

North Carolina Office of the State Auditor Issues Statewide Single Audit *Findings and Recommendations Encompass Several State Agencies*

April 7, 2022

RALEIGH, N.C.: On April 4, 2022, the Office of the State Auditor (OSA) submitted its [Statewide Single Audit](#) of the federal funds the State receives each year. These funds primarily take the form of grants such as Medicaid, Student Financial Aid, funds to build highways and bridges, and, more recently, financial assistance for programs to aid in the response to the COVID-19 pandemic.

Each year, the Single Audit uses a prescribed, risk-based approach to select certain programs to be audited. Auditors perform audit procedures to provide assurance to the federal government, as well as taxpayers, about the management and use of these federal funds. The results of the audit procedures are compiled into the Single Audit Report for the State of North Carolina and submitted to the Federal Audit Clearinghouse.

With the significant influx of additional federal funding related to the COVID-19 pandemic, the Office of Management and Budget (OMB) issued OMB Memo 4-21-20 on March 19, 2021 to provide administrative relief. The Memo directs awarding agencies to allow recipients and subrecipients, that have not yet filed their single audits with the Federal Audit Clearinghouse, to delay the completion and submission of the single audit reporting package to six months beyond the typical due date. For fiscal year ended June 30, 2021, the deadline was March 31, 2022. Therefore, the extended deadline is now September 30, 2022.

Nonetheless, **OSA successfully submitted** its Statewide Single Audit for fiscal year ended June 30, 2021 on April 4, 2022. Particularly noteworthy findings and recommendations issued by OSA included:

- Inadequate monitoring of Coronavirus Relief Funds by the North Carolina Pandemic Recovery Office (see page 16 of the Statewide Single Audit).
- Errors in Emergency Rental Assistance program spending by the Department of Public Safety (page 19).
- Inadequate monitoring of the Education Stabilization Fund – Elementary and Secondary School Emergency Relief program by the Department of Public Instruction (page 43).
- Inadequate monitoring of local health departments by the Department of Health and Human Services (page 50).
- Deficiencies in the Medicaid provider enrollment and termination process by DHHS (page 57).

Follow-up inquiries can be directed to the Public Information Officer at osa_communications@ncauditor.net or by calling (919) 807-7666.