

A: Comparison of Old and New Legislative Requirements for Audits of Federal Assistance

Provision	Single Audit Act of 1984	Changes in the Single Audit Act Amendments of 1996 PL 104-156 Effective FYEs June 30, 1997 and after
Subject entities	State and local governments and Indian tribes (includes PHAs/IHAs).	Includes not-for-profit organizations.
Audit threshold	Entities receiving \$100,000 or more of federal assistance had to have a single audit. Entities receiving \$25,000 to \$100,000 of federal assistance had the option of a program-specific audit of each program or a single audit.	Entities expending \$300,000 or more of federal assistance must have a single audit or, at the entity's option, a program-specific audit if the entity administers only one program under one CFDA number (program-specific audits do not apply to HAs). OMB can raise the dollar threshold.
Definition of a major program	Based solely on dollars expended.	Based on OMB-prescribed risk-based selection criteria, which includes dollars expended and other factors; major programs must provide at least 50% of total federal expenditures (see percentage-of-coverage requirement).
Percentage-of-coverage requirement	Audit had to test internal controls over federal expenditures.	Auditor must perform tests of internal controls and compliance over 50% of federal expenditures. OMB can lower the percentage of coverage.
Reporting time frame	13 months after period audited.	9 months after period audited but allows a two-year transition period (until fiscal years beginning after 6/30/98). Cognizant or oversight agency can agree to a longer period than 9 months.
Summary reporting	No provision.	Includes a summary of audit results relating to financial statements, internal controls and compliance.
Reportable findings	Report all findings.	Auditor must report reportable conditions in internal control and material matters of noncompliance as defined by OMB.

B: Comparison of Old and New OMB Audit Circulars for Single Audit Act¹

Provision	Prior OMB Circulars ²	Revised OMB Circular A-133, June 1997
Testing internal controls	No Guidance on extent of required testing.	Plan the testing of internal controls to support a low assessed level of control risk and test controls.
Schedule of findings and questioned costs	No single location specified for findings.	Auditor must prepare a schedule of findings and questioned costs that reflects reportable conditions and material noncompliance disclosed by the audit of the financial statements and federal programs.
Schedule of status of prior findings	Information required, but no auditor involvement.	The schedule must be included in the audit report; the auditor must assess the reasonableness of the information. Auditors are not expected to follow-up on prior year findings that are immaterial.
Reportable findings	Report all findings.	Auditor must report reportable conditions in internal control and material matters of noncompliance; known questioned costs greater than \$10,000 or lesser amount when likely questioned costs exceed \$10,000; known fraud if not otherwise reported.

¹ Changes in addition to those mandated by the Single Audit Act Amendments of 1996 (PL 104-156).

² OMB Circular A-128, *Audits of State and Local Governments*, April 1985, and OMB Circular A-133, *Audits of Institutions of Higher Education and Other Non-Profit Institutions*, March 1990.