



Grantee Oversight: Single Audit Requirements, COVID-19 Waivers, and State Policies

April 4, 2022

Federal Single Audit - Purpose

- Single Audit Act of 1984
 - Established audit requirements of:
 - States
 - Local governments
 - Indian tribal governments

Federal Single Audit – Programs

- All federal programs, over a federally established threshold, are subject to audit
- All federal programs over \$30 million are audited every three years
 - Minnesota Department of Education
 - Child and Adult Care Food Program (CACFP)
 - Child Nutrition Cluster
 - Summer Food Service Program for Children (SFSP)

Federal Single Audit – Audit Testing

- 12 compliance requirements
- Maximum of 6 requirements selected by federal agencies each year
- Internal control and compliance testing
- Follow-up on all prior audit findings

Audit Requirements for MDE Food Programs

Summer Food Service Program for Children

- Activities allowed or unallowed
- Allowable costs
- Cash management
- Eligibility
- Procurement, suspension, and debarment
- Special tests
- Program income

Child and Adult Care Food Program

- Activities allowed or unallowed
- Allowable costs
- Cash management
- Eligibility
- Procurement, suspension, and debarment
- Special tests
- Subrecipient monitoring

Subrecipient Monitoring Testing

- Identify the award and applicable requirements
- Evaluate risk
- Monitor

Subrecipient Monitoring Testing at MDE

- Summer Food Service Program for Children

Fiscal Year	Testing of Subrecipient Monitoring	Audit Performed By
2017	Required	OLA
2020	Not required	OLA
2021	Not required	OSA

- Child and Adult Care Food Program

Fiscal Year	Testing of Subrecipient Monitoring	Audit Performed By
2017	Required	OLA
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Key MDE Subrecipient Monitoring Findings 2020

- Subrecipient single audits
 - 31 of 74 single audits were not reviewed

Increased Risk Associated with the Pandemic

- Waivers to bypass normal controls
- Increase in funding

COVID-19 Federal Waivers for Subrecipient Monitoring

- MDE not required to:
 - Monitor onsite
 - Annual review of subrecipient

Increase in Funding for SFSP and CACFP at MDE

	2020	2021
Total Federal Expenditures	\$158 million	\$736 million
Grants, Aids, and Subsidies	\$156 million	\$734 million
Grants, Aids, and Subsidies to NGOs	\$72 million	\$324 million
Feeding Our Future	\$4.8 million	\$140 million

Risk Mitigation for Agencies

- Robust monitoring
 - Obtaining and reviewing documentation
 - Observing performance
- Office of Grants Management
 - Required visits in person or by phone
 - Financial reconciliation
 - Risk assessment

Risk Mitigation for the Legislature

- Clear purpose for a grant
- Refrain from naming grant recipients in law
- Review monitoring requirements

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