

# ARPA AUDIT GUIDANCE



## Regular Financial Audit

- Expend less than \$100,000 in combined federal & state dollars

## Yellow Book Audit

- Expend \$100,000 - \$500,000 in combined federal & state dollars
- Complete in addition to a regular financial audit
- Requires a staff member, in addition to auditor, be able to answer questions on funds and complete financials. If a staff member is not able, a second auditor will be needed.

## State Single Audit

- Expend \$500,000 or more in state dollars
- Complete in addition to a regular financial audit and a yellow book audit

## Federal Single Audit

- \$750,000 or more in federal dollars during the non-federal entity's fiscal year
- Complete in addition to a regular financial audit and a yellow book audit

## Alternative Compliance Audit (elective)

- Must meet below criteria to qualify:
  - Recipient received \$10 million or less in total ARP/CSLFRF funds
  - Expenditure of \$750,000 or more in federal funds during a single fiscal year
  - Other federal award funds (not including SLFRF award funds) are less than \$750,000 during recipient's fiscal year



## Additional tools:

- Budget
  - Plan your federal and state spending over multiple fiscal years to ensure you align with your preferred audit threshold based on staff capacity.
- Internal Controls
  - Start by evaluating existing controls for improvement
  - Reference the Green Book Standards for guidance
  - Evaluate controls for environment, activities, information and communication, monitoring activities and risk assessment.

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## PROCUREMENT OPTIONS

1

### **Micropurchase Procurement**

- applies to audits that cost under \$10,000 unless unit has established a higher micropurchase threshold or a local policy sets a lower threshold
- 2 C.F.R. 200.320 (a)(1)

2

### **Small Purchase Procurement Method**

- applies to audits that cost between \$10,000 to \$250,000 unless unit self certified a higher micropurchase threshold or a local policy sets threshold less than \$10,000
- 2 C.F.R. 200.320 (a)(2)(i)

3

### **Proposals Procurement Method**

- applies to audits that cost over \$250,000
- 2 C.F.R. 200.320 (b)(2)

### **Document:**

- firm's responsiveness to unit's requirements for audit services
- relevant experience of firm or auditor
- availability of qualified staff to conduct audit
- results of peer & external quality control reviews
- price

### **Procurement Prep:**

- make scope & objectives clear to potential firms
- request copy of auditor's peer review report
- when possible, utilize small business, minority owned firms, and women owned businesses

**To determine which audit to use, re-evaluate annually based on ARPA expenditures.**