

## STATEWIDE SINGLE AUDIT FAQs

### What is a single audit?

A single audit is *one* audit that covers the entire operations of the entity. It covers the annual financial statement audit with the audit of federal funds and makes sure that:

- an entity's financial statements are materially correct, and
- the entity is complying with compliance requirements of major federally funded programs.

Prior to the "single" audit, each federal program had its own audit requirements. The cost of audits and management responses were reduced by combining into one audit.

### Who is subject to a single audit?

The State of North Carolina, as a nonfederal entity receiving more than \$750,000 in federal awards during a fiscal year, is required to have a single audit.

NC spent **\$35 billion** of federal funds in fiscal year ended June 30, 2023.

### Who uses the single audit?

The federal government is the primary user of the single audit. But the State benefits from continuing to receive federal funds, and ultimately those that benefit from these federal programs are impacted.

### Why is a single audit important?

In order for the State to continue to receive federal funding a single audit is required. The results of the single audit provides assurance to the awarding federal agencies that the funds are being spent in accordance with the rules and regulations.

### Are all federal programs in North Carolina audited?

No. Only programs defined as major, utilizing federal criteria are required to be included in the Single Audit.

For fiscal year ended June 30, 2023, NC had 26 federal programs identified as major, including Medicaid, student financial assistance, coronavirus fiscal recovery funds, etc.

### How often is the single audit performed?

The single audit is performed annually. The Statewide Single Audit is submitted to the federal government by March 31 each year.