



**STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION**

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**Memorandum #2021-08**

**TO: State Agencies, Independent Auditors, North Carolina Local Governments and Public Authorities, Interested Parties**

**FROM: Susan McCullen, Director, Fiscal Management Section**

**SUBJECT: 2021 State Compliance Supplements**

**DATE: May 27, 2021**

The North Carolina State Compliance Supplements (State Compliance Supplements) have been updated for the year 2021. The State 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 them from the State Treasurer's Single Audit website [here](#).

At this time, the U.S. Office of Management and Budget (OMB) has not yet released the OMB Compliance Supplement, which is Section A of the State Compliance Supplements. This is scheduled to be released in the summer. When they are released, we will post them to the website and indicate this on the Single Audit page of the website. In addition, any other addenda to the State Compliance Supplements will be noted on the website as well. We also will send an announcement via our blog post for any significant changes.

The Office of State Management and Budget, NC Pandemic Recovery Office (NCPRO), has prepared audit guidance for the Coronavirus Relief Fund (CFR), 21.019, and the supplement is included in 2021 State Compliance Supplement. Three other State Agencies have prepared CRF supplements since funding has passed through their Agency. State Agencies that received funding for existing programs from the "Coronavirus Aid, Relief, and Economic Security (CARES) Act," have included audit guidance in the existing program's supplement.

As of the date of this memo, State and Local Governments are receiving funding from the American Rescue Plan (ARP). Guidance for auditing ARP funding is not included in the 2021 State Compliance Supplement, Section B, but auditors should monitor the US Dept. of Treasury's Coronavirus State and Local Fiscal Recovery Funds website ([here](#)) and NCPRO's website ([here](#)) for updates.

An important change from previous State Compliance Supplements is that a matrix that shows the Type of Compliance Requirements that apply to a particular program is now located in a table on the supplement, under III Compliance Requirements. This is similar to the OMB Compliance Supplement, so auditors do not have to go to another document to determine the Types that apply.

Should you have any questions regarding specific requirements, agency contact persons referenced in the Compliance Supplements can assist you. Question or comments to the SLGFD staff may be directed to Jim Burke via telephone at (919) 814-4301 or via email at [james.burke@nctreasurer.com](mailto:james.burke@nctreasurer.com)