

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA)

AUDIT REQUIREMENTS

1. Based on the Office of Management and Budget (OMB) Circular A-133, Subpart B, §_200 (a)-(c) and the State of Texas Uniform Grant Management Standards (UGMS), Entities -

“...that expend...\$500,000...or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part.”

If funds were spent for more than one federal or state program, a single audit is required. Entities may elect to have a program specific audit when \$500,000 or more is expended under only one federal program, as listed in the Catalog of Federal Domestic Assistance (CFDA) or one state program. The audited time period is the Entity’s fiscal year, not TDHCA’s funding period.
2. Based on the OMB Circular A-133 (June 27, 2003), Subpart B, §_200 (d) and the UGMS, Entities -

“...that expended less than...\$500,000...a year in Federal awards are exempt from Federal audit requirements for that year, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office (GAO).”
3. Based on the OMB Circular A-133, Subpart B, §_230 (b)(1) and UGMS, Entities -

“...shall not charge the following to a Federal award: The cost of any audit under the Single Audit Act Amendments of 1996 (31 U.S.C. 7501 et seq.) not conducted in accordance with this part.”

When a single audit is not required, audit costs are not an allowable expense and will not be reimbursed by TDHCA.
4. Based on UGMS Subpart C, §_300 (g),

“When an Entity expends state awards totaling less than \$500,000, the CEO or CFO shall so certify...”

in writing to TDHCA by submitting the Audit Certification Form within 60 days of the Entity’s fiscal year.
5. The audit shall be conducted by a Certified Public Accountant (CPA) that is licensed at the time of the audit by the State of Texas regulatory body. The CPA shall meet all of the general standards as required by *Government Auditing Standards*. Auditor selection must adhere to federal and state procurement requirements.
6. The independent auditor's report should include all of the relevant items listed on TDHCA's *Single Audit Report Checklist (page 2)*. Additional guidance on the conduct and reporting of these audits is contained in the latest issuance of the following publications:
 - OMB Circular A-133 as revised June 2007 - see Circular at www.whitehouse.gov/omb/circulars/a133/a133.html
 - OMB Circular A-133 Compliance Supplement
 - State of Texas Uniform Grant Management Standards
 - *Government Auditing Standards* issued by the Comptroller General of the United States, 2007
 - AICPA’s Audit Guides of States and Local Governments Units and Non-for-Profits Organizations
 - AICPA’s Audit Risk Alerts “State and Local Governmental Developments”
 - AICPA’s Audit Risk Alerts “Not-for-Profit Organizations Industry Developments”

In accordance with the Texas Administrative Code, Title 10, Part 1, Chapter 1, Subchapter A, Rule §1.3 (b), an Entity “...is not eligible for funds or any other assistance from the department unless any past due audit has been submitted to the department in a satisfactory format on or before the application deadline for the funds or other assistance.”

Submit the required audit documents to either of the two addresses listed below. If additional information is needed, please contact the Contract Monitoring Section at (512) 797-4768.

Regular Mail	Overnight Mail
TDHCA Compliance and Asset Oversight P. O. Box 13941 Austin, Texas 78711-3941	TDHCA Compliance and Asset Oversight 221 East 11 th Street Austin, Texas 78701

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA)
SINGLE AUDIT REPORT CHECKLIST

TDHCA developed this checklist to improve the quality and completeness of audit reports.

<input type="checkbox"/>	Opinion/Report on Organization's Financial Statements , signed and dated by the auditor, in accordance with <i>Government Auditing Standards</i>
<input type="checkbox"/>	General Purpose or Basic Financial Statements of the Entity
<input type="checkbox"/>	Notes to the General Purpose or Basic Financial Statements of the Entity
<input type="checkbox"/>	Opinion/Report on Schedule of Expenditures of Federal and State Awards , signed and dated by the auditor
<input type="checkbox"/>	Schedule of Expenditures of Federal Awards , including TDHCA's contract numbers, the total expended for the federal program, and the CFDA number in accordance with OMB Circular A-133, Subpart C §.310 (b)(1)–(6) and UGMS
<input type="checkbox"/>	Opinion/Report on Schedule of Expenditures of State Awards , signed and dated by the auditor
<input type="checkbox"/>	Schedule of Expenditures of State Awards , including TDHCA's contract numbers and the total expended for the state program. This schedule may be combined with the Schedule of Expenditures of Federal Awards if the state and federal amounts are shown and totaled separately
<input type="checkbox"/>	Report on Internal Control and Compliance Over Financial Reporting , signed and dated by the auditor, based on audit of Financial Statements performed in accordance with <i>Government Auditing Standards</i> OMB Circular A-133, Subpart E, §. 505 (b) and UGMS
<input type="checkbox"/>	Report on Internal Control and Compliance with Requirements applicable to each major program , signed and dated by the auditor, in accordance with OMB Circular A-133, Subpart E, §. 505 (c) and UGMS
<input type="checkbox"/>	Schedule of Findings and Questioned Costs in accordance with OMB Circular A-133, Subpart E, §. 505(d) and UGMS
<input type="checkbox"/>	Schedule of Prior Audit Findings reporting the status of all findings included in the prior audit's schedule of findings and questioned costs in accordance with OMB Circular A-133, Subpart C, §. 315 (a) and (b) and UGMS
<input type="checkbox"/>	Corrective Action Plan including name of person responsible for the corrective action, corrective action planned, anticipated completion date, and explanation, and reason if auditee does not agree with findings or believes correction is not required, in accordance with OMB Circular A-133, Subpart C, §. 315 (c) and UGMS
<i>The documents listed below are due within the earlier of 30 days after receipt of the auditor's report or nine (9) months after the end of the audit period</i>	
<input type="checkbox"/>	Two copies of the entire audit report issued by the CPA
<input type="checkbox"/>	A copy of any management letter issued by the CPA in conjunction with the audit report
<input type="checkbox"/>	A copy of management's comments on all findings, recommendations, & questioned costs contained in the audit report and management letter, including a detailed corrective action plan