

J. SINGLE AUDIT

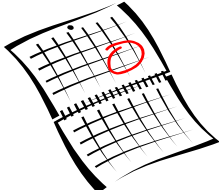
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Critical Date	
	<ul style="list-style-type: none">• November 4, 2009 – Pick up FMS FA94 Report• November 18, 2009 – Return FMS FA94 Report

A. OVERVIEW

Introduction

The Single Audit Amendments Act (Public Law 104-56) was enacted into law in July 1996 and replaced the Single Audit Act of 1994. The Amendment established a law to streamline and improve the effectiveness of audits of Federal awards for state and local governments and not-for-profit organizations. To implement the requirements of the Single Audit Amendment Act of 1996, the Federal Office of Management and Budget (OMB) issued Circular A-133 “Audits of States and Local Governments and Non-Profit Organizations”.

What is the Single Audit?

The single audit comprises the audit of a non-federal entity’s activities and programs which expend federal awards during a fiscal year. The single audit is based on Federal guidelines as established in the Single Audit Amendments Act of 1996 and OMB Circular A-133. A single audit is conducted by independent auditors.

The City of New York Single Audit

The New York City Single Audit includes an examination of the financial records, internal controls and compliance with Federal laws and regulations for both the Federal programs and the City as a whole.

Focus of the Audit of the City’s Financial Statements

The audit of the City’s financial statements is designed to determine whether the statements are *fairly presented in all material respects; and whether the presentation is in accordance with Generally Accepted Accounting Principles (GAAP)*.

Focus of the Audit of the City’s Federal Awards

The objective of the audit of Federal awards is to determine whether Federal funds were expended appropriately and in compliance with applicable laws and regulations.

The City's Single Audit Reporting Responsibilities Include:

- Understanding the audit requirements
- Defining the audit entity
- Coordinating the Single Audit process among its various agencies receiving Federal awards and submitting the Single Audit reporting package to the Federal Clearinghouse

Single Audit Reporting Package

Under OMB Circular A-133, the City is required to submit a Single Audit reporting package to the Federal Clearinghouse. The City may also submit the Single Audit reporting package to other Federal agencies, and to pass-through entities (at their request).

The Single Audit reporting package includes:

- The City Single Audit Reports
- Data Collection Form
- Summary of prior audit findings
- Corrective action plan

Single Audit Report

The New York City Single Audit Report consists of:

The independent auditors' report on:

- The City's Financial Statements and Supplementary Schedule of Expenditures of Federal Awards
- Report on Compliance and on Internal Control over Financial Reporting based on an audit of the City's Financial Statements performed in accordance with Government Auditing Standards
- Report on Compliance with requirements applicable to each Major Program and on Internal Control over Compliance in accordance with OMB Circular A-133

Schedule of Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards

Independent Auditors

The City's independent auditors, Deloitte & Touche, LLP, will conduct the City of New York Single Audit.

As one of the initial steps in conducting the City's Single Audit, the Auditors must determine Major programs for review. Type A Major Programs for the City would predominantly be programs with more than \$30 million of total Federal awards.

It is imperative that you e-mail or call Natilie Laws before July 14th to report all Federal programs that exceed or may come close to \$30 million for Fiscal Year 2009.

The Mayor of the City of New York and the Office of the Comptroller

The New York City Single Audit is completed through the coordinated efforts of the Mayor's Office of Operations, the Mayor's Office of Management and Budget and the Office of

the Comptroller. Cooperation of all City agencies covered by the requirements is crucial to the successful completion of the Single Audit.

The New York City Office of the Comptroller prepares the Schedule of Expenditures of Federal Awards, coordinates the issuance of the City's Single Audit Report; assists in the coordination of the audit by the independent auditors; and provides technical guidance through the issuance of Comptroller's Directives.

Internal Controls

To assist City agencies in maintaining adequate internal controls and achieving compliance with Federal laws and regulations, the Office of the Comptroller requires that agencies complete the Office of the Comptroller's Directive 1 Questionnaire, "Agency Evaluation of Internal Controls."

Schedule of Expenditure of Federal Awards

The Single Audit Amendments Act of 1996 and OMB A-133 require the preparation of a Schedule of Expenditures of Federal Awards. The Schedule must include the following:

- List Federal programs by CFDA number for each Federal agency
- Identification of pass-through entities
- The total amount of Federal awards expended during the year.

The Schedule of Expenditures of Federal Awards is prepared by the Office of the Comptroller, in coordination with City agencies. The preparation of the Schedule involves the following process.

The City of New York's Financial Management System (FMS) generates report FA94. This report should reflect the total federal expenditures incurred by City agencies during the fiscal year. The report is distributed to City agencies for review and reconciliation. Once the data is reviewed and returned by agencies, the Office of the Comptroller prepares the Schedule of Expenditures of Federal Awards which is then submitted to the independent auditors for examination and inclusion in the City of New York Single Audit Report.

Procedures

The preparation of the Schedule of Expenditures of Federal Awards follows the accrual basis of accounting. Therefore, agencies should make sure that all federal assistance expenditures incurred by them during the fiscal year are included in their report.

To ensure the accuracy of the data and fair presentation of the schedule of Expenditures of Federal Awards, the Office of the Comptroller requires that agencies perform the following:

- Review the schedule to ensure that all data stated is correct
- Reconcile the amounts in the Schedule to their internal records
- Ensure that the CFDA numbers (or other identifying numbers) are accurate
- Ensure that the review takes into account all Federal assistance expended by the agency including those programs received from a *pass-through entity* as well as *non-cash assistance* and any grant not accounted for in the RMDS report, or FMS FA 94 report.
- Include the reviewer's signature, title and telephone number on each page of the report.

Report Deadline

The FMS FA94 report prepared by the Office of the Comptroller will be available for distribution or pick up on **November 4th**. Agencies must submit the reviewed and reconciled report to the Office of the Comptroller by **November 18th**.