

Why GAO Did This Study

Federal award amounts distributed to recipients have increased substantially since the onset of the COVID-19 pandemic. For fiscal year 2023, \$1.1 trillion of awards were distributed and about 40,000 single audits were submitted to the FAC. Single audits are an important tool to help ensure that award recipients are complying with the requirements of their awards.

The CARES Act includes a provision for GAO to conduct oversight of funds made available to respond to the COVID-19 pandemic. This report examines (1) FAC data reliability for oversight purposes, including oversight of COVID-19 relief funding; (2) processes involved in using and overseeing the FAC; and (3) the extent to which federal award expenditures were linked to severe and persistent single audit findings reported in the FAC.

GAO analyzed FAC data from 2015 through 2021 (the most recent complete data available at the time of review). GAO interviewed selected federal agencies and audit community members about their use of the FAC.

What GAO Recommends

GAO is recommending three matters for Congress to consider, including amending the Single Audit Act to require OMB to initiate a government-wide single audit quality review at a regular interval.

GAO is making 10 recommendations, including four to GSA and six to OMB, to implement guidance and other strategies to further enhance the use and oversight of the FAC. GSA and OMB agreed with GAO's recommendations to them.

View [GAO-24-106173](#). For more information, contact James R. Dalkin at (202) 512-3133 or dalkinj@gao.gov, or Taka Ariga at (202) 512-4968 or arigat@gao.gov.

SINGLE AUDITS

Improving Federal Audit Clearinghouse Information and Usability Could Strengthen Federal Award Oversight

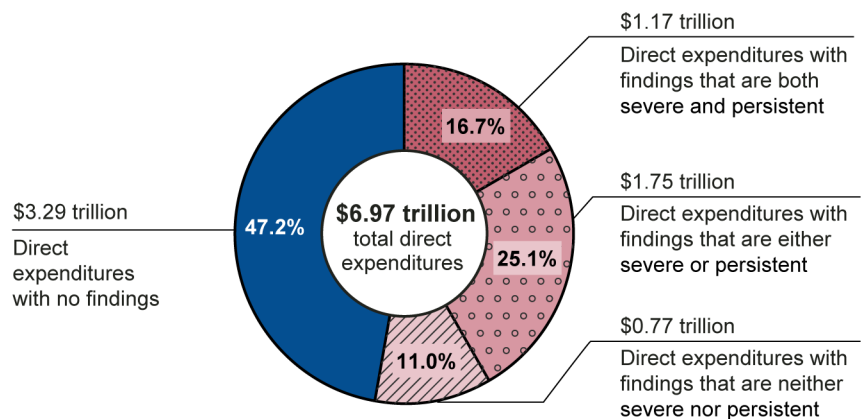
What GAO Found

The Single Audit Act requires nonfederal entities that spend \$750,000 or more in federal awards in a year to undergo a single audit, which is an audit of an entity's financial statements and federal awards, or in select cases a program-specific audit, and submit the results to the Federal Audit Clearinghouse (FAC). The U.S. Census Bureau maintained the FAC until October 2023, when the Office of Management and Budget (OMB) designated the General Services Administration (GSA) to assume responsibilities.

GAO identified some issues with FAC processes that affect the reliability and usefulness of single audit information. For example, the FAC currently cannot identify recipients that should have submitted a single audit but did not. As a result, federal agencies may not have all the data they need to conduct oversight. In addition, OMB has not designated an entity to conduct a government-wide single audit quality review since 2007. Given the trillions of dollars of COVID-19-related financial assistance provided in recent years, a government-wide review is increasingly important to help identify issues in the quality of single audits that can lead to unreliable FAC information.

GAO also found that \$1.17 trillion of the reported \$6.97 trillion of direct federal award funds spent by recipients from 2017 through 2021 were linked to single audit findings that were both severe (contributed to an auditor's modified opinion or material weakness) and persistent (repeated over multiple years).

Severity and Persistence of Single Audit Findings by Direct Expenditure of Federal Awards, 2017-2021



Source: GAO analysis of data from U.S. Census Bureau. | GAO-24-106173

Note: Numbers may not sum due to rounding. For more details, see fig. 4 in GAO-24-106173.

These findings were also related to \$69 billion of COVID-19 relief funds spent from 2020 to 2021. GAO identified 213 findings reported in 2015 or earlier that remained unresolved in 2021.