



2026 ANNUAL CONFERENCE OAKLAND, JANUARY 11 - 13

AUXILIARY ORGANIZATIONS ASSOCIATION

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THE NEXT ERA OF AUXILIARIES  
**SHAPING TOMORROW**

# Uniform Guidance, Uncommon Challenges

## Navigating Single Audits in a New Era



RESEARCH ADMINISTRATION

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# Session Objectives

- Identify **high-risk compliance areas** driving audit findings
- Apply **practical audit-readiness tools**
- Understand what **guidance has changed** and what is to come
- Self-assess organizational vulnerabilities

# Why this matters now

- **Increased federal scrutiny of sponsored programs**
- **Rising dollar thresholds = fewer, but riskier audits**
- **Cuts to Federal funding**
- **CSU auxiliaries face:**
  - Complex award structures
  - Shared services with campus
  - Frequent staff turnover

**\$6.9 trillion**

in federal awards were  
subject to single audit  
scrutiny (2017–2021)

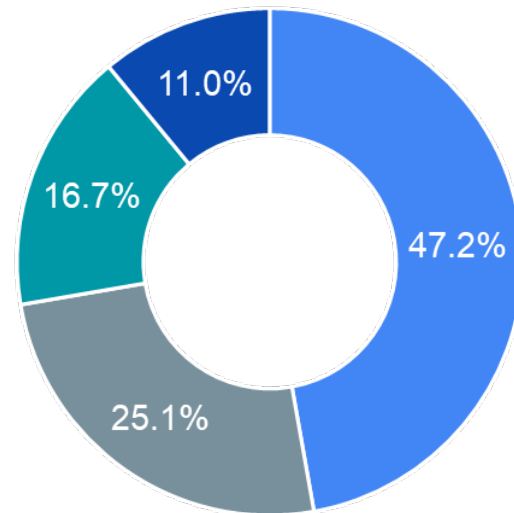
# SINGLE AUDIT Findings

## Study by GOA

Study performed in 2024 by the GOA of single audits submitted from 2017 to 2021:

- \$6.97T in direct Federal awards
- 40,000 singles audits were submitted in 2023 alone
- 52.8% had findings
- 213 findings reported in 2015 were unresolved by 2021

\*<https://www.gao.gov/products/gao-24-106173>



- No findings
- Findings are either severe or consistent
- Findings are both severe and consistent
- Findings are neither severe nor consistent

# Where CSU Auxiliaries Commonly Struggle

High-risk areas we consistently see

- Subrecipient monitoring
- Time & effort / payroll allocation
- Procurement & vendor justification
- Cost allowability and classification
- Inconsistent policies vs. practice
- SEFA misalignment with accounting
- Recording funding in the incorrect accounting period

*Subrecipient monitoring and payroll consistently rank among the top audit risk areas.*

# Case Study #1: Subrecipient Monitoring

## Scenario

- Auxiliary passes funds to another CSU or nonprofit
- Agreement executed, but monitoring is informal

## Common Findings

- Missing risk assessments
- No evidence of monitoring
- Late or missing subrecipient audits

*Pass-through entities retain responsibility, even when funds stay within the CSU.*

# Case Study #2: Payroll & Time Reporting

## Scenario

- Sponsored project staff split across grants
- Effort reporting completed late or retroactively

## Common Findings

- Unsupported allocations
- After-the-fact adjustments
- Inconsistent certifications

*Payroll is typically the largest cost tested in a single audit.*



# Case Study #3: Procurement

## Scenario

- Sole-source vendors justified verbally
- Emergency purchases become routine

## Common Findings

- No cost/price analysis
- Missing competition documentation
- Policy misalignment with UG thresholds

*Missing procurement documentation can result in questioned costs up to 100%*

# Interactive Risk Self-Assessment

**What is your highest-risk area today?**

- Subrecipients?
- Payroll?
- Procurement?
- Documentation & retention?
- Or something else?

*Repeat findings often stem from risks that were never formally addressed.*

# Audit Readiness: What actually works?

## Practical tools we see succeed:

- Compliance calendar tied to award lifecycle
- Standardized subrecipient checklist
- Pre-audit internal walkthroughs
- Centralized documentation repository
- Ongoing training (not just pre-audit)

*Organizations that  
prepare year-round  
report fewer repeat  
findings*

# Internal Controls That Auditors Expect

- Clear ownership (who does what)
- Timely controls (performed during, not after the fact)
- Evidence of review, not just preparation
- Consistency across awards
- Written policies that match reality
- Retention of documentation

**Pro tip:** Controls don't have to be complex – just consistent.

*Controls must operate during the year, not just at audit time.*

# The 3 Things to keep in mind

Documentation > Intent

"If it isn't documented, it didn't happen"

Know the rules before you spend the \$

"Compliance starts at award acceptance"

Responsibility must be clear and provable

Shared services ≠ shared accountability

*Auditors test what you  
did...and what you can  
prove*

# What's Changing in 2026?

## NEW Uniform Guidance:

- Plain-language rewrite and clarity improvements
- Terminology updates
- Dates to remember
  - Effective for **awards issued on or after** 10/1/24
  - **Audit requirements** effective FYE on or after 10/1/24
- Updated definitions and thresholds:
  - Single audit: \$750k → \$1M
  - Capitalization threshold: \$5,000 → \$10,000
  - Terminology clarified and modernized
- Subaward reporting and SAM/GUID updates
- Focus on alignment with statutory authorities
- Emphasis on risk, internal control & compliance culture

*FY 6/30/26 CSU audits  
are the 1<sup>st</sup> to comply  
with the revised  
Uniform Guidance*

# What to do in the next 90 days?

- Are roles clearly defined between campus and Auxiliary?
- Could we hand an auditor documentation **today**?
- Have we **formally documented** our contractor versus subrecipient determinations?
- Is subrecipient monitoring occurring **and evidenced**?
- Are effort reports and payroll allocations being **reviewed timely** and independently?
- Do procurement files stand alone **without verbal explanations**?
- Have we performed a “mock audit” walkthrough of one major award?

*Most audit findings originate months before fieldwork begins*

# Resources

- **Uniform Guidance (2 CFR 200)**  
<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>
- **Federal Audit Clearinghouse**  
<https://www.fac.gov/>
- **Compliance Supplement**  
<https://www.whitehouse.gov/omb/information-resources/guidance/compliance-supplement/>
- **AICPA Audit Guides & Practice Aids**  
<https://www.aicpa-cima.com/home>

**Also:**

- Chancellor's Office
- Your current auditor
- Granting agencies
- Continuing education courses







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# THANK YOU!

