



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

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

GREGORY C. GASKINS
DEPUTY TREASURER

Memorandum #2018-09

TO: State Agencies, Independent Auditors, North Carolina Local Governments and Public Authorities, interested parties

FROM: Sharon Edmundson, Director, Fiscal Management Section

SUBJECT: 2018 State Compliance Supplements

DATE: May 1, 2018

The North Carolina State Compliance Supplements (State Compliance Supplements) have been updated for the year 2018. 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 them from the State Treasurer's Single Audit website at:

https://www.nctreasurer.com/slg/lfm/audit_acct/single_audit/compliance_supplements/Pages/default.aspx. If you prefer hard copies, Sections B through E of the State Compliance Supplements may be obtained by contacting Lorna Hodge of the State and Local Government Finance Division (SLGFD) staff, via telephone (919) 814-4299, fax (919) 855-5812, or via email at: Lorna.Hodge@nctreasurer.com.

At this time, the U.S. Office of Management and Budget (OMB) has not yet released the OMB Compliance Supplement, which make up Section A of the State Compliance Supplements. 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 listserv. If you are not currently signed up for our listserv *LGC News*, please contact us at (919) 814-4299 or via email at Lorna.Hodge@nctreasurer.com.

County and District Health Departments are reminded that the Office of State Auditor (OSA) has determined that the payments for programs for which 1) the local Health Department determines eligibility and 2) the benefits are paid directly by the State to the participant will NOT be shown on the County's or District Health's Schedule of Expenditures of Federal and State Awards (SEFSA). This will increase the number of programs to be audited as major for Counties and District Healths. Also, the OSA documents on which the results of eligibility testing are reported should be submitted directly to OSA. The State and Local Government Finance Division will no longer review, compile, or submit these to OSA.

Should you have any questions regarding specific requirements, agency contact persons referenced in the Compliance Supplement 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