

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

DEPARTMENTAL REGULATION	NUMBER: DR 2400-006
SUBJECT: Single Audit: Audit Follow Up – Management Decision – Compliance Supplement	DATE: October 30, 2020
OPI: Office of the Chief Financial Officer	EXPIRATION DATE: October 30, 2025

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1. PURPOSE

- a. The United States Department of Agriculture (USDA) policy for effective implementation of the *Single Audit Act Amendments of 1996*, Public Law (P.L.) 104-156, and *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ([*Uniform Guidance*](#)), 2 Code of Federal Regulation (CFR) Part 200, which require that non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR part 200.
- b. This Departmental Regulation (DR) requires Mission Area, agency, business unit, and staff office Key Program Officials to use the results of single audits to:
 - (1) Issue management decisions 30 days prior to submission to the FAC to ensure recipients of USDA awards resolve current year and recurring findings identified in their single audit reports; and

- (2) Summarize and communicate single audit results and recipient actions to audit findings to Single Audit Key Management Liaison Officials for their use in evaluating Mission Area, agency, business unit, and staff office's program staff oversight and monitoring of recipient performance and identifying programwide and recipient-specific problem areas needing management attention.

2. SCOPE

- a. This DR applies to all Mission Areas, agencies, business units and staff offices responsible for managing single audits and Federal financial awards.
- b. All USDA Mission Areas, agencies, and staff offices may use this DR as their internal guidance or may create their own policy, but may not create a policy that is less comprehensive or not in compliance with this DR.

3. SPECIAL INSTRUCTIONS/CANCELLATIONS

- a. This DR incorporates the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*) dated December 26, 2013. In developing the guidance, OMB consolidated existing OMB circulars (which are no longer in effect) into a single set of requirements codified at 2 CFR Part 200. OMB circulars consolidated in the *Uniform Guidance* include:
 - (1) Circular [A-21](#), *Cost Principles for Educational Institutions*, revised May 10, 2004;
 - (2) Circular [A-87](#), *Cost Principles for State, Local and Indian Tribal Governments*, revised May 10, 2004;
 - (3) Circular [A-89](#), *Federal Domestic Assistance Program Information*, revised August 17, 1984;
 - (4) Circular [A-102](#), *Grants Awards and Cooperative Agreements with State and Local Governments*, August 29, 1997;
 - (5) Circular [A-110](#), *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, November 19, 1993, as further amended September 30, 1999;
 - (6) Circular [A-122](#), *Cost Principles for Non-Profit Organizations*, revised May 10, 2004;
 - (7) Circular [A-133](#), *Audits of States, Local Governments, and Non-Profit Organizations*, June 26, 2007; and

- (8) Sections of Circular [A-50](#), *Audit Follow-up* (revised September 29, 1982) related to audits performed under 2 CFR Part 200, Subpart F, *Audit requirements*.
- b. All USDA agencies, Mission Areas, business units and staff offices will align their single audit policies and procedures with this DR within 6 months of the publication date.
- c. This policy is effective immediately and remains in effect until it is superseded or expiration.

4. BACKGROUND

The *Single Audit Act Amendments of 1996* and *Uniform Guidance* are intended to promote sound financial management, including effective internal control over Federal awards expended by non-Federal entities (NFE). The audits required by the *Single Audit Act Amendments of 1996* are a critical element in the Federal Government's ability to ensure that Federal funds are properly used. Each year, about 30,000 single audits are conducted with several thousand identifying weaknesses in auditees' financial management and internal control systems. The Federal Government must take timely and effective action to ensure that these weaknesses are corrected, not only for effective program operations, but also to minimize improper payments.

The single audit is a rigorous, organization wide examination of NFEs that expend \$750,000 or more in Federal awards per fiscal year. It is performed annually and encompasses both financial and compliance components. The financial review examines whether the statements and transactions fairly and accurately describe the results of the recipient's operations, in accordance with Generally Accepted Accounting Principles (GAAP). The compliance review, on the other hand, examines whether the recipient has complied with laws, regulations, and the provisions of contracts and Federal financial assistance agreements that may have a direct and material effect on each of the recipient's programs. All NFEs that expend \$750,000 or more of Federal awards during the entities' fiscal year are required to have a single or program specific audit conducted for that year. In addition, NFEs must submit all required documentation to the *Federal Audit Clearinghouse (FAC)* or its successor system for archival purposes and for distribution to Federal Agencies responsible for programs for which the auditor identifies a finding.

Each year, OMB issues the [Appendix XI](#) to 2 CFR Part 200, *Compliance Supplement* which is a guidebook for single audits. Compliance Supplements are updated annually and are available in their entirety on OMB's Office of Federal Financial Management website at (<https://www.whitehouse.gov/omb/management/office-federal-financial-management/>). The *Compliance Supplement* is meant to serve as a guide for auditors, any NFE that expends Federal funds should be familiar with the compliance requirements and their program-specific section of the document. The *Compliance Supplement* is an important tool to

provide Mission Areas, agencies, business units, and staff offices Key Program Officials with an understanding of what issues auditors will be focused on when conducting a Single Audit.

5. ROLES AND RESPONSIBILITIES

Mission Areas, agencies, business units, and staff offices responsibilities vary depending on whether it is a Federal Awarding Agency or has been designated as a cognizant or oversight agency for audit. Cognizance or oversight for multiple agencies that provide awards to the same recipient will be determined based on the information provided in the Appendix B, *Definitions* (see h, *Cognizant Agency for Audit*, and bb, *Oversight Agency for Audit*) of this document.

- a. The Secretary or Deputy Secretary of Agriculture will designate the Single Audit Key Management Liaison Official for USDA from among the senior Mission Area, agency, business unit, and staff office policy officials (e.g., Under Secretary, Agency Administrator or Chief). Within the Office of the Chief Financial Officer (OCFO), the Chief Financial Officer (CFO) has been designated as the Single Audit Key Management Liaison Official.
- b. The CFO will coordinate with the Mission Area, agency, business unit, and staff office Key Program Officials to:
 - (1) Develop and establish baseline metrics and targets;
 - (2) Track the effectiveness of the Mission Area, agency, business unit, and staff office's process to follow up on audit findings; and
 - (3) Provide guidance on the effectiveness of single audits in improving NFE accountability and their use by Single Audit Key Management Liaison Official in making award decisions.
- c. The Under Secretary, Agency Administrator or Chief, or Staff Office Director will designate Mission Areas, agencies, business units, and staff offices Key Program Official who will act as the point of contact for Mission Area, agency, business unit, or staff office's Single Audit Liaison office.
- d. The Single Audit Key Management Liaison Official will:
 - (1) Delegate some or all the responsibilities under this section to the Director of the Single Audit Liaison Office;
 - (2) Provide single audit follow-up, management decision, and *Compliance Supplement* policy and oversight to the agencies;
 - (3) Participate in the Governmentwide single audit conferences or other symposiums;

- (4) Ensure that Mission Areas, agencies, business units, and staff offices fulfill all the single audit responsibilities requirements for Federal Agencies and effectively use the single audit process to reduce improper payments and improve Federal program effectiveness;
 - (5) Develop a baseline, metrics, and targets to track the effectiveness of Mission Areas, agencies, business units, and staff offices processes to follow up on audit findings; and the effectiveness of single audits in improving NFE accountability and their use by agencies in making award decisions;
 - (6) Be held accountable to improve the effectiveness of the single audit process;
 - (7) Ensure USDA provides annual updates of the *Compliance Supplement* to OMB if required; and
 - (8) Issue reporting guidelines and data calls, as deemed necessary.
- e. The Mission Area, agency, business unit, and staff office Key Program Officials will:
- (1) Serve as the Single Audit Liaison Office point of contact for the single audit process;
 - (2) Use single audits as an oversight and monitoring tool to ensure that recipients are properly utilizing Federal funds and address audit findings identified in their Single Audit Report;
 - (3) Promote interagency coordination, consistency, and sharing in areas such as coordinating audit follow-up; identifying higher-risk NFEs; providing input on single audit and follow-up policy; enhancing the utility of the FAC or its successor system; and studying ways to use single audit results to improve Federal award accountability and best practices;
 - (4) Oversee training for the Mission Area, agency, business unit, and staff office's program staff related to the single audit process;
 - (5) Promote the Mission Area, agency, business unit, and staff office's use of cooperative audit resolution mechanisms;
 - (6) Coordinate the Mission Area, agency, business unit, and staff office's activities to ensure appropriate and timely (one year from the issuance date of the audit report), follow-up and corrective action on audit findings;
 - (7) Organize the cognizant Mission Area, agency, business unit, and staff office for audit follow-up on crosscutting audit findings that affect the Federal programs of more than one Federal Awarding Agency;

- (8) Advise recipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements;
- (9) At its discretion, assume responsibility for arranging the required audit and overseeing its performance, including imposing additional or more stringent requirements on a recipient;
- (10) Provide technical program advice and counsel to auditees and auditors as requested;
- (11) Access the FAC or its successor system at the beginning of each quarter or more frequently if required by the Mission Area, agency, business unit, and staff office's specific policy to run and disseminate reports of auditees for their Federal programs that were identified as having audit findings and whose audit reports were processed by the FAC or its successor system in the preceding week. Audit findings are listed by the auditor in the schedule of findings and questioned costs. The Mission Area, agency, business unit, and staff office will pay particular attention to repeat findings;
- (12) Evaluate the findings contained in these reports and require the program staff to issue and track the management decisions, as well as the corrective actions taken by recipients;
- (13) Issue management decisions on audit findings that relate to Federal awards they make to NFEs within 6 months of acceptance of the audit report by the FAC or its successor system. The cognizant Mission Area, agency, business unit, and staff office for audit is responsible for coordinating a management decision for cross-cutting audit findings that affect programs of more than one Federal Agency;
- (14) Support the Single Audit Key Management Liaison Official's mission;
- (15) Provide input for the *Compliance Supplement* to OMB by the established due date;
- (16) Coordinate the OMB *Compliance Supplement* submission with Single Audit Key Management Liaison Official;
- (17) Inform OMB if there are any changes (i.e., additions or deletions) in the Mission Area, agency, business unit, and staff office's prior year programs;
- (18) Timely respond to data and reporting calls issued in writing by OCFO; and
- (19) May conduct desk and quality control reviews of selected single audit reports that are conducted by auditors to determine whether:
 - (a) Audits comply with Federal requirements; and

- (b) If there are quality deficiencies in the auditors' work that require correction or affect the reliability of audit results.
- f. The National Single Audit Coordinator (NSAC) will:
 - (1) Provide technical audit advice and liaison to auditees and auditors;
 - (2) Obtain or conduct desk reviews and quality control reviews of selected audits (as applicable) made by auditors and provide the results, when appropriate, to other interested organizations to determine whether:
 - (a) Audits comply with Federal requirements; and
 - (b) If there are quality deficiencies in the auditors' work that require correction or affect the reliability of audit results;
 - (3) Cooperate and provide support to the Federal Agency designated by OMB to lead a Governmentwide project to determine the quality of single audits by providing a statistically reliable estimate of the extent that single audits conform to applicable requirements, standards, and procedures; and to make recommendations to address noted audit quality issues, including recommendations for any changes to applicable requirements, standards and procedures indicated by the results of the project. This Governmentwide audit quality project must be performed once every 6 years beginning in 2018 or at such other interval as determined by OMB, and the results must be public;
 - (4) Advise the community of independent auditors of any noteworthy or important factual trends related to the quality of audits stemming from quality control reviews. Significant problems or quality issues consistently identified through quality control reviews of audit reports must be referred to appropriate State licensing agencies and professional bodies;
 - (5) Advise the auditor and, where appropriate, the auditee of any deficiencies found in the audit quality which requires corrective action by the auditor. When advised of audit quality deficiencies, the auditee must work with the auditor to take corrective action. If corrective action is not taken, the cognizant Mission Area, agency, business unit, and staff office for audit must notify the auditor, the auditee, and applicable Federal Awarding Agency and Pass Through Entity (PTE) of the facts and make recommendations for follow-up action. Major inadequacies or repetitive substandard performance by auditors must be referred to appropriate State licensing agencies and professional bodies for disciplinary action;
 - (6) Coordinate the audit work and reporting responsibilities among auditors to achieve the most cost-effective audit;

- (7) Provide advice to auditees as to how to handle changes in fiscal years. This is a collaborative effort between the NSAC and the Mission Area, agency, business unit, and staff office Key Program Officials;
 - (8) Promptly inform other affected Federal Agencies and appropriate Federal law enforcement officials of any direct reporting by the auditee or its auditor of irregularities or illegal acts, as required by Generally Accepted Government Auditing Standards (GAGAS) or pertinent laws and regulations. This is a shared responsibility with the Mission Area, agency, business unit, and staff office;
 - (9) When requested by a Federal Awarding Agency, notify the Mission Area, agency, business unit, and staff office of the request for cooperative management decision for cross-cutting audit findings that affect USDA programs when USDA Mission Area, agency, business unit, and staff office is not the cognizant or oversight agency for audit; and
 - (10) Provide employees of each Mission Area, agency, business unit, and staff office with access to the FAC or its successor system upon request by the Mission Area, agency, business unit, and staff office Key Program Official. Each Mission Area, agency, business unit, and staff office may then access reports on their own.
- g. The Cognizant Mission Area, agency, business unit, or staff office will:
- (1) Obtain the audit reports with findings relating to their Federal programs and distribute this information to appropriate program staff for action. Mission Area, agency, business unit, and staff office Key Program Officials, at a minimum, should access the FAC or its successor system website quarterly or more frequently if required by the Mission Area, agency, business unit, and staff office's specific policy, to search for and download appropriate audit reports. This ensures that Mission Area, agency, business unit, and staff office Key Program Officials are aware of findings as early as possible and have sufficient time to issue management decisions, which are due 6 months from the date the FAC or its successor system accepts the audit report.
 - (2) Develop mechanisms to track and ensure that auditees are submitting the single audit reports on time or as required;
 - (3) Implement policies and procedures regarding the timely issuance of the management decisions for the single audits;
 - (4) Ensure that the management decisions contain the required elements and are issued timely in accordance with the OMB Guidance; and
 - (5) Develop a risk-based approach to manage high-risk and recurring single audit findings to identify problems so that adequate resources can be dedicated to address the problem.

- h. The Oversight Mission Area, agency, business unit, and staff office will:
 - (1) Provide technical program advice to auditees and auditors, as requested; and
 - (2) Assume all or some of the responsibilities normally performed by a cognizant Mission Area, agency, business unit, and staff office for audit.

6. RECORDS RETENTION REQUIREMENTS

Mission Areas, agencies, business units, and staff offices will destroy single audit related files 3 years after final action is taken to address audit findings, but longer retention is authorized if required for business use. (Source: [2 CFR § 200.333](#), *Retention requirements for records*)

7. INQUIRIES

Inquiries regarding this directive should be directed to the OCFO at 202-720-5539, or via email to OCFO-Internal-Control-Staff@usda.gov.

-END-

APPENDIX A

ACRONYMS AND ABBREVIATIONS

CFDA	Catalog of Federal Domestic Assistance
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
COSO	The Committee of Sponsoring Organization of the Treadway Commission
DG	Departmental Guidebook
DR	Departmental Regulation
EO	Executive Order
FAC	Federal Audit Clearinghouse
FAR	Federal Acquisition Regulation
FASB	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
IPERIA	Improper Payment Elimination Recovery and Improvement Act
NFE	Non-Federal Entity
NSAC	National Single Audit Coordinator
OCFO	Office of the Chief Financial officer
OIG	Office of the Inspector General
OMB	Office of Management and Budget
P.L.	Public Law
PTE	Pass-through Entity
S&D	Suspension and Debarment
SAM	System for Award Management
SF-SAC	Standard Form – Single Audit Clearinghouse
U.S.C.	United States Code
USDA	United States Department of Agriculture

APPENDIX B

DEFINITIONS

- a. Agency. Organizational units of the Department, other than staff offices, whose heads report to officials within the Office of the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and Assistant to the Secretary. (Source: [DG 0100-002](#), *USDA Departmental Directives Definitions Glossary*)
- b. Agency Head. The administrator, chief, or director of an Agency who is the official named or designated to have primary responsibility for the management of the Agency as delegated under 7 CFR Part 2. (Source: [DG 0100-002](#), *USDA Departmental Directives Definitions Glossary at Page 16*)
- c. Agency Key Program Official. Mission Area, agency, business unit, and staff office key management liaison responsible for audit resolutions and single audit policy within the USDA.
- d. Catalog of Federal Domestic Assistance (CFDA) Number. The beta.SAM.gov system assigns each assistance listing a unique number that follows the assistance listing throughout the assistance lifecycle. This enables data and funding transparency. (Source: [Federal Service Desk](#) web page)
- e. Audit Finding. Deficiencies which the auditor is required by § 200.516 Audit findings, paragraph (a) to report in the schedule of findings and questioned costs.. (Source: [2 CFR § 200.5](#), *Audit finding*)
- f. Auditee. Any non-Federal entity that expends Federal awards which must be audited under Subpart F—Audit Requirements. (Source: [2 CFR § 200.6](#), *Auditee*)
- g. Auditor. A public accountant or a Federal, state or local government audit organization, which meets the general standards specified in generally accepted government auditing standards (GAGAS). The term auditor does not include internal auditors of nonprofit organizations. (Source: [2 CFR § 200.7](#), *Auditor*)
- h. Cognizant Agency for Audit. The Federal awarding agency that provides the predominant amount of direct funding to a non-Federal entity unless OMB designates a specific cognizant agency for audit. (Source: [2 CFR § 200.513](#), *Responsibilities, paragraph (a)*). (Source: [2 CFR § 200.18](#), *Cognizant agency for audit*)
- i. Compliance Supplement. Compliance Supplement (previously known as the Circular A-133, *Compliance Supplement*). The *Compliance Supplement* is an extensive United States Federal Government guide which is created by the OMB and is used in auditing Federal assistance and Federal grants programs as carried by their recipients. (The *Compliance Supplement* (<https://www.whitehouse.gov/omb/management/office-federal->

[financial-management/](#)) may be found at [2 CFR Part 200, Appendix XI](#))

- j. Cooperative Audit Resolution. The use of audit follow-up techniques which promote prompt corrective action by improving communication, fostering collaboration, promoting trust, and developing an understanding between the Federal Agency and the NFE. This approach is based upon:
- (1) A strong commitment by Federal Agency and NFE leadership to program integrity;
 - (2) Federal Agencies strengthening partnerships and working cooperatively with NFEs and their auditors; and NFE entities and their auditors working cooperatively with Federal Agencies;
 - (3) A focus on current conditions and corrective action going forward;
 - (4) Federal Agencies offering appropriate relief for past non-compliance when audits show prompt corrective action has occurred; and
 - (5) Federal Agency leadership sending a clear message that continued failure to correct conditions identified by audits which are likely to cause improper payments, fraud, waste, or abuse is unacceptable and will result in sanctions.

(Source: [2 CFR § 200.25](#), *Cooperative Audit Resolution*)

- k. Corrective Action. Action taken by the auditee that:
- (1) Corrects identified deficiencies;
 - (2) Produces recommended improvements; or
 - (3) Demonstrates that audit findings are either invalid or do not warrant auditee action.

(Source: [2 CFR § 200.26](#), *Corrective action*)

- l. Cross-Cutting Audit Finding. An audit finding where the same underlying condition or issue affects Federal awards of more than one Federal Awarding Agency or a PTE.
(Source: [2 CFR § 200.30](#), *Cross-cutting audit finding*)

- m. Disallowed Costs. Costs charged to a Federal award that the Federal Awarding Agency or a PTE determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award. (Source: [2 CFR § 200.31](#), *Disallowed costs*)

- n. Federal Audit Clearinghouse (FAC). The clearinghouse designated by OMB as the repository of record where NFEs are required to transmit the reporting packages required by *Single Audit Act Amendments of 1996 and Uniform Guidance*. (Source: [2](#)

[CFR § 200.36](#), *Federal Audit Clearinghouse (FAC)*)

- o. Federal Award. Has the meaning, depending on the context, in either (1) or (2), as described below:
- (1) The Federal financial assistance that NFE receives directly from a Federal Awarding Agency or indirectly from a PTE or the cost-reimbursement contract under the FAR that NFE receives directly from a Federal Awarding Agency or indirectly from a PTE, as described in [2 CFR § 200.101](#), *Applicability*.
 - (2) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in [2 CFR § 200.40\(b\)](#), or the cost-reimbursement contract awarded under the FAR.
 - (3) Federal award does not include other contracts that a Federal Agency uses to buy goods or services from a contractor or a contract to operate Federal government owned, contractor operated facilities (GOCOs).
 - (4) See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.
- (Source: [2 CFR § 200.38](#), *Federal award*)
- p. Federal Awarding Agency. The Federal Agency that provides a Federal award directly to NFE. (Source: [2 CFR § 200.37](#), *Federal awarding agency*)
- q. Federal Financial Assistance: (Source: [2 CFR § 200.40](#), *Federal financial assistance*)
- (1) Assistance that non Federal entities receive or administer in the form of grants; cooperative agreements; non-cash contributions or donations of property (including donated surplus property); direct appropriations; food commodities; and other financial assistance, except assistance that non Federal entities receive or administer in the form of loans, loan guarantees, interest subsidies, and insurance.
 - (2) Federal financial assistance does not include amounts received as reimbursement for services rendered to individuals as described in § 200.502 Basis for determining Federal awards expended.
- r. Federal Program: (Source: [2 CFR § 200.42](#), *Federal program*)
- (1) All Federal awards which are assigned a single number in the Assistance Listing.
 - (2) When no Assistance Listing number is assigned, all Federal awards to NFE from the same agency made for the same purpose must be combined and considered one program.

- (3) Notwithstanding paragraph r(1) and r(2) above, a cluster of programs. The types of clusters of programs are research and development; student financial aid; and “other clusters” As described in the Cluster of Programs.
- s. Generally Accepted Accounting Principles (GAAP). Has the meaning specified in accounting standards issued by the Government Accounting Standards Board and the Financial Accounting Standards Board. (Source: [2 CFR § 200.49](#), *Generally Accepted Accounting Principles (GAAP)*)
 - t. Generally Accepted Government Auditing Standards (GAGAS). Auditing standards issued by the Comptroller General of the United States, which are applicable to financial audits. (Source: [2 CFR § 200.50](#), *Generally Accepted Government Auditing Standards (GAGAS)*)
 - u. Improper Payment. Any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. Improper payments include any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper. (Source: [2 CFR § 200.53](#), *Improper payment*)
 - v. Internal Controls. A process, implemented by NFE, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (1) Effectiveness and efficiency of operations;
 - (2) Reliability of reporting for internal and external use; and
 - (3) Compliance with applicable laws and regulations.(Source: [2 CFR § 200.61](#), *Internal controls*)
 - w. Management Decision. The evaluation by the Federal Awarding Agency or a PTE of the audit findings, corrective action plan, and the issuance of a written decision to the auditee as to what corrective action is necessary. (Source: [2 CFR § 200.66](#), *Management decision*)
 - x. Mission Area. A group of agencies within the related functions that report to the same Under or Assistant Secretary of USDA. (Source: [DG 0100-002](#), *USDA Departmental Directives Definitions Glossary*)
 - y. National Single Audit Coordinator (NSAC). Designated Office of the Inspector General (OIG) representative that acts as a liaison within USDA and with other Federal Agency

Key Program Officials. Within the OIG, Inspector General is responsible for designating the NSAC.

- z. Non-Federal Entity (NFE). A State, local government, Indian tribe, institution of higher education, or non-profit organization that carries out a Federal award as a recipient or Subrecipient. (Source: [2 CFR § 200.69](#), *Non-Federal entity*)
- aa. Office of Management and Budget (OMB). OMB means the Executive Office of the President, Office of Management and Budget.(Source: [2 CFR § 200.72](#), *Office of Management and Budget (OMB)*)
- bb. Oversight Agency for Audit. The Federal Awarding Agency that provides the predominant amount of funding directly to NFE is not assigned a cognizant agency for audit. When there is no direct funding, the Federal Awarding Agency which is the predominant source of pass-through funding must assume the oversight responsibilities. The duties of the oversight agency for audit and the process for any reassignments are described in § 200.513 *Responsibilities*, paragraph (b). (Source: [2 CFR § 200.73](#), *Oversight agency for audit*)
- cc. Pass-through Entity (PTE). NFE that provides a sub-award to a Subrecipient to carry out part of a Federal program. (Source: [2 CFR § 200.74](#), *Pass-through entity*)
- dd. Questioned Cost. Cost that is questioned by the auditor because of an audit finding:
 - (1) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
 - (2) Where the costs, at the time of the audit, are not supported by adequate documentation; or
 - (3) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.(Source: [2 CFR § 200.84](#), *Questioned cost*)
- ee. Recipient. NFE that receives a Federal award directly from a Federal Awarding Agency to carry out an activity under a Federal program. The term recipient does not include Subrecipients. (Source: [2 CFR § 200.86](#), *Recipient*)
- ff. Single Audit. An audit described under section 7502(d) of the Single Audit Act Amendments of 1996, of a non-Federal entity that includes the entity's financial statements and Federal awards. (Source: [Single Audit Act Amendments of 1996](#))
- gg. Single Audit Key Management Liaison Official. Agency senior management official designated in writing by the Secretary or Deputy Secretary of Agriculture.

- hh. Single Audit Liaison Office. Division within the OCFO responsible for single audit policy and providing oversight guidance to agencies.
- ii. Single Audit Reporting Package. The reporting package an auditee forwards to the FAC or its successor system together with the SF-SAC at the conclusion of a single audit. It includes the following information:
 - (1) The financial statements;
 - (2) A schedule of expenditures of Federal awards;
 - (3) Auditor's opinions on the fair presentation of the financial statements and schedule of expenditures of Federal awards;
 - (4) Auditor's report on internal control and compliance pertaining to financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements;
 - (5) Auditor's report on internal control and opinion on compliance pertaining to major programs;
 - (6) Auditor's schedule of findings and questioned costs;
 - (7) Auditee's corrective action plans; and
 - (8) A summary schedule of prior audit findings which includes planned and completed corrective actions.

(Source: [2 CFR § 200.512\(c\)](#), *Reporting Package*)

- jj. Staff Office. Departmental administrative office whose heads report to officials within the Office of the Secretary. (Source: [DG 0100-002](#), *USDA Departmental Directives Definitions Glossary*)
- kk. Standard Form – Single Audit Clearinghouse (SF-SAC). Data collection form for reporting on audits of NFEs. It contains general information on the auditee and auditor, audit information on the NFEs' financial statements, and information on Federal program compliance. It is forwarded to the FAC or its successor system together with the single audit reporting package at the conclusion of the single audit. (See [2 CFR Part 200, Appendix X](#), Federal Audit Clearinghouse Internet Data Entry System at <https://facides.census.gov/>)
- ll. Subrecipient. NFE that receives a sub-award from a PTE to carry out part of a Federal program but does not include an individual that is a beneficiary of such a program. A

Subrecipient may also be a recipient of other Federal awards directly from a Federal Awarding Agency. (Source: [2 CFR § 200.93](#), *Subrecipient*)

- mm. Suspension and Debarment. NFEs are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180, *OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement)*. These regulations restrict awards, sub-awards, and contracts with NFEs that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. (Source: [2 CFR § 200.213](#), *Suspension and debarment*)
- nn. System for Award Management (SAM). It is the official U.S. Government system that consolidated the capabilities of Central Contractor Registration/Federal Register, Online Representations and Certifications Applications, and the Excluded Parties List System. (Source: [2 CFR § 25.310](#) & [Appendix A to Part 25](#))

APPENDIX C

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