

Department of Veterans Affairs

§ 41.5

State process recommendation to VA through a single point of contact.

(Authority: 42 U.S.C. 4231(b))

§ 40.12 [Reserved]

§ 40.13 Waiver.

In an emergency, the Secretary may waive any provision of these regulations.

(Authority: 42 U.S.C. 4231(b))

PART 41—AUDITING REQUIREMENTS

Sec.

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AUTHORITY: Pub. L. 98-502, 31 U.S.C. ch. 75; 38 U.S.C. 501.

SOURCE: 50 FR 30937, July, 31, 1985, unless otherwise noted.

§ 41.1 Purpose.

These regulations (38 CFR 41.1 through 41.20) are issued pursuant to the Single Audit Act of 1984, Pub. L. 98-502. The act establishes audit requirements for State and local governments that receive Federal aid, and defines Federal responsibilities for implementing and monitoring those requirements. The Single Audit act requires the following:

(a) State or local governments that receive \$100,000 or more a year in Federal financial assistance shall have an audit made in accordance with these regulations.

(b) State or local governments that receive between \$25,000 and \$100,000 a year shall have an audit made in accordance with these regulations, or in accordance with Federal laws and regu-

lations governing the programs they participate in.

(c) State or local governments that receive less than \$25,000 a year shall be exempt from compliance with the Act and other Federal audit requirements. These State and local governments shall be governed by audit requirements prescribed by State or local law or regulation.

(d) Nothing in this section exempts State or local governments from maintaining records of Federal financial assistance or from providing access to such records to Federal agencies, as provided for in Federal law or in Circular A-102, "Uniform requirements for grants to State or local governments."

(Authority: Pub. L. 98-502)

§§ 41.2–41.4 [Reserved]

§ 41.5 Definitions.

For the purposes of these regulations, the following definitions from the Single Audit Act apply:

(a) *Cognizant agency* means the Federal agency assigned by the OMB (Office of Management and Budget) to carry out the responsibilities described in § 41.11.

(b) *Federal financial assistance* means assistance provided by a Federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations, but does not include direct Federal cash assistance to individuals. It includes awards received directly from Federal agencies, or indirectly through other units of State and local governments.

(c) *Federal agency* has the same meaning as the term 'agency' in section 551(1) of Title 5 U.S.C.

(d) *Generally accepted accounting principles* has the meaning specified in the generally accepted government auditing standards.

(e) *Generally accepted government auditing standards* means the *Standards For Audit of Government Organizations, Programs, Activities, and Functions*, developed by the Comptroller General, dated February 27, 1981.

(f) *Independent auditor* means: