

**CONTROLLER ALERT: 2021 Compliance Supplement Addendum 1 Notification and 2022 Compliance Supplement Publication Schedule**

*Controller Alerts are designed to highlight emerging financial management issues that may require agency attention or action. These Alerts are intended to inform the Chief Financial Officer (CFO) community of key issues where the Office of Management and Budget (OMB) believes further action may be warranted, but do not constitute official guidance or prescribe specific tasks for agencies beyond consideration of appropriate steps to address the issue.*

This Controller Alert announces the publication of the 2021 Compliance Supplement Addendum 1 and provides the schedule for the publication of the 2022 Single Audit Compliance Supplement (Supplement) in accordance with the requirements of the Single Audit Act Amendment of 1996. In order for the Supplement to deliver on its mission to provide accountability and integrity for Federal financial assistance programs, this Controller Alert lays out a timeline for publication by the end of April 2022.

### **Background**

In accordance with the Single Audit Act Amendment of 1996 (Pub. L. No. 104-156, codified at 31 U.S.C. §§ 7501-7506), as implemented by OMB's regulations in 2 C.F.R., part 200, subpart F, grant recipients expending more than \$750,000 in a year are required to have a Single Audit that covers their financial statements, internal controls, and use of Federal funds. The Supplement provides instructions to auditors conducting those reviews, and is referred to as Appendix XI of the Uniform Guidance.

The Single Audit Act requires OMB to work with agencies annually to update the Supplement. Part 4 of the Supplement provides program-specific instructions that are prepared by agency program officials. The issuance of the Part 4 is critical to overall program accountability. It does not establish new guidance, but points auditors to the critical parts of existing statute, regulation, or program guidance that auditors must consider in conducting the audit. Auditors rely on these instructions to effectively plan and perform this critical work.

### **2021 Compliance Supplement Addendum 1 Publication**

~~We are excited to announce that Addendum 1 to the 2021 Compliance Supplement is now available on the CFO.gov site (<https://www.cfo.gov/2021-addendum-1/>). The Addendum adds audit guidance for 2 new American Rescue Plan Act (ARP) programs to Part 4 of the 2021 Compliance Supplement. The programs are: (1) Treasury's Coronavirus State and Local Fiscal Recovery Funds (assistance listing number 21.027) and (2) Education's Education Stabilization Fund (assistance listing number 84.425).~~

### **2022 Compliance Supplement Timeline**

~~OMB's goal is to publish the 2022 Compliance Supplement by the end of April 2022. To meet this goal, each agency must follow the attached schedule for review and submission of their Part IV drafts and limit proposed changes to the four areas outlined below. If an agency is~~

unable to meet this schedule, the Part 4 draft will not be included in the 2022 Supplement and will be considered for the 2023 Supplement instead. In these cases, auditors will instead use Part 7 of the Supplement for auditing the programs not covered by Part 4. There is a possibility that the late programs can be considered in an Addendum if OMB decides to issue an Addendum to the 2022 Compliance Supplement to accommodate the new programs created by the Infrastructure Investment and Jobs Act.

In order to ensure that Part IV directs auditors to the most important information, OMB will limit the changes in the 2022 Compliance Supplement to four areas:

1. Updates or additions required due to changes in statutory or regulatory requirements.
2. Updates or additions necessary to highlight coverage of an area found to be critically vulnerable to waste, fraud, abuse, or increased likelihood of improper payments.
3. Updates or additions necessary to highlight the review of performance reporting and results.
4. Removal of references to: (a) programs no longer required for audit or no longer warranting inclusion in Part IV; (b) requirements not supported by statute or regulation; and (c) reporting requirements not supported by a valid Paperwork Reduction Act clearance number.

The Single Audit is each agency's opportunity to assess the compliance and performance of its programs, and the Supplement is the guide to this critical accountability mechanism.

Thank you for your continued attention and assistance in making sure that the Compliance Supplement delivers on this key mission.

### **Publication Schedule**

The agency-designated Key Management Single Audit Liaison (KMSAL) (described in 2 C.F.R. § 200.513) will work with key stakeholders within their agencies and programs to meet the deadlines outlined below. All Part 4 drafts must be provided to OMB through the KMSAL or the KMSAL's designee. The KMSAL for each agency is listed in the attached Appendix.

#### **2022 Single Audit Compliance Supplement Review Schedule:**

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|-------------------|---|
| October 15, 2021  | (Complete) Agencies submit a list, by name and Assistance Listing Number, of programs that are either new or will have changes for inclusion in Part 4.   |
| October 22, 2021  | (Complete) OMB advises agencies if programs proposed to be added or changed are approved for inclusion.   |
| November 16, 2021 | (Complete) <b><u>Key Deadline:</u></b> All Part IV drafts due to OMB. This includes updated program supplements, related checklists, and supporting documentation. Agencies may set up their own interim due dates to account for nonprogram reviews, such as reviews by the KMSAL and/or |

the National Single Audit Coordinator. Agencies are encouraged to coordinate with their OIGs and AICPA, as well as key recipient stakeholders and program officials, to obtain both program management and auditor feedback on the clarity of their supplements prior to submission to OMB. **Programs that do not meet this deadline for submission will not be included in the 2022 Supplement.**

- December 03, 2021 OMB advises agencies if revisions to Part 4 drafts are necessary.
- December 10, 2021 Any additional revisions requested by OMB are due.
- December 17, 2021 OMB makes available a public copy of the 2022 Supplement vet draft to agencies, AICPA, NSACT, GAO, and any other interested parties.
- January 18, 2022 Comments are due back from all reviewers. Comments not received by the deadline risk not being incorporated.
- January 25, 2022 OMB shares entire draft 2022 compliance supplement with agencies to address comments.
- February 18, 2022 **Key Deadline:** Agencies return the updated compliance supplements to OMB with vet draft comments addressed. This includes agencies having met with auditors to talk through any especially complex issues that may have been flagged in the comment period. Agencies will also provide a cross-walk to resolution of each comment with the updated draft so that OMB is aware of each change being made and why comments do not result in changes.
- February 25, 2022 OMB follows up to resolve any outstanding issues.
- March 14, 2022 Resolution of OMB review completed.
- April 30, 2022 Compliance supplement is published.

For any questions, contact Gil Tran at Hai\_M.\_Tran @ omb.eop.gov or 202-881-7830.

Enclosure: 2022 Appendix IX – COMPLIANCE SUPPLEMENT TEAM

## APPENDIX IX

### COMPLIANCE SUPPLEMENT CORE TEAM Key Management Single Audit Liaisons

The Compliance Supplement Core Team is responsible for the annual production of the Office of Management and Budget (OMB) Compliance Supplement. The Core Team is composed of the Key Management Single Audit Liaisons from each agency as well as representatives from OMB and the Census Bureau's Federal Audit Clearinghouse. The following is a list of team members responsible for the production of this Supplement:

<b>Name</b>	<b>Agency</b>
Mark Dixon	Census Bureau
Cindy Galyen	Corporation for National and Community Service
Beth Flowers	Denali Commission
Annie Walker-Bradley	Department of Agriculture
John Geisen	Department of Commerce
Dexter Brereton	Department of Education
Mark Robinson	Department of Education
Joel Gonzalez	Department of Energy
Johanna Nestor	Department of Health and Human Services
Nasr Fahmy	Department of Homeland Security
Shannon Steinbauer	Department of Housing and Urban Development
Jeff Haley	Department of Justice
Linda Taylor	Department of Justice
Latonya Torrence	Department of Labor
Carole Clay	Department of State
Xanthia James	Department of the Interior
Siporah Jackson	Department of the Treasury
Audrey Clarke	Department of Transportation
Kevin Cone	Department of Veterans Affairs
Kysha Holliday	Environmental Protection Agency
Sheela Kailasanath	Federal Communications Commission
Steve Sigler	Gulf Coast Ecosystem Restoration Council
David Gilliland	Gulf Coast Ecosystem Restoration Council
Nancy Weiss	Institute for Museum and Library Sciences
Connie Bodner	Institute for Museum and Library Sciences
Antanese Crank	National Aeronautics and Space Administration
Christopher Eck	National Archives and Records Administration
Richard Brundage	National Endowment for the Humanities
Rochelle Ray	National Science Foundation
Lisa Newton	Office of National Drug Control Policy
Karis Crane	Social Security Administration
Steve Tashjian	US Agency for International Development
Kimberly Butler	US Small Business Administration