



FLORIDA DEPARTMENT OF JUVENILE JUSTICE PROCEDURE

Title: Compliance with the Florida Single Audit Act Procedures

Related Policy: FDJJ – 1810

I. DEFINITIONS

Audit Threshold - An amount used to determine when a state single audit or project-specific audit of a non-state entity shall be conducted in accordance with Section 215.97, Florida Statute (F.S.). Each non-state entity that expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year of such non-state entity, the non-state entity shall be required to have a state single audit, or a project-specific audit, for such fiscal year in accordance with the requirements of Section 215.97, F.S. Every two (2) years the Auditor General, after consulting with the Executive Office of the Governor, the Department of Financial Services, and all state awarding agencies, shall review the threshold amount for requiring audits under Section 215.97, F.S. and may adjust such threshold amounts consistent with the purposes of Section 215.97, F.S.

Auditor (Independent) - An independent certified public accountant licensed pursuant to Chapter 473, Florida Statutes.

Catalog of State Financial Assistance - A comprehensive listing of state projects. The Catalog of State Financial Assistance shall be issued by the Department of Financial Services, after conferring with the Executive Office of the Governor and all state awarding agencies. The Catalog of State Financial Assistance shall include for each listed state project: the responsible state awarding agency; standard state project number identifier; official title; legal authorization; and description of the state project, including objectives, restrictions, application and awarding procedures, and other relevant information determined necessary.

Coordinating Agency - The state-awarding agency that provides the predominant amount of state financial assistance expended by a recipient, as determined by the recipient's schedule of expenditures of state financial assistance will be designated as the coordinating agency. To provide continuity, the determination of the predominant amount of state financial assistance shall be based upon state financial assistance expended in the recipient's fiscal years ending in 2006, and every third year thereafter.

Financial Reporting Package - Non-state entities' financial statements, schedule of state financial assistance, auditor's reports, management letter, auditee's written responses or corrective action plan, correspondence on follow-up of prior years' corrective actions taken and such other information determined by the Auditor General to be necessary and consistent with the purposes of this section.

Federal Financial Assistance - Financial assistance from federal sources passed through the state and provided to non-state organizations to carry out a federal program. "Federal Financial Assistance" includes all types of federal assistance as defined in applicable United States Office of Management and Budget circulars.

Generally Accepted Accounting Principles (GAAP) - GAAP is a reference to an accepted body of accounting principles specifically defined in Statement on Auditing Standards No. 69 and, Rule 10.654, Rules of the Auditor General.

FLORIDA DEPARTMENT OF JUVENILE JUSTICE

SUBJECT: Compliance with the Florida Single Audit Act Procedures

SECTION: FDJJ - 1810P

Government Auditing Standards (GAS) - Audit standards set forth in the publication *Government Auditing Standards* (2007 Revision) issued by the Comptroller General of the United States, and any amendments thereto.

Internal Control over State Projects - Management processes designed to provide reasonable assurance regarding achievement of objectives in the following categories:

1. Effectiveness and efficiency of operations.
2. Reliability of financial operations.
3. Compliance with applicable laws and regulations.

Major State Project - Any state project meeting the criteria stated in the rules of the Department of Financial Services. Such criteria shall be established after consultation with all state awarding agencies and shall consider the amount of state project expenditures and expenses or inherent risks. Each major state project shall be audited in accordance with the requirements of this section.

Management Letter - Statement of the auditor's comments and recommendations prepared and included as a part of each audit report package submitted pursuant to s. 215.97(9)(f), F.S., unless otherwise required to be reported in the auditor's report on compliance and internal controls or *Schedule of Findings and Questioned Costs*.

The management letter shall include:

1. Violations of laws, rules, regulations, and contractual provisions that have occurred, or were likely to have occurred, and were discovered within the scope of the audit.
2. Improper or illegal expenditures discovered within the scope of the audit that may or may not materially affect the financial statements.
3. Other matters requiring correction that may or may not materially affect the financial statements reported on, including:
 - a. Improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements).
 - b. Failures to properly record financial transactions.
 - c. Other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

Non-State Entity - A local governmental entity, non-profit organization, or for-profit organization that receives state financial assistance.

Pass-through Entity - A non-profit or for-profit entity that provides *State Financial Assistance* to a sub-recipient to carry out a state project.

Recipient - A non-state entity that receives state financial assistance directly from a state awarding agency.

Schedule of Expenditures of State Financial Assistance - A document prepared in accordance with the rules of the Department of Financial Services and included in each financial reporting package required by this section.

FLORIDA DEPARTMENT OF JUVENILE JUSTICE

SUBJECT: Compliance with the Florida Single Audit Act Procedures

SECTION: FDJJ - 1810P

State Awarding Agency - A state agency, as defined in s. 216.011, F.S., that is primarily responsible for the operations and outcomes of a state project, regardless of the state agency that actually provides state financial assistance to a non-state entity.

State Financial Assistance - State resources, excluding federal financial assistance and state match funding on federal programs, provided to non-state entities to carry out a state project. *State financial assistance* includes the types of state resources stated in the rules of the Department of Financial Services established in consultation with all state awarding agencies. State financial assistance may be provided directly by state awarding agencies or indirectly by non-state entities. *State financial assistance* does not include procurement contracts used to buy goods or services from vendors and contracts to operate state-owned and contractor-operated facilities.

State Matching Funds - State resources provided to a non-state entity to meet federal financial participation matching requirements.

State Program - A set of special purpose activities undertaken to realize identifiable goals and objectives in order to achieve a state agency's mission and legislative intent requiring accountability for state resources.

State Project - A state program that provides state financial assistance to a non-state organization and that must be assigned a state project number identifier in the Catalog of State Financial Assistance.

State Projects Compliance Supplement - A document issued by the Department of Financial Services, in consultation with all state awarding agencies that identifies state projects, the significant compliance requirements, eligibility requirements, matching requirements, suggested audit procedures, and other relevant information determined necessary. All state agencies are responsible to annually inform the DFS of any updates needed to the supplement.

State Project-Specific Audit - An audit of one state project performed in accordance with the requirements of s. 215.97 (10), F.S.

State Single Audit - An audit of a non-state entity's financial statements and state financial assistance. Such audits shall be conducted in accordance with auditing standards as stated in the rules of the Auditor General.

Sub-recipient - A non-state entity that receives state financial assistance through another non-state entity.

Summary Schedule of Prior Audit Findings - A schedule that reports the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs relating to state financial assistance. The summary schedule shall also include audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected, no longer valid or not warranting further action.

Vendor - A dealer distributor, merchant, or other seller providing goods or services that are required for the conduct of a state project. These goods or services may be for an organization's own use or for the use of beneficiaries of the state project.

FLORIDA DEPARTMENT OF JUVENILE JUSTICE

SUBJECT: Compliance with the Florida Single Audit Act Procedures

SECTION: FDJJ - 1810P

II. STANDARDS/PROCEDURES

A. Coordination/Compliance with the Florida Single Audit Act:

1. The Office of the Inspector General (OIG), Bureau of Internal Audit (BIA) shall maintain an audit tracking system to ensure the delivery of Financial Reporting Packages by recipients in accordance with Auditor General Rule 10.657 and 10.558.

Financial Reporting Packages are to be submitted to the Auditor General and DJJ within forty-five (45) calendar days after the delivery of the Financial Reporting Package to the recipient by the independent auditor, but no later than nine (9) months after the end of the entity's fiscal year.

2. If the Financial Reporting Package is not received within nine months after the end of the entity's fiscal year end-date, the OIG/BIA shall communicate to the entity informing them of their FSAA responsibilities.
3. The OIG/BIA shall coordinate with each program office, the Bureau of Budget, and the Bureau of Contracts regarding the completion of the following forms (All Department of Financial Services Forms can be accessed at <https://apps.fldfs.com/fsaa/>):
 - a. DFS-A2-PD, *Florida Single Audit Act State Project Determination Checklist*; b. DFS-A2-AR, *Agency Request Form For New CSFA Project Number*;
 - c. DFS-A2-CS, *Agency Reporting Form For The State Projects Compliance Supplement*;
 - d. DFS-A2-NS, *Florida Single Audit Act Checklist for Non-State Organizations-Recipient/Sub recipient vs. Vendor Determination*; and,
 - e. DFS-A2-AC, *Catalog of State Financial Assistance Agency Certification*.
4. Upon completion, the OIG/BIA shall submit the forms to the Department of Financial Services (DFS).
5. The OIG/BIA shall maintain a tracking system for monitoring the receipt and review of Financial Reporting Packages.
6. The OIG/BIA shall review the Financial Reporting Package within 45 calendar days of receipt.
7. The OIG/BIA shall facilitate coordination with the appropriate program office to determine whether timely and appropriate corrective action has been taken by the non-state entity in response to audit findings and recommendations regarding state financial assistance and/or federal awards.

FLORIDA DEPARTMENT OF JUVENILE JUSTICE

SUBJECT: Compliance with the Florida Single Audit Act Procedures

SECTION: FDJJ - 1810P

8. Upon receipt of form DFS-A2-AC, *Catalog of State Financial Assistance Agency Certification* from the DFS, the OIG/BIA will solicit program offices for changes to the Catalog of State Financial Assistance. After revisions are received and reviewed, the OIG/BIA will complete and forward the form to DFS prior to July 31 of each calendar year.
9. The Bureau of Contracts shall ensure the model contract attachment regarding single audits is included in DJJ contracts, when applicable.
10. The Bureau of Contracts shall complete form DFS-A2-NS, Florida Single Audit Act Checklist For Non-State Organizations-Recipient/Sub recipient vs. Vendor Determination. A copy of this form shall be maintained in the recipient contract files.
11. The Bureau of Contracts shall insert appropriate audit language in all contracts and grants where applicable.
12. Headquarters Program staff shall ensure adherence to uniform Department procedures and guidelines as they relate to program office roles responsibilities for compliance with federal and state statutes governing single audits in accordance with the provisions of OMB Circular A-133 and s. 215.97, F.S.
13. Headquarters Program staff shall assume primary responsibility for the completion of Department of Financial Services forms, DFS-A2-CS, *Agency Request Form For New CSFA Project Number and form*, DFS-A2-CS, *Agency Reporting Form For The State Projects Compliance Supplement*.
14. Headquarters Program Staff shall be responsible for the annual certification of the state project detail contained within the DJJ *Catalog of State Financial Assistance*. The DJJ Catalog of State Financial Assistance can be obtained by accessing the Following web Site: <https://apps.fldfs.com/fsaa/searchcatalogResults.aspx>
15. Headquarters Program Staff shall serve as a liaison between the OIG/BIA and the entity receiving state financial assistance to provide general oversight and technical assistance regarding matters related to the Florida Single Audit Act.
16. Headquarters Program Staff shall provide technical assistance to contract managers/monitors in reference to issues surrounding the Florida Single Audit Act.
17. Program Office Budget Liaisons shall provide the CSFA and/or CFDA number(s) to the Bureau of Contracts for the completion of Contract Initiation Memorandums. Additionally, for recipient contracts, the program office budget liaisons shall provide the provider's fiscal year end date for the selected provider when completing the Contract Initiation Memorandum. Program Office Budget Liaisons shall also serve as the primary contact for their respective FSAA Team members for all programmatic budgetary activities.

FLORIDA DEPARTMENT OF JUVENILE JUSTICE

SUBJECT: Compliance with the Florida Single Audit Act Procedures

SECTION: FDJJ - 1810P

18. During the post award conference, Program Area Contract Managers/Monitors shall provide each recipient with the information needed to comply with audit and accountability requirements for state projects as stated in s. 215.97, F.S. and, applicable rules of the DFS and rules of the Auditor General.
19. If corrective actions are recommended, Program Area Contract Managers/Monitors shall, with the assistance of the OIG/BIA, conduct a six-month follow-up with the recipient to ensure implementation of the corrective actions.

B. Compliance with Federal Requirements:

1. For grantees that expend \$500,000 or more in federal awards annually, Federal Grant Managers shall ensure the grantee complies with federal awards audit and accountability requirements as stated in OMB Circular A-133, applicable rules of the DFS and rules of the Auditor General
2. Federal Grant Managers shall serve as a liaison between OIG/BIA and the entity receiving Federal Financial Assistance to provide general oversight and technical assistance regarding matters related to federal pass through funds to DJJ.
3. For grantees that do not expend in excess of \$500,000 but greater than \$300,000 in federal awards, the OIG/BIA shall check the Federal Audit Clearinghouse to determine if the grantee submitted a single audit report in accordance with OMB Circular A-133. The Federal Audit Clearinghouse can be accessed through the following web address, <http://harvester.census.gov/sac/>.
4. If a single audit was submitted by the grantee, the OIG/BIA shall contact the grantee or the auditor who performed the audit and request a copy for review.

III. RESPONSIBILITY AND DUTIES

A. Office of the Inspector General (OIG)

1. Review Financial Reporting Packages received from non-state entities to ensure compliance with the Florida Single Audit Act, Section 215.97, Florida Statutes, and OMB Circular A-133, including management letters and corrective action plans, to the extent necessary to determine whether timely and appropriate corrective action has been taken with respect to audit findings and recommendations pertaining to state financial assistance.
2. Coordinate the development and dissemination of uniform Department policies, procedures and guidelines for compliance with federal law and state statutes governing single audits in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-133 and Section 215.97, F.S.
3. Provide technical assistance, training, and administrative guidance regarding compliance with federal and state single audit requirements.

FLORIDA DEPARTMENT OF JUVENILE JUSTICE

SUBJECT: Compliance with the Florida Single Audit Act Procedures

SECTION: FDJJ - 1810P

4. Maintain the Department's Florida Single Audit Act Tracking System.
5. Monitor the implementation of policies and procedures governing compliance with federal and state single audit requirements.
6. Coordinate submission of Florida Single Audit Forms and related documentation to the Department of Financial Services.

B. Bureau of Contracts

1. Ensure the model contract attachment regarding single audits is included in DJJ contracts when applicable.
2. Complete DFS-A2-NS Florida Single Audit Act Checklist for Non-state organizations – recipient/subrecipients vs. vendor determination and maintain a copy of document in the recipient' file.

C. Office of Finance and Accounting

1. Facilitate monthly uploads of state financial assistance expenditures into the Florida Single Audit Act Tracking System which is currently under development. Until full implementation of the Florida Single Audit Act Tracking System, the Office of Finance and Accounting shall, on a quarterly basis, provide the OIG/Bureau of Internal Audit (BIA) a list of all DJJ grant and contracted entities that expend over \$500,000 in state financial assistance. At the minimum, the list should include the contract number, provider name, vendor identification number, the primary CSFA number and the dollar amount of state financial assistance expended.
2. Ensure the primary Catalog of State Financial Assistance (CSFA) Number and the Catalog of Federal Domestic Assistance (CFDA) Number is recorded in FLAIR by the Contract and Grant Accountants.

D. Bureau of Budget

1. Complete and submit the Department of Financial Services form DFS-A2-PD, *Florida Single Audit Act State Project Determination Checklist* to OIG/BIA.
2. Assist program office Budget Liaisons with completing Department of Financial Services form DFS-A2-AR, *Agency Request Form For New CSFA Project Number*.

E. Program Offices

1. Ensure adherence to Departmental policies and procedures related to recipient responsibilities in accordance with the Florida Single Audit Act and OMB Circular A-133.
2. Complete Department of Financial Services forms DFS-A2-AR, *Agency Request Form For New CSFA Project Number* and form DFS-A2-CS, *Agency Reporting Form For The State Projects Compliance Supplement*.

IV. ATTACHMENTS *Attachment 1 - Checklist for Reviewing Single Audit CPA Reports*