



State of North Carolina

Department of State Treasurer

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Memorandum #1100

May 21, 2008

To: Certified Public Accountants

From: Sharon Edmundson
Director, Fiscal Management Section

Subject: North Carolina State Compliance Supplements for 2008

The North Carolina State Compliance Supplements have been updated for the year 2008. The Compliance Supplements have been developed in cooperation with State agencies to assist local auditors in identifying program compliance requirements and audit procedures for testing those requirements.

Copies of all Compliance Supplements, sections A through E, may be downloaded from the State Treasurer's Single Audit Resources website: www.nctreasurer.com (choose State and Local Government, Auditing and Reporting Resources, Single Audit Resources). Please download the sections needed. If you prefer to receive hard copies from our office, Sections B through E of the N. C. State Compliance Supplements may be obtained by contacting Lisa Olson of the Local Government Commission, telephone 919-807-2382, fax 919-807-2398, or email: lisa.olson@nctreasurer.com. Hard copies of the Federal Office of Management and Budget supplements (Section A of the State Supplements) may be obtained through the link on our website, by phone from the Government Printing Office at (202) 512-1800, or by going directly to their website at <http://bookstore.gpo.gov>.

We recommend that, in addition to this memorandum, the auditor read the following sections of the supplements: Introduction, Organization, How to Use This Document, Clusters, and Safe Harbor.

A specific program may be documented in more than one section. Therefore, the auditor may need to consider several sections for a specific program, if applicable. For example, if a program to be audited includes federal funds received from any agency or department of the State of North Carolina, the auditor must assess supplements in Sections A, B, and D, if relevant. For federal programs, the auditor should consider the "generic" requirements found in Part 3 (Compliance Requirements) and Part 6 (Internal Control) of OMB Circular A-133 Compliance Supplement.

Reminder: The Office of State Auditors is designating programs to be audited as major by certain auditors of local governments and public authorities. Notifications of these designations were sent on April 15, 2008, via fax, to Finance Officers of certain Counties, Health Districts, Mental Health Districts, and their auditors. Please refer to LGC Memorandum #993 *Impact of 2003 Federal Compliance Supplements Upon Local Government Audits* for more information.

Should you have any questions regarding specific requirements, agency contacts referenced in the Compliance Supplements can assist you. Questions or comments to the Local Government Commission staff should be directed to Jim Burke, telephone 919-807-2389, or via e-mail at james.burke@nctreasurer.com.