

Snapshot

JULY 25, 2023

SNAPSHOT 2023-07

2023 OMB Compliance Supplement released

The Office of Management and Budget (OMB) issued the *2023 Compliance Supplement – 2 CFR Part 200, Appendix XI (2023 Supplement)* for single audit engagements. The 2023 Supplement identifies the compliance requirements for auditors to consider when performing single audits under the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Entities subject to single audits refer to the 2023 Supplement to familiarize themselves with the types of compliance testing that auditors may perform and reporting submission deadlines. This Snapshot highlights key changes made from the prior year's supplement.

Effective date

The 2023 Supplement is effective for audits of fiscal years beginning after June 30, 2022. It supersedes the 2022 Compliance Supplement (dated April 2022).

The OMB posted the 2023 Supplement by section on [whitehouse.gov](https://www.whitehouse.gov).

Key 2023 Supplement changes

The 2023 Supplement provides essential guidance for auditors that perform single audits as well as potential insights for auditees. The following list summarizes areas of the 2023 Supplement with key changes:

- [Appendix IV](#), “Internal Reference Tables,” identifies programs that are “higher risk” and includes

guidance on how the “higher risk” designation impacts the major program determination process.

- [Appendix V](#), “List of Changes for the 2023 Compliance Supplement,” identifies changes that could affect single audit engagements. These changes apply across many of the programs in the 2023 Supplement that affect the scope of the single audit.
- [Appendix VII](#), “Other Audit Advisories,” provides information on the latest OMB announcements that may impact 2023 single audits, including
 - The continuation of the requirement for recipients of federal awards to separately identify COVID 19-related expenditures from non-COVID 19 expenditures on the Schedule of Expenditures of Federal Awards (SEFA).
 - Guidance on the transition of the Federal Audit Clearinghouse provider from the U.S. Census Bureau to the General Services Administration on October 1, 2023, as well as the single audits to be submitted to each provider; any in-process drafts not fully submitted to the U.S. Census Bureau before September 30 may need to be restarted and submitted through the General Services Administration.
 - Information on two single audit extensions given during 2022 related to (1) a delay in transitioning the Federal Audit Clearinghouse provider and (2) various natural disasters; guidance is provided on whether late

submissions are eligible for waiver and may be considered to have been submitted on time.

- The Student Financial Assistance cluster revises several compliance requirements, including adding, removing, and revising several requirements in Special Tests and Provisions.
- Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution (collectively referred to as PRF) adds clarifications on (a) how and when to report PRF expenditures and lost revenue on the SEFA for fiscal year-ends on or after June 30, 2023, and (b) the timing of when expenditures and lost revenue are to be reported in the PRF portal for Period 6.

- Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) continues to allow the alternative for certain recipients to elect a compliance examination in accordance with *Government Auditing Standards* in lieu of a full single audit or program-specific audit.

Other reminders

The terminology change from “Catalog of Federal Domestic Assistance” (CFDA) to “Assistance Listing” (AL) announced in the 2021 Compliance Supplement continues in the 2023 Supplement. The reference to AL is also reflected on the SEFA and the Data Collection Form. The AL is located at www.sam.gov.

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