



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

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Memorandum #2010-37

TO: Certified Public Accountants

FROM: Sharon Edmundson, Director, Fiscal Management Section

SUBJECT: State of North Carolina Compliance Supplements for 2010

DATE: June 18, 2010

The State of North Carolina Compliance Supplements have been updated for the year 2010. The Compliance Supplements have been developed in cooperation with State agencies to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements.

Copies of all Compliance Supplements, Sections A through E, may be obtained by downloading from the State Treasurers Single Audit website: www.nctreasurer.com (choose State and Local Government, Auditing and Reporting Resources, Single Audit Resources). We urge you to download the sections you desire. If you prefer hard copies, Section 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. Once the U. S. Office of Management and Budget issues the federal Compliance Supplements, Section A can be obtained by calling Government Printing Office (202) 512-1800 or online at <http://bookstore.gpo.gov>. Currently there is a draft of the OMB supplements available that should be used for planning purposes only.

Auditors should be aware that most of the American Recovery and Reinvestment Act of 2010 (ARRA) awards that have been distributed and expended to date were transacted during the current year ending June 30, 2010. The Single Audit will be the audit tool that will be used to drive accountability for ARRA funds. OMB will use the OMB Circular A-133 Compliance Supplement to notify auditors of compliance requirements that should be tested for ARRA awards. As of the date of this memo, OMB has not yet released their supplements, Section A of the State Compliance Supplements. Any addenda to the State Compliance Supplements will be noted at www.nctreasurer.com (choose State and Local Government, Auditing and Reporting Resources, Single Audit Resources).

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

Should you have any questions regarding specific requirements, agency contact persons referenced in the Compliance Supplement can assist you. Question or comments to the State and Local Government Finance Division staff can be directed to Jim Burke via telephone at 919-807-2389, or via e-mail at james.burke@nctreasurer.com