



California Department of
Housing and Community Development

CDBG NOFA Webinar Series **Single Audits**

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December 9, 2025



Single Audit: General Information



Single Audit

What is a Single Audit?

- An organization-wide financial statement and federal awards' audit of a non-federal entity that expends **\$1 million or more** of federal funds in one year.
- Formerly known as the **OMB Circular A-133 Audit**



Importance of a Single Audit

- Compliance check to ensure federal funding is being used appropriately.
- Helps HCD learn more about your organization and how it manages funding.
- **Per the CDBG NOFA:** Single Audit is a **Threshold Item**.
- **Federal Regulations:**
 - 2 CFR §200 (Subpart F) outlines the Audit Requirements beginning at 2 CFR §200.501(b)
 - Scope of Audit: 2 CFR §200.514



Contents of a Single Audit

What is in a Single Audit Report?

- Independent Auditor's Report
- Basic Financial Statements
- Required Supplementary Information
- Schedule of Expenditures of Federal Awards
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards



Contents of a Single Audit (continued)

What is in a Single Audit Report?

- Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards
- The Comprehensive Annual Financial Report (or if applicable, Financial Statement Report) is required.
 - If the Comprehensive Annual Financial Report and Single Audit Report are separate reports, both reports must be submitted to SCO.



Contents of a Single Audit (continued)

What is in a Single Audit Report?

- Management Letter (required if issued by the entity's CPA)
- **Schedule of Findings and Questioned Costs***
- **Summary Schedule of Prior Audit Findings (if no prior audit findings, please indicate)***
- **Corrective Action Plan (if applicable)***



Single Audit: Filing Information



Filing Information

Who has to file?

- If your organization spends **\$1 million** or more in federal award funds in its **fiscal year**, the organization will be responsible for filing.
- This **does** include funding outside of HCD and other HCD program funding.

When is this done?

- Usually conducted annually, or sometime at the end of an organization's fiscal year.
- Must be completed 9-months after the end of the fiscal year.



Filing Information

(continued)

Where does it go?

- Federal Audit Clearing House (FAC), then
- State Controller's Office (SCO)

When is it due?

- **Due to SCO** 9 months after the end of the organization's fiscal year
- **Due to FAC** 30-days after receiving auditor's report or March 31st (whichever is earlier)
- Sooner the better!



Filing Information

(continued)

What if I am exempt from filing a Single Audit?

- Per the CDBG NOFA:
 - This requirement is not limited to federal funds administered by the Department.
 - If an Applicant is currently not subject to single audit requirements, the Applicant **may be required** to submit their last filed single audit for review.
 - If an Applicant is **not required to submit an annual single audit**, they must provide documentation of exemption from SCO.



Filing Information

(continued)

Who can perform the Single Audit?

- These are performed by independent auditors, usually a **Certified Public Accountant (CPA)**, in compliance with the **Single Audit Act of 1997**.
 - Make sure that the chosen CPA has experience with Federal Funds and doing Single Audits.
- You **cannot** have someone within your organization to perform the Single Audit.
- Independent auditors that perform Single Audits **must** regularly complete specific continuing education courses, as required by **Generally Accepted Government Auditing Standards (GAGAS)**, given the specialized nature of this work.



Consequences for not filing

HCD

- The Applicant will not be eligible for federal funding until in compliance with single audit reporting has been achieved.

Government

- If you are found noncompliant, the federal government may:
 - Withhold funds until the deficiency is remediated,
 - Completely suspend or terminate the award,
 - Initiate suspension or debarment proceedings, or
 - Withhold further federal awards for the program
- They may also pursue other available legal actions.



Single Audit: Findings & Concerns



Findings & Concerns

- If there are findings and/or concerns in your most recent single audit, you will be required to submit a Corrective Action Plan (CAP) for these items to SCO.
- The same CAP that is sent as part of the reporting package to SCO **MUST** be included as part of your application to HCD.
 - **CDBG Program Staff will be checking for remediation dates on your Single Audit CAP.**
 - **Please ensure that actual dates are included.**



IMPORTANT

- CDBG Program Staff will be checking for **remediation dates** on your Single Audit CAP.
- Please ensure that actual dates of completion of findings are included on your Single Audit CAP that is uploaded & submitted with your CDBG NOFA application.



Findings & Concerns

(continued)

Per the CDBG NOFA:

- If the Applicant had or has single audit findings identified (in their most recently filed) audit, the Applicant must include the remediation plan/agreement;
- The Applicant will be deemed ineligible for funding through the CDBG program until the findings are resolved or a remediation plan or agreement is established.
- **All findings, remediation plans, and agreements will be reviewed by the Department for risk.**
- A risk determination will be made at the sole and absolute discretion of the Department and applications may be deemed ineligible for funding based on the determination.
- **Any and all single audit findings are included in this evaluation.**



Single Audit: HCD/CDBG Review



Required Single Audits

- **Per the CDBG NOFA:**

- Applicant must provide the Department with its most recent single audit (as submitted to the State Controller's Office), if applicable.

- **Required Audits for 2025 NOFA**

- Provide the FY23-24 Single Audit with CAP or clearance letter, if applicable.
 - **Minimum Requirement:**
 - Provide the FY22-23 Single Audit with CAP or clearance letter, if applicable.
 - **Include a letter from the Auditor (on Auditor's letterhead) that they are working on the Applicant's FY23-24 Single Audit.**



Threshold Review

- **Single Audit (with SCO)**
 - HCD will review the uploaded single audit to find the following sections:
 - Schedule of Findings & Questioned Costs
 - Summary Schedule of Prior Audit Findings (if applicable)
 - Corrective Action Plan (CAP) (if applicable)
- **Corrective Action Plan (CAP)**
 - Whether it is clearance or remediation plan or clearance letter, this should include the following:
 - Finding Number (Per the Single Audit Report)
 - What the finding was
 - Planned Corrective Action
 - Anticipated Completion Date
 - **Please note that “In Progress” is not acceptable; we need a hard date.**
- **Exempt Jurisdictions: HCD Staff will also cross-check with SCO to ensure that you are exempt from filing.**



Common Application Errors

- Selecting the wrong item from the drop-down:
 - “**No findings**” when there are findings and no CAP uploaded.
 - “**Findings**” and not uploading the CAP.
 - “**Exempt from Filing**” when applicant was required to file and did not include required documentation from SCO in their submission.
- Uploading an annual audit instead of a single audit.



Annual Audit vs. Single Audit

Annual Audit

- A verification process of your organization's financial systems and statements, which will be reviewed for accuracy by the auditor.

Single Audit

- Covers the entire organization's financial operations and more detailed.
- Combined the annual financial statements audit with the additional audit coverage of Federal funds.



REMINDERS FROM THE HCD/CDBG TEAM



DOUBLE CHECK YOUR WORK!

- Please make sure that you give yourself plenty of time to check what you have uploaded and entered into the application **PRIOR** to submitting.
- No edits can be made **after** submission, unless otherwise notified by CDBG Program Staff.



DISQUALIFICATION

Applications will be disqualified if:

- Single audit is not uploaded **and/or** has findings that are not included as part of the application.
- Applicant failed to disclose findings on their most recent single audit.
 - **NOTE:** Applicants that fail to disclose findings will be disqualified without exception or appeal.



RESOURCES & LINKS



RESOURCES

- **CDBG NOFA:** eCivis & HCD Website
- **CDBG Grants Management Manual:** Chapter 6 on Financial Management (HCD Website)
- **Federal Audit Clearinghouse**
- **CA State Controller Single Audit**
- **Federal Regulations**
 - **Federal Award Management Requirements:** 2 CFR §200
 - **Audit Requirements:** 2 CFR §200 (Subpart F)
 - **Single Audit Requirements:** 2 CFR §200.501(b)
 - **Scope of Audit:** 2 CFR §200.514



RESOURCE LINKS

- **HCD/CDBG Website:** [Community Development Block Grant Program \(CDBG\) | California Department of Housing and Community Development](#)
 - Click "**Notice of Funding**" to find our NOFA
 - Click "**Apply Now**" to go to eCivis
 - Click tab "**Grants Management Manual**" to locate Financial Management Chapter, plus all related tools & appendices
 - [chapter-06-financial-management.pdf \(ca.gov\)](#)



RESOURCE LINKS

(continued)

- **Federal Audit Clearinghouse:** [The Federal Audit Clearinghouse \(fac.gov\)](https://www.fac.gov)
- **CA State Controller Single Audit:** [Single Audits - Local Agencies](#)
 - Additional links can be found in Chapter 6 of the GMM
- **Federal Regulations**
 - **Federal Award Management Requirements:** 2 CFR §200: [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
 - **Audit Requirements:** 2 CFR §200 (Subpart F): [eCFR :: 2 CFR Part 200 Subpart F -- Audit Requirements](#)
 - **Single Audit Requirements:** 2 CFR §200.501(b): [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
 - **Scope of Audit:** 2 CFR §200.514: [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)





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Thank you.

If you have any questions, please email CDBG@hcd.ca.gov



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