

## G. SINGLE AUDIT

Minyu Chen

E-mail: [singleaudit@comptroller.nyc.gov](mailto:singleaudit@comptroller.nyc.gov)

	<b><u>Critical Dates</u></b>
	<ul style="list-style-type: none"><li>• <b>July 10, 2020</b> – Distribution of R&amp;D survey</li><li>• <b>July 24, 2020</b> – Return R&amp;D Survey via email</li><li>• <b>October 6, 2020</b> – Distribution of FMS Accounting Report of Federal Awards</li><li>• <b>October 23, 2020</b> – Return FMS Accounting Report of Federal Awards via email</li></ul>

## 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”.

In late 2013, the Office of Management and Budget (OMB) released new guidance on *Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, also known as the “*Super Circular*.” This Guidance supersedes and streamlines requirements contained in previously issued OMB Circulars including the A-133, by consolidating the requirements into one uniform guidance.

### **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 recently implemented Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards issued by the US Office of Management and Budget on December 26, 2013. 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.

## **Single Audit Report**

The City's independent auditors 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.

An R&D survey will be distributed on July 10, 2020. The purpose of this survey is to collect information regarding Fiscal Year 2020 awarded R&D funding as well as whether or not the Agency has had spending and/or reimbursement activity during Fiscal Year 2020 for which the R&D funding was awarded in a prior Fiscal Year. The completed survey is due back to the Comptroller's Office via email by July 24, 2020.

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 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 the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

## **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

### Background

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires 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.
- The total amount of Federal awards expended during the year.
- Identification of Pass-Through grantors. The Pass-through grantor is considered to be a non-federal entity for which federal awards are provided to the City. For Federal awards received through a pass-through grantor, the identifying number (contract number) assigned by the pass-through entity must also be indicated on the schedule.
- Identification of liquidated amounts passed through to Subrecipients during FY 2020. The Subrecipient is considered to be a non-City agency for which a City agency passes federal awards to.

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.

### 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 of Federal Awards.

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 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.

### Agency Verification Process:

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 Report of Federal Awards to ensure that all data stated is correct. Please note that the NYC Office of Management and Budget will verify all items for CFDA number 97.036.
- **Reconcile the amounts in the report to 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 are accurate.
- Ensure the Accuracy of the Pass-Through Grantor and indicate it beside each grant program.
- Enter the identifying number (contract number) assigned by the Pass-Through Grantor. Review for accuracy.
- 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 on the report for Federal Awards.
- Enter the total liquidated amount passed through in FY 2020 to subrecipients by CFDA number in where The City acts as the pass through grantor. ***As a reminder, Expenditures to subrecipients should be reflected in the SEFA as actual amounts paid in FY 2020 to the subrecipients. These amounts should not be included in the URE setup for FY 2020 as prescribed in section C of this manual.***
- Include the completed Single Audit Representation Letter with the Report of Federal Awards.

***NOTE: All Information provided should be reviewed for accuracy prior to submission to the Comptroller's Office.***

### **Report Deadline**

The FMS Accounting Report for Federal Awards will be distributed on **October 6, 2020**. Agencies must submit the reviewed and reconciled report, along with the Single Audit Representation Letter, to the Office of the Comptroller Bureau of Accountancy by **October 23, 2020** via email to [singleaudit@comptroller.nyc.gov](mailto:singleaudit@comptroller.nyc.gov).

**SINGLE AUDIT REPRESENTATION**

---

Date: \_\_\_\_\_

Ms. Veronika Musheyeva  
Accounting Compliance Division  
Bureau of Accountancy  
Office of the Comptroller  
One Centre Street– Room 200 South  
New York, NY10007

Dear Ms. Musheyeva:

We represent to you that the following has been certified by our agency:

\_\_\_\_\_ The items listed in the attached Fiscal Year 2020 CWA-FEDAST-001 report have been reviewed and verified for all CFDA numbers; excluding CFDA 97.036 as the NYC Office of Management and Budget will confirm the amounts for this CFDA.

\_\_\_\_\_ During Fiscal Year 2020 our agency acted as a pass through grantor providing Federal Awards to Subrecipients. The amounts entered into the CWA-FEDAST-001 report by our agency representing the amounts passed through to Subrecipients have been reviewed and verified.

\_\_\_\_\_ During Fiscal Year 2020 our agency did not act as a pass through grantor of Federal Awards to Subrecipients.

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Agency Name: \_\_\_\_\_

Cordially,

\_\_\_\_\_  
Signature

**THIS FORM CAN BE DOWNLOADED FROM THE COMPTROLLER'S WEBSITE, COMPLETED AND RETURNED ELECTRONICALLY.**