





NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION

Training – Compliance Supplements and Single Audits

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November 14, 2024

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NORTH CAROLINA
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Single Audits in North Carolina

- A Single Audit consists of three level of audits:
 - A financial audit performed under *Generally Accepted Auditing Standards (GAAS)*.
 - A financial audit performed under *Government Auditing Standards (GAGAS)*.
 - Audit of selected federal and/or State programs for compliance with the terms and condition of the federal or State awards, contracts, grant agreements, laws, and regulations pertaining to the awards.

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Federal Single Audit requirements

- **Federal awards:** If a nonfederal entity expends \$750,000 or more of federal financial assistance, an audit is required in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”).
 - Title 2 US Code of Federal Regulations, Part 200, (2 CFR 200)
 - Threshold will increase to \$1,000,000 effective for FYEs 09/30/2025 and later.
- Applies to States, local governments/public authorities and not-for-profits.
 - Also, applies to Institutes of Higher Learning, Indian Tribes, and possibly for-profit entities under a limited basis

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Single Audit requirements of State Awards

- Two authoritative sources for Single Audit of State Awards:
- NC Administrative Code (09 NCAC 03M), NC G.S. §143C-6-23:
 - Applicable to non-State entities except for those who report to the LGC (Local Governments and Public Authorities)
 - Title 9 – Governor and Lt. Governor
 - Chapter 3 – Office of State Management and Budget (OSBM)
 - SubChapter M - Uniform Administration of State Awards of Grants
- NC G.S. §159-34. Annual independent audit: rules and regulations
 - Applicable to Local Governments and Public Authorities
 - State Single Audit Implementation Act

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SubChapter 3M, Single Audit requirements

- A recipient/subrecipient that receives, holds, uses, or expends grants in an amount of *\$750,000 within its fiscal year shall have a single or program-specific audit prepared and completed in accordance with the Yellow Book (09 NCAC 03M.0205).
 - * Requirement is equal to or greater than the dollar amount requiring audit as listed in 2 CFR 200.501(a), which is currently \$750,000. This was effective July 1, 2024
- OSBM adopts rules to ensure the uniform administration of State grants by all grantor State agencies and grantees or subgrantees (NC G.S. §143C-6-23(d)).

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SubChapter 03M – Uniform Administration of State Awards

- 09 NCAC 03M.0102 - Definitions
 - State Funds - any funds appropriated by the General Assembly or collected by the State.
 - State funds includes federal financial assistance received by State and passed to non-State entities. Both federal and State awards must maintain their identity as they are disbursed.
 - "Grants" or "Grant funds" means State funds disbursed as a grant, cooperative agreement, noncash contribution, food commodities, or direct appropriation, to a recipient or subrecipient.
 - "Single Audit" means an audit that includes an examination of an organization's financial statements, internal controls, and compliance with the requirements of Federal or State awards.

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SubChapter 03M – Uniform Adm. of State Awards (cont.)

- 09 NCAC 03M.0201 – Allowable Uses of Grants
 - Expenditures of grants by any recipient or subrecipient shall be in accordance with the cost principles outlined in the Code of Federal Regulations, 2 CFR, Part 200. (Uniform Guidance, Subpart E, Cost Principles)
- 09 NCAC 03M.0401 – Agency Responsibilities
 - Develop compliance supplement reports that describes the standards of compliance and audit procedures to give direction to independent auditors.

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NC G.S. §159-34. Annual independent audit: rules and regulations

- Requires GAAS and GAAP audits for Local Governments and Public Authorities.
- Requires audits in accordance with the requirements regarding compliance with federal and State regulations. LGC (State Treasurer - SLGFD) sets the State requirements for the State Single Audit Implementation Act.
- Local governments and public authorities that expend \$100,000 or more in combined federal or State financial assistance must have an audit performed in accordance with *Government Auditing Standards* (GAGAS).
- Local governments and public authorities that have expend \$500,000 or more in State financial assistance must have a single audit performed in accordance with the State Single Audit Implementation Act.
 - Threshold will increase to \$1,000,000 effective for audits w/9/30/2025 FYEs and later.

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NC G.S. §159-34. Annual independent audit: rules and regulations

- Local Government Commission (LGC) of the NC Dept. of State Treasurer (DST) has the authority to issue rules and regulations for the purpose of improving the quality of auditing and comparability of reporting.
 - State Local Govt Finance Division (SLGFD) of DST is the staff of the LGC
- All State departments and agencies shall rely upon the single audit accepted by the LGC as the basis for compliance with applicable federal and State regulations.
- State agencies which provide funds to local governments/public authorities shall provide the LGC with documents describing standards of compliance and suggested audit procedures sufficient to give adequate direction to local auditors to conduct a single audit as required by this section (State Compliance Supplements).
- The LGC is responsible for the annual distribution the Compliance Supplements.

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Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

- Part of the Code of Federal Regulations (2 CFR 200)
- Uniform Guidance
 - Subpart A: Acronyms and Definitions (§200.0 - §200.1)
 - Subpart B: General Provisions (§200.100 - §200.113)
 - Subpart C: Pre-Federal Award Requirements and Contents of Federal Awards (§200.200 - §200.216)
 - Subpart D: Post Federal Award Requirements (§200.300 - §200.346)
 - Subpart E: Cost Principles (§200.400 - §200.476)
 - Subpart F: Audit Requirements (§200.500 - §200.521)
 - Appendices I to XII
- Revised Uniform Guidance (effective fiscal years beginning on or after October 1, 2024)

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State Single Audit Implementation Act

- “State Single Audit Implementation Act” passed by NC General Assembly in 1987 (S.L. 1987-287).
- Applies to Local Governments and Public Authorities subject to G.S. §159-34.
- Requirements set by the staff of the Local Government Commission
- State Awards: If a local government/public authority expends \$500,000 or more of State financial assistance, an audit is required in accordance with NC G.S. §159-34(a) (“State Single Audit Implementation Act”).
- Guidance can be found in “Discussion of Single Audit in NC.”

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Uniform Guidance Sections that Apply to State Single Audit Act

- Subpart A – Definitions, as applicable
- 200.502 – Basis for determining awards expended
- 200.330 – Subrecipient and contractor determinations
- 200.503 (a, b, c) – Relation to other audit requirements
- 200.505 – Sanctions
- 200.508 – Auditee responsibilities
- 200.509 – Auditor selection
- 200.510 – Financial statements
- 200.511 – Audit findings follow-up
- 200.511 – Requirements for pass-through entities
- 200.513 – Awarding Agency responsibilities, pass-through entity responsibilities
- 200.514 – Scope of audit
- 200.515 – Audit reporting
- 200.516 – Audit findings
- 200.517 – Audit documentation
- 200.519 – Criteria for program risk
- 200.520 - Criteria for low-risk auditee
- 200.521 (a, c, d, e) – Management decisions

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Uniform Guidance Sections that DO NOT Apply to State Single Audit Act

- 200.500 – Purpose
- 200.501 – Audit Requirements
- 200.503 (d, e) – Relation to other audit requirements
- 200.504 – Frequency of audits
- 200.506 – Audit cost
- 200.507 – Program specific audits
- 200.512 – Audit submission
- 200.518 – Major program determination
- Appendix X - Data Collection Form (SF-SAC)

- Guidance for State Awards for the sections that do not apply to the Uniform Guidance, refer to “Discussion of Single Audit in North Carolina” and LGC-205 (Contract to Audit Accounts)

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Audit Requirements for Non-State Entities, other units of Local Governments

- Non-State entities that are not subject to requirements of the LGC (G.S. §159-34) are subject to 09 NCAC 03M and NC G.S. §143C-6-23.
- This includes nonprofit organizations.
- Oversight of audit requirements found in 09 NCAC 03M is provided by the NC Office of State Management and Budget (OSBM).
- Questions concerning audits of non-state entities, other than those subject to G.S. §159-34, concerning program compliance should be directed to State Agency that provides the predominate funding.

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Determining Federal or State Awards Expended:

- Uniform Guidance and State Single Audit Implementation Act: Expenditures are determined based on when the activity related to the awards occurs. Expenditures related to the activity and must comply with the compliance requirements associated with the award:

Federal Awards / State Awards	Basis for determining when expended
Grants, cost reimbursement contracts, direct appropriations, contracts with Indian Tribes	When expenditures/expenses incurred
Amounts provided to subrecipients	When the disbursement is made to the subrecipient
Loan and Loan guarantees (prior year loans not applicable)	When the loan proceeds are used by the nonfederal agency
Donated property, including donated surplus property	When property is received
Food commodities	When the food commodities are distributed or consumed
Interest subsidies	When amounts are disbursed entitling the entity to the subsidy
Insurance	When the insurance is enforced
Endowments	When federal restricted amounts are held
Program income	When received or used
Textbooks and Buses (State awards)	When items are distributed.

- Refer to Uniform Guidance §200.502, §200.1, §200.101

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Subrecipient vs Contractor ?

(Pmts rec'd for goods and services as contractor are not considered financial assistance)

• Subrecipient	• Contractor
• May determines eligibility	• Provides goods and services as normal business operations
• Has its performance measures in relation to whether objectives of the program were met	• Provides similar goods or services to many different purchasers
• Has responsibility for programmatic decision-making	• Normally operates in a competitive environment
• Is responsible for adhering to specific program requirements specified in a law, regulation, or contract	• Provides goods and services that are ancillary to the operations of the program
• Uses program funds to carry out a program for public purpose specified in the authorizing agreement	• Is not subject to compliance requirements of the program as the result of an agreement

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Grant Accounting – Nonexchange Revenue Recognition

- Government-mandated nonexchange transactions
 - ✓ Federal government to state and local governments
 - ✓ Recipients must use resources for specific purposes
 - ✓ Eligibility requirements must be fulfilled
 - ✓ Time requirements
 - ✓ Cannot claim grant expenditures until requirements have been met

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Grant Accounting – Nonexchange Revenue Recognition (cont.)

- Voluntary nonexchange transactions
 - ✓ Legislative / contractual agreements entered into willingly
 - ✓ Parties to transactions do not have to be governmental entities
 - ✓ Not imposed
 - ✓ Eligibility requirements must occur

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Cluster of Programs

- Cluster of programs means a grouping of closely related programs that share common compliance requirements (UG §200.17).
 - R&D, SFA, and “other clusters.”
- Federal “Other clusters” are defined by OMB in Part 5 of the OMB Compliance Supplement.
- State may add a program to a federal cluster, but cannot remove a program clustered by OMB.
- A cluster must be considered as one program for determining major programs to be audited.

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Cluster of Programs (cont.)

- Careful consideration should be given before a State Agency adds a federal program to an OMB Cluster of Programs or creates a cluster of programs.
 - Are the programs closely related, and do they share common compliance requirements, especially federal compliance requirements?
 - Auditors may have additional testing to test federal compliance requirements for the added program
 - SEFSA reporting requirements: OMB requires the additional programs added to the cluster be presented separate from the OMB cluster.
- Programs that are clustered by State (refer to *Preparation Guide for NC State Compliance Supplement*)

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Schedule of Expenditures of Federal and State Awards (SEFSA)

- SEFSA lists the individual federal and State programs by granting federal and State agency.
- SEFSA should include identifying numbers such as Assistance Listing No. (ALN) (ex. 14.228, 93.778, 10.760).
- Cluster of programs must be listed, including cluster name, individual program names, and ALNs.
- Program expenditures should be reported, both cash and noncash.
- If the financial awards are passed through, the pass-through entity's name and identifying number should be included.
- Amounts provided to subrecipients should be reported in a separate column.

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SEFSA (cont.)

- COVID funding should be separately identified.
- State expenditures are to be reported separately from federal programs expenditures.
- Vendor of Beneficiary relationships are NOT to be reported on SEFSA.
- Balance of loans and loan guarantees with continuing compliance requirements are to be included on the SEFSA.
- Notes to the SEFSA should be included to state the basis of accounting, summary of significant policies, balance of loans and loan guarantees, indirect cost rates, and other info.

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Federal and State Single Audit

- A single audit is intended to provide a cost-effective audit for recipients of financial assistance in that one audit is conducted in lieu of multiple audits of individual federal or State programs.
- An auditor selects programs determine to be “major” based on criteria found in the Uniform Guidance for federal programs and “Discussion of Single Audit in NC” for State programs.
- The auditor gains an understanding of the internal controls over the compliance requirements of the major programs and test the effectiveness of these controls.
- An auditor applies audit procedures to test an entity’s compliance with the laws, regulations, contracts, grant agreements that are applicable to the federal or State major program.
- Once the audit is completed, the auditor issues a “Report on Compliance With Requirements Applicable to Each Major Federal/State Program and Internal Control Over Compliance.” A Schedule of Findings and Question Costs (SFQC) is required to be issued by the auditor.

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Major Programs – tested by the auditor

- Major programs are primarily determined by a threshold amount: Currently \$750,000 for federal programs (whose entity’s total expenditures are \$25 million or less).
- Federal programs are determined to be either Type A or B and either low or high risk, based on a risk assessment.
- Risk is determine based on current and prior audit experience, inherent risk, and agency oversight.
- All high risk As are required to be audited in the reporting year.
- Threshold for State programs is currently \$500,000.

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Internal Controls over Compliance of Federal and State Major Programs

- Uniform Guidance §200.303 applies: subrecipient that receives federal or State awards must establish and maintain internal controls over the federal and State awards that provide reasonable assurance that the subrecipient is managing the federal and State awards in compliance with laws, regulations, terms and conditions of the award.
- Auditors are to plan the audit to support a “low-assessed level of control risk” of noncompliance for major programs (UG §200.514).
- If auditor’s professional judgment determines that internal control is likely to be ineffective, the auditor must report a significant deficiency or material weakness.
- Subrecipients should be compliant with either “Green Book” issued by GAO, or “Internal Control Integrated Framework,” issued by COSO, or a “Best Practice” or “Recommended” approach.

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Levels of Internal Controls Deficiencies over compliance with federal and State programs

- Control deficiencies – A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with the type of compliance requirements of a federal or state program on a timely basis. Control deficiencies are less severe than significant deficiencies.
- Definition is similar to control deficiencies found in financial statement audits; however, the concern is the failure to prevent, detect, or correct a misstatements.

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Levels of Internal Controls Deficiencies over compliance with federal and State programs

- Significant deficiencies – A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over compliance with the type of compliance requirements of a federal or State program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- Material Weakness – A material weakness is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material compliance requirement of a federal or State program will not be prevented or detected and corrected on a timely basis.

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Summary of Green Book and COSO Components and Principles of Internal Control

Components of Internal Control	Principles
Control Environment	<ol style="list-style-type: none"> 1. Demonstrate Commitment to Integrity and Ethical Values 2. Exercise Oversight Responsibility 3. Establish Structure, Responsibility, and Authority 4. Demonstrate Commitment to Competence 5. Enforce Accountability
Risk Assessment	<ol style="list-style-type: none"> 6. Define Objectives and Risk Tolerances 7. Identify, Analyze, and Respond to Risks 8. Assess Fraud Risk 9. Identify, Analyze, and Respond to Change
Control Activities	<ol style="list-style-type: none"> 10. Design Control Activities 11. Design Activities for the Information System 12. Implement Control Activities
Information and Communication	<ol style="list-style-type: none"> 13. Use Quality Information 14. Communicate Internally 15. Communicate Externally
Monitoring	<ol style="list-style-type: none"> 16. Perform Monitoring Activities 17. Evaluate Issues and Remediate Deficiencies

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Compliance with Federal and State Awards

- Compliance requirements are determined in the contract and grant agreement for the federal or State awards.
- Also included in laws and regulations pertaining to the federal or State award, such as US Code, Code of Federal Regulations, NC General Statutes, and NC Administrative Code.
- Written policies or procedures of the oversight or granting Agency. The subrecipient may have incorporated compliance requirements in their policy manuals.
- Federal awards are subject to “Pre-Federal Award Requirements” (Subpart C of the UG), “Post Federal Award Requirements” (Subpart D of the UG), “Cost Principles” (Section E of UG), and “Audit Requirements” (Subpart F of UG).
- The applicable requirements required to be tested are included in a “Compliance Supplement” issued by OMB (federal programs) and State Agencies. Audit guidance is provided in the supplement, if one was issued for the program.

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2024 State Compliance Supplements

- Prepared by federal agencies:
 - Section A – US Office of Management and Budget (OMB) Compliance Supplement.
- Prepared by State Agencies:
 - Section B – Supplements for Federal programs passed through the State (including State matching).
 - Section C – Supplements for programs funded solely with State funds.
 - Section D – Crosscutting Compliance Supplements
 - Currently only DHHS, DOT, & DPI.
 - Section E – Short Form Compliance Supplements

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Section A: OMB Federal Compliance Supplement

- Part 1 – Background and Purpose
- Part 2 – Matrix of Compliance Requirements
- Part 3 – Compliance Requirements (apply to all federal programs with applicable types)
- Part 4 – Agency Program Requirements
- Part 5 – Cluster of Programs (other clusters)
- Part 6 – Internal Controls
- Part 7 – Guidance for Auditing Programs NOT Included in this Compliance Supplement (good resource on how to prepare a compliance supplement)
- Appendices (I to IX)

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OMB Federal Compliance Supplement - Appendices

- I – Federal Programs excluded from the Uniform Guidance (2 CFR Part 200)
- II – CFRs applicable to Federal Agencies
- III – Federal Agency Single Audit, Key Management Liaison, and Program Contacts
- IV – Internal Reference Tables
- V – List of Changes for the 2023 Compliance Supplement
- VI – Program-Specific Audit Guides
- VII – Other Audit Advisories
- VIII – Examination of EBT Service Organizations
- IX – OMB Compliance Supplement Core Team

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Uniform Guidance-Audit Requirements

COMPLIANCE REQUIREMENTS

FEDERAL	STATE
A. Activities Allowed or Unallowed	1. Activities Allowed or Unallowed
B. Allowable Costs/Cost Principles	2. Allowable Costs/Cost Principles
C. Cash Management	3. Cash Management
D. Reserved	4. Conflict of Interest
E. Eligibility	5. Eligibility
F. Equipment & Real Property Mgmt	6. Equipment & Real Property Mgmt
G. Matching, Level of Effort, Earmarking	7. Matching, Level of Effort, Earmarking
H. Period of Performance	8. Period of Performance
I. Procurement, Suspension and Debarment	9. Procurement, Suspension and Debarment
J. Program Income	10. Program Income
K. Reserved	11. Reserved
L. Reporting	12. Reporting
M. Subrecipient Monitoring	13. Subrecipient Monitoring
N. Special Tests and Provisions	14. Special Tests and Provisions

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Compliance Requirement

A. Activities Allowed and Unallowed

- Was the Grant spent only on items allowable per the grant agreement, regulations, and guidelines?
- Controls: Identify the key controls(s) for testing
 - Example: If a department requests a check for a cost unallowable under the grant agreement, regulations, or guidelines, what controls would ensure that payment is denied?
- Compliance: Apply substantive testing
 - Select transactions and perform procedures to verify that:
 - a) the transactions were for an allowable cost and not for prohibited uses.
 - b) costs were adequately documented.

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Compliance Requirement

F. Equipment and Real Property Management

- Was the entity in compliance with requirements regarding the use, maintenance, and disposal of equipment and real property (i.e. building and land) purchased with federal or State funds?
- Controls: Identify the key controls(s) for testing
 - Example: If equipment or land is purchased with federal or State funds, how would the appropriate personnel be made aware and then ensure compliance with the federal or State requirements for use, maintenance, and disposal?
- Compliance: Apply substantive testing
 - Select equipment /real property purchased with awards to verify it exists.
 - Verify a required physical inventory is performed every two years.
 - Test if the equipment /real property was properly disposed of and proceeds reported to federal or State agency (if applicable).

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Compliance or Internal Control Findings

- If an auditor determines that the internal control over compliance are such that instances of material noncompliance could occur, then this needs to be reported as a finding. This needs to be reported regardless of whether an instance of noncompliance was not discovered.
- If an auditor discovers an instance or instances of noncompliance with a major program that is direct and material and/or determines that the internal control over compliance are such that it did not detect or prevent the instances of noncompliance, then this needs to be reported as a finding (material weakness or significant deficiency).
- Findings are reported on a "Schedule of Findings and Questioned Costs" (SFQC) and include a reference number such as "2024-001", "2024-002."

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Compliance or Internal Control Findings

- A section of the SFQC includes “Federal Awards Finding” (if applicable) or “State Awards Findings” (if applicable).
- Elements such as Condition, Criteria, Cause, Effect to describe the finding must be included in reporting the finding.
- If costs are questioned by the auditor, due to the instances of non-compliance, the amount needs to be included in the finding.
- Uniform Guidance states that findings with \$25,000 questioned costs must be reported.
- Also, the auditor should provide a recommendation to prevent future occurrences and include the views of responsible officials of the entity concerning the finding.
- If this is a repeat finding, this should be noted in the finding.

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Corrective Action Plan (CAP) and Summary Schedule of Prior Audit Findings

- For each audit finding, including yellow book findings, management of the entity should provide a “Corrective Action Plan” on how to prevent the future occurrences of the findings. This is the responsibility of management.
- A CAP needs to be included on entity’s letterhead and include the name of the contact responsible for correcting the finding, the corrective action plan, and the anticipated completion date.
- Management of the entity should provide a “Summary Schedule of Prior Audit Findings” listing the findings reported in the previous year’s audit and the status of correcting the finding, such as “corrected”, “partially corrected” (with explanation), “no longer valid.”
- Both CAP and the Summary Schedule should include the finding’s reference number (ex. 2023-001, 2023-002). This includes both Yellow Book and program findings.

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What do Auditors Test Related to Federal/State Awards?

- Major Programs for controls and compliance,
- SEFSA and Notes to the SEFSA,
 - Contains the required elements
 - Amounts are accurate and appropriated supported,
 - Mathematical accurate
 - Auditor may prepare a draft for the entity's management, if auditor believes it does not affect their independence.
- Corrective Action Plan (if applicable).
- Summary Schedule of Prior Audit Findings (if applicable).

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Audit Reporting Package – Compliance Section

- ✓ Yellow Book Report
- ✓ Single Audit Report on Federal Programs (if applicable)
- ✓ Single Audit Report on State Programs (if applicable)
 - Federal and State report must not be combined.
- ✓ Schedule of Finding and Questioned Costs
 - Summary of Auditors Results (Section I)
 - Findings Related to the Financial Statements. These are referenced in the Yellow Book. (Section II, if applicable)
 - Findings related to Federal Awards (Section III, if applicable)
 - Findings related to State Awards (Section III or IV, if applicable)
- ✓ Corrective Action Plan (separate page, if applicable)
- ✓ Summary Schedule of Prior Audit Findings (if applicable)

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GAO Study of Federal Audit Clearinghouse (FAC) Data

- Single Audit quality has always been a concern ever since Circular A-133 Audits.
- GAO recommends that OMB initiates a requirement of a government-wide single audit quality review at a regular interval. Also, GAO has made ten other recommendations to General Service Adm (GSA) and OMB.
- Data problems with audit submissions to FAC:
 - ✓ Inaccurate Assistance Listing Numbers.
 - ✓ Indirect Awards inaccurately recorded as direct awards.
 - ✓ Audit opinions noted did not match underlying reports.
 - ✓ Incorrectly including financial statement findings.
 - ✓ COVID-19 identifying problems.
 - ✓ Incorrectly entered federal award expenditures, including truncation and rounding issues

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SLGFD – Compliance Reviews

- G.S. §159-34(c) – “all State departments and agencies shall rely upon the single audit accepted by the secretary (of the LGC) as the basis for compliance with applicable federal and State regulations.”
- SLGFD performs desk reviews by reviewing all the relevant reports and schedules for compliance with UG Subpart F requirements.
- At the State Agency requests, LGC incorporates in our review process, the reporting of financial assistance provided by DOT, DHHS, and DEQ on SEFSAs.
- If a State Agency has special requests for items to be checked prior to our acceptance of the audit in accordance with G.S. §159-34(c), we incorporate the request in our review (if reasonable).
- A primary review tool used is a spreadsheet: “Single Audit Review Program”
- This is a checklist that is not all-inclusive.

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Compliance Audits and SLGFD Audit Reviews

- Audit opinion resources:
 - [Sample opinions](#) on basic financial statements
 - [Compliance Reporting](#): Sample reports on Yellow Book, Compliance and Internal Control with Major Federal Programs, and Compliance and Internal Control with Major State Programs
 - [Internal Control Communications](#) (AU-C §265)
- [Single Audit Reporting](#)
 - Illustrative Schedule of Expenditures of Federal and State Awards
 - Illustrative Schedule of Findings and Questioned Costs, Corrective Action Plans, Summary Schedule of Prior Audit Findings
- [Discussion of Single Audit in North Carolina](#)

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Compliance Audits and SLGFD Audit Reviews

- Audit opinion resources:
 - [Sample opinions](#) on basic financial statements
 - [Compliance Reporting](#): Sample reports on Yellow Book, Compliance and Internal Control with Major Federal Programs, and Compliance and Internal Control with Major State Programs
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Compliance Audits Resources and Links

- **NC Department of State Treasurer, Single Audit Resources website:**

Link to the [2024](#) State Compliance Supplement:

a. <https://www.nctreasurer.com/divisions/state-and-local-government-finance-division/lgc/local-fiscal-management/compliance>

For detailed instructions on writing compliance supplements and templates of the various supplement documents start at the following link: <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/annual-audit/compliance-supplements-and-resources/compliance-supplement-preparation-resources>

- **SAM.gov**

Official U.S. government website for people who make, receive, and manage federal awards.

<https://sam.gov/>

- **Federal Audit Clearinghouse** (<https://fac.gov/>) - The Federal Audit Clearinghouse (FAC) is the place to submit and review federal grant audits.

- **OMB – Office of federal financial management:** <https://www.whitehouse.gov/omb/office-federal-financial-management/>

(Link to OMB Compliance Supplement and other circulars, OMB memoranda and bulletins.)

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Compliance Audits Resources and Links (cont.)

- **Code of Federal Regulations:** <https://www.ecfr.gov>

- **United States Code:** <https://uscode.house.gov/>

- **Office of Management and Budget (OMB)**

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200).

This contains the Cost Principles, Administration requirements, and Audit requirements of federal awards:

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>

- The **Uniform Guidance** is printed in the Federal Register Vol 78 No. 248 Thursday, December 26, 2013. The link to the Federal Register:

<https://www.federalregister.gov/>

- **Government Accountability Office:** <https://www.gao.gov/yellowbook>

This provides Governmental Auditing Standards, also know as yellow book

- **North Carolina State Statutes:** <https://www.ncleg.gov/Laws/GeneralStatutesTOC>

- **N. C. Administrative Code:** <http://reports.oah.state.nc.us/ncac.asp>

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