sponsors to resolve remaining Single Audit findings
- The ACO-200 will review the close-out packages prepared by the RO
- The ACO-200 will submit close-outs to OIG/OST as necessary

