

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 287
HOUSE BILL 1036

AN ACT TO IMPLEMENT THE FEDERAL SINGLE AUDIT ACT OF 1984 IN
NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. G.S. 159-34 is amended:

(1) by designating the first paragraph as subsection (a) and adding two new sentences to follow the first sentence thereof, to read:

"When specified by the secretary, the audit shall evaluate the performance of a unit of local government or public authority with regard to compliance with all applicable federal and State agency regulations. This audit, combined with the audit of financial accounts, shall be deemed to be the single audit described by the 'Federal Single Audit Act of 1984'." and,

(2) by adding a new subsection (c) to read:

"(c) Notwithstanding any other provision of law, except for Article 5 of Chapter 147 of the General Statutes pertaining to the State Auditor, all State departments and agencies shall rely upon the single audit accepted by the secretary as the basis for compliance with applicable federal and State regulations. All State departments and agencies which provide funds to local governments and public authorities shall provide the Commission with documents approved by the State Auditor in a prescribed format describing standards of compliance and suggested audit procedures sufficient to give adequate direction to independent auditors retained by local governments and public authorities to conduct a single audit as required by this section. The secretary shall be responsible for the annual distribution of all such standards of compliance and suggested audit procedures proposed by State departments and agencies and any amendments thereto. Further, the Commission with the cooperation of all affected State departments and agencies shall be responsible for the following:

- (1) Procedures for the timely distribution of compliance standards developed by State departments and agencies, reviewed and approved by the State Auditor to auditors retained by local governments and public authorities.
- (2) Procedures for the distribution of single audits for local governments and public authorities such that they are available to all State departments and agencies which provide funds to local units.
- (3) The acceptance of single audits on behalf of all State departments and agencies; provided that, the secretary may subsequently revoke such acceptance for cause, whereupon affected State departments and

agencies shall no longer rely upon such audit as the basis for compliance with applicable federal and State regulations.

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 4th day of June,

1987.