

## I. SINGLE AUDIT

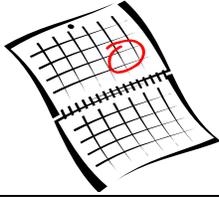
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### Critical Date

- **October 1, 2014** – Distribution of FMS Accounting Report of Federal Awards
- **October 15, 2014** – Return FMS Accounting Report of Federal Awards via email (in PDF Format)

## 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 Department's 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 Department, 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, will conduct the City of New York Single Audit.

As part of the initial steps and conducting the City's Single Audit, the Auditors must determine Major programs for review and funding received from the following programs: Research and Development (R&D), American Recovery and Reinvestment Act (ARRA), and Federal Emergency Management Agency (FEMA) grants.

### **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 Departments 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 Departments in maintaining adequate internal controls and achieving compliance with Federal laws and regulations, the Office of the Comptroller requires that Departments complete the Office of the Comptroller's Directive 1 Questionnaire, "Department 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 Department
- 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 Departments. The preparation of the Schedule involves the following process.

The City of New York's Financial Management System (FMS Accounting) generates the report for Federal Awards. This report should reflect the total federal expenditures incurred by City Departments during the fiscal year. The report is distributed to City Departments for review and reconciliation. Once the data is reviewed and returned by Departments, 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, Departments should make sure that all federal assistance expenditures incurred by them during the fiscal year are included in their Report of Federal Awards.

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 Departments perform the following:

- Review the Report of Federal Awards to ensure that all data stated is correct
- **Reconcile the amounts in the report to their internal records. If a difference is found in the amount or the CFDA no., please provide supporting documentation to corroborate the manual adjustment. The documentation provided should include FMS Accounting Document ID's, grantor letter, grant agreement, etc.,.**
- Ensure that the CFDA numbers (or other identifying numbers) are accurate
- Ensure the Accuracy of the Pass-Through Grantor and indicate it beside each grant program.

- Ensure that the review takes into account all Federal assistance expended by the Department including those programs received from a *pass-through entity* as well as *non-cash assistance* and any grant not accounted for on the report for Federal Awards.
- Include the signatures of the preparer and reviewer, along with their title and telephone number; in addition the signature of the Fiscal Officer on the final page of the report.

### **Report Deadline**

The FMS Accounting Report for Federal Awards will be distributed on **October 1, 2014**. Departments must submit the reviewed and reconciled report to the Office of the Comptroller by **October 15, 2014** via email (in PDF format).