



Compliance Supplement
2 CFR Part 200
Appendix XI

*Indiana State Board of Accounts
Virtual Training Session
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Compliance Supplement

- https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement_PDF_Rev_05.11.22.pdf
- Also available on our website at www.in.gov/sboa on the State Agencies page.

2 CFR PART 200, APPENDIX XI

COMPLIANCE SUPPLEMENT



April 2022
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

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What is the Purpose of the Compliance Supplement?

To identify compliance requirements that the federal government expects to be considered *as part of the audit*.

To provide a source of information *for auditors*

- Federal Program Objectives
- Applicable Laws and Regulations
- Federal Program Procedures
- Compliance Requirements
- Audit Objectives
- Suggested Audit Procedures

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Who writes the compliance supplement?

- Federal agencies are responsible for annually informing OMB of any updates needed to the Supplement and working with OMB to ensure that the Supplement focuses the auditor to test the compliance requirements most likely to cause improper payments, fraud, waste, abuse, or generate audit findings for which the federal awarding agency will take sanctions.

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Why is this important?

Shows Audit Expectations of the Federal Government

Aids in Preparation for Audit

- Stated audit objectives
- Testing to be performed
 - Internal Controls
 - Compliance
 - Documentation

Provides Opportunities for Efficiency

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Compliance Supplement Parts

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Compliance Supplement Part 2 - Matrix

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Program Number												
10.000 (no matrix)	Y	Y	N	N	N	Y	Y	N	N	Y	Y	N
10.500	Y	Y	N	N	N	Y	Y	N	N	Y	Y	N
10.511	Y	Y	N	N	Y	Y	N	N	N	Y	N	N
10.512	Y	Y	Y	N	Y	Y	N	N	N	Y	N	N
10.514	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.515	Y	Y	Y	N	N	N	N	N	N	Y	Y	N
10.516	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N
10.517	Y	Y	Y	N	Y	N	N	N	N	Y	Y	N

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- The Matrix of Compliance Requirements (Matrix) identifies the federal programs and the associated compliance requirements addressed in the Supplement.
- Y = SBOA will audit the requirement
- N = SBOA may not audit the requirement, but agency is still responsible for compliance

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Compliance Supplement Part 3 – Compliance Requirements

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Program Number												

- ✓ Compliance Requirements
- ✓ Source of Governing Requirements
- ✓ Audit Objectives
- ✓ Suggested Audit Procedures – Internal Control
- ✓ Suggested Audit Procedures – Compliance

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Part 3 contains twelve sections labelled A through N which correspond to the Matrix Compliance Requirements.

General compliance requirements, not program specific.

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Compliance Supplement Part 4

Requirement	A	B	C	E	F	G	H	I	J	L	M	N
Program Number	Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions

Part 4 is ordered by ALN program Number.

Part 4 contains program information, compliance requirements, audit objectives, and audit procedures specific to a program.

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Compliance Supplement Other Parts

Part 5 - Cluster of Programs

Part 6 - Internal Control

Part 7 - Guidance for Auditing Programs not included in this Compliance Supplement

Part 8 - Appendices

- Other parts of the Compliance Supplement provide further guidance and audit expectations to external auditors.

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Summary

- The Compliance Supplement is a tool you can use to help prepare for the audit, but it does not contain all the compliance requirements applicable to your grants.
- The compliance supplement identifies compliance requirements that will be audited by SBOA as part of the federal audit.
 - Audit Objectives
 - Suggested Audit Procedures
- This information will be useful to determine the most efficient and effective way to prepare for an audit.

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