

Louisiana Department of Energy and Natural Resources

EFFECTIVE DATE: 5/1/2024



Single Audit Requirement Policy

SINGLE AUDIT REQUIREMENTS for Subrecipients

Audit Requirements for States, Local Governments and Non-Profit Organizations

All States, Local Governments and Non-Profit Organizations that expend \$750,000 or more in federal funds, exclusive of cost share, in any entity's fiscal year are required to have a single audit conducted in accordance with **2 CFR 200 Subpart F** - <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#subpart-F>. The scope of the audit must assess whether the recipient is in compliance with the cost share arrangement set forth in the terms of the award.

An independent auditor must:

1. Perform an audit of the financial statement(s) for the federal program in accordance with Generally Accepted Government Auditing Standards (GAGAS);
2. Obtain an understanding of internal controls and perform tests of internal controls over the federal programs;
3. Perform procedures to determine whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on the federal program;
4. Follow up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee; and
5. Report any audit findings.

Any entity that expends less than \$750,000 in federal funds in a fiscal year is not required to have a single audit performed.

The following checklist represents the content that must be addressed in a Single Audit reporting package.

Single Audit Checklist		
Requirement	Component	Reference
Required	Financial Statements	2 CFR 200.510(a)
Required	Schedule of Expenditures of Federal Awards	2 CFR 200.510(b)
Required, if there were Prior Audit Findings	Summary Schedule of Prior Audit Findings	2 CFR 200.511(b)
Required	Auditor's Report	2 CFR 200.515
	<u>Opinion/Disclaimer on Financial Statements</u> - whether the financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles	2 CFR 200.515(a)
	<u>Opinion on Schedule of Expenditures of Federal Awards</u> - whether the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole	2 CFR 200.515(a)

	<u>Internal Control</u> - report on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements	2 CFR 200.515(b)
	<u>Compliance</u> - report on compliance for each major program and a report on internal control over compliance	2 CFR 200.515(c)
	Schedule of Findings & Questioned Costs	2 CFR 200.515(d)
Required if there are audit findings	Recipient's Corrective Action Plan	2 CFR 200.511(c)

Audit Requirements for For-Profit Organizations

The For-Profit Audit Requirements are set forth in **2 CFR 910 Subpart F**.

For-Profit entities that expend \$750,000 or more in federal funds, excluding cost share, in a fiscal year are required to have a compliance audit conducted in accordance with **2 CFR 910 Subpart F**. Notwithstanding the exclusion of cost share in determining whether the \$750,000 threshold has been exceeded, the scope of the audit must assess whether the recipient is in compliance with the cost share arrangement set forth in the terms of the award.

An independent auditor must:

1. Perform the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS);
2. Include an opinion on the financial statements in its reporting package if the grantee received an opinion on its financial statements. If no such opinion has been rendered, there is no requirement to include the opinion in the reporting package;
3. Render an opinion on the fair presentation of the schedule of expenditures of the federal award(s) in relation to the financial statements (if financial statements are available). If the auditor performs a financial statement audit of the grantee under the auditing standards of either the American Institute of Certified Public Accountants (AICPA) or the Public Company Accounting Oversight Board (PCAOB), the auditor will report on the Schedule of Expenditures of federal award(s) in relation to the financial statements as a whole under either AICPA or PCAOB standards, as applicable;
4. Gain an understanding of internal control structures over the federal award; and
5. Audit and provide an opinion on compliance with requirements.

When a For-Profit recipient has multiple federal awards and one or more of the awards have expenditures of \$750,000 or more of federal funds in a fiscal year, a compliance audit is required for each of the awards with \$750,000 or more in expenditures. The remaining awards do not require, individually or in the aggregate, a compliance audit. Recipients that have total expenditures of \$750,000 or more but that do not have any single award with expenditures of \$750,000 or more are required to have a compliance audit of the awards in the aggregate (i.e., as a cluster of awards).

For-Profit Audit Checklist		
Requirement	Component	Reference
Required	Financial Statements	2 CFR 910.510(a)
Required	Schedule of Expenditures of Federal Awards	2 CFR 910.510(b)
Required, if there were Prior Audit Findings	Summary Schedule of Prior Audit Findings	2 CFR 910.511(b)
Required	Auditor's Report	2 CFR 910.515
	<u>Opinion/Disclaimer on Financial Statements</u> - whether the financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles	2 CFR 910.515(a)
	<u>Opinion on Schedule of Expenditures of Federal Awards</u> - whether the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole	2 CFR 910.515(a)
	<u>Internal Control</u> - report on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements	2 CFR 910.515(b)
	<u>Compliance</u> - report on compliance for each major program and a report on internal control over compliance	2 CFR 910.515(c)
	Schedule of Findings & Questioned Costs	2 CFR 910.515(d)
Required if there are audit findings	Recipient's Corrective Action Plan	2 CFR 910.511(c)

If the subrecipient indicates they are subject to the Single audit requirement, then the subrecipient is instructed to submit a copy of their completed Single audit report to LDENR **within nine months of the subrecipient's year end**. If the subrecipient indicates they are not subject to the audit requirement, then the subrecipient is instructed to provide an explanation.

QUESTIONS

Questions regarding this policy should be directed to DENR's Fiscal Department.

AUTHORIZATION:

Mark Normand, Undersecretary