



*Case Study*

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# Building a Scalable Government Audit Partnership



**CLIENT INDUSTRY:** Government & Compliance Auditing

**FOCUS:** Yellow Book & Single Audits

**BPO PARTNER SPECIALTY:**

Federal-Funded entities and compliance-driven audits

## BACKGROUND

We connected with a leading U.S. audit firm at an industry conference. The client was facing a significant backlog of audits under the Generally Accepted Government Auditing Standards (GAGAS) – commonly referred to as the Yellow Book – and urgently needed support to meet critical deadlines.

### Their audits included:

- **Single Audits** (in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Uniform Guidance)
- Compliance reviews for schools, universities, churches, metro agencies, and not-for-profit organizations receiving Federal funding
- Specialized audit work for multiple Tennessee cities (Nashville, Clarksville, Knoxville, Franklin) and Pennsylvania districts

## CHALLENGES & OPPORTUNITIES

1. **Backlog:** Yellow Book and Single Audits awaiting completion.
2. **Compliance** Requirements: All resources required current Yellow Book CPE and licensing.
3. **Margin Sensitivity:** Concern over the impact of resource costs on smaller client fees.
4. **Need for Scalability:** Seasonal fluctuations in demand required rapid surge capacity.



## SOLUTION

We proposed a pilot program starting in March 2024 with three highly trained PROs.

### Key strategies included:

- **CPE Collaboration:** Partnered with the client to ensure all resources met Yellow Book continuing education requirements. Specialised learning plans powered by the LC Vista platform and Becker & BDO Alliance content.
- **Blended Rate Model:** Combined senior and junior resources to reduce the average hourly cost without compromising quality.
- **Team mix and work allocation:** Allowed the client to allocate simpler audit tasks to improve the overall margin and cost-effectiveness of the audits.
- **Scalable Staffing:** Maintained a core team year-round, with flexibility to add resources during surge periods.

## IMPLEMENTATION & GROWTH

- **Pilot Phase (March 2024):** 3 resources focused on backlog reduction.
- **Phase 2:** Pilot success led to immediate contract extensions and the addition of 6 more resources.
- **Ongoing Model:** The client now retains the core senior PROs year-round and scales up with additional resources during peak demand.
- **Skill Progression:** Original PROs advanced into Single Audit specialist and senior reviewer roles, coaching junior staff to maintain quality and efficiency.



## RESULTS

- **Backlog Clearance:** Significant reduction within the first few months, restoring timely audit delivery.
- **Improved Efficiency:** Senior PROs now focus on review and coaching, enabling faster onboarding of new resources.
- **Cost Optimization:** Blended and reduced rate structure improved client ROI without sacrificing quality.
- **Scalability:** Surge capacity allowed the client to handle peak workloads seamlessly.
- **Enhanced Capability:** Now delivering end-to-end Single Audits, freeing up the client's internal team for higher-value work.
- **Relationship Growth:** Multiple 3–6 month extensions since project inception, building long-term trust and repeat business.

## SPECIALIZED AUDIT EXPERTISE DEVELOPED

- **Federal-Funded Entities:** Schools, universities, churches, and not-for-profits.
- **Districts & Metro Agencies:** Including Nashville Metro's high-volume audits where our resource is a core audit team member.
- **Geographic Focus:** Tennessee (Nashville, Clarksville, Knoxville, Franklin) and Pennsylvania districts.
- **Internal School Funds:** Auditing in accordance with the Tennessee Internal School Funds Manual.





## CLIENT TESTIMONIAL

“Working with SAPRO has been a highly positive experience and working directly with their pros has been such a pleasure. Their pros are not only knowledgeable in accounting and auditing standards but also fit right in with our onshore team. Their pros are easy to work with, responsive, and collaborative, seamlessly integrating with our onshore team for at least a 4 hour overlap each day. They actively participate in planning, team discussions, reviewing, and reporting, ensuring they are fully engaged and contributing as part of one cohesive audit team for each of the industries that we serve including: governments, non-profits, for profits employee benefit plans, compilations, reviews, agreed-upon procedures, etc. Their professionalism, teamwork, and client-focused approach have made them a trusted partner, and we value their continued contributions to our engagements.”

– **CPA, Audit Principal – Nashville**

## CONCLUSION

From a three-person pilot to a scalable, specialized government audit partnership, this engagement demonstrates the value of strategic staffing, compliance alignment, and long-term relationship building. The client is now equipped to meet compliance obligations efficiently, maintain audit quality, and adapt to fluctuating workloads – with SAPRO as their trusted partner in Yellow Book and Single Audit delivery.





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