



# Office of the Public Auditor

## Audit Reporting Requirements

The Commonwealth of the Northern Mariana Islands Government (CNMI) and its autonomous agencies who meet the requirements of Title 2 of the United States Code of Federal Regulations (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) must have a single audit conducted.

### Single Audit Requirements

The Uniform Guidance was issued by the U.S. Office of Management and Budget (OMB) to streamline the rules, requirements, and management of federal awards. Title 2 CFR 200.501(b), requires a non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year (FY) in Federal awards must have a single audit conducted except when it elects to have a program-specific audit conducted in accordance with 2 CFR 200.501(c).

An analysis covering FY 2016 through FY 2020 shows the CNMI, Commonwealth Utilities Corporation (CUC), Commonwealth Ports Authority (CPA), Public School System (PSS), Northern Marianas College (NMC), Northern Marianas Housing Corporation (NMHC) and the Commonwealth Healthcare Corporation (CHCC) reported federal expenditures in excess of \$750,000. These expenditures are reported in the entity's Schedule of Expenditures of Federal Awards (SEFA) included in their respective audit reports.

Federal Expenditures					
Entity	FY'20	FY'19	FY'18	FY'17	FY'16
CNMI	\$ 248,781,360 <sup>1</sup>	\$ 224,433,100	\$ 98,139,040	\$ 99,531,342	\$ 102,233,905
CPA	14,209,751	9,048,256	6,707,043	6,372,307	7,514,377
NMHC	13,252,106	12,722,520	12,401,079	12,669,524	11,125,816
CUC	4,943,985 <sup>1</sup>	81,858,236	6,413,400	13,249,001	12,256,403
NMC	11,421,049	8,650,299	8,254,053	7,131,991	8,284,254
PSS	65,023,871 <sup>1</sup>	42,032,601	39,580,206	38,785,367	34,217,753
CHCC	17,641,127 <sup>1</sup>	16,990,084 <sup>1</sup>	17,112,977	17,133,915	17,060,292
<b>Total</b>	<b>\$ 375,273,249</b>	<b>\$ 395,735,096</b>	<b>\$ 188,607,798</b>	<b>\$ 194,873,447</b>	<b>\$ 192,692,800</b>

Source: OPA website (<https://www.opacnmi.com/financial-audits/>)

In addition, 2 CFR 200.512(a) and (b) requires the audit reporting package—financial statements, SEFA, summary schedule of audit findings, auditor report(s), and corrective action plan—be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period to the Federal Audit Clearinghouse (FAC). For the CNMI and its autonomous agencies, nine months after the end of the audit period (September 30) is June 30. The audit reporting package is also submitted to the Office of the Public Auditor (OPA) and published on the OPA website. Compliance with 2 CFR 200.512(a) and (b) report submissions are summarized below.

Fiscal Year	Description	CNMI	CUC	CPA	PSS	NMC	NMHC	CHCC
FY'20 <sup>2</sup>	Report Date	①	①	12/13/2021	①	12/28/2021	04/06/2022	①
	FAC Submission Date	①	①	01/03/2022	①	12/30/2021	05/12/2022	①
	Due Date	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021
FY'19 <sup>3</sup>	Report Date	04/21/2021	12/06/2021	03/08/2021	11/02/2020	12/24/2020	09/30/2020	①
	FAC Submission Date	05/04/2021	12/30/2021	03/18/2021	12/27/2020	12/30/2020	10/06/2020	①
	Due Date	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020
FY'18	Report Date	08/16/2019	05/30/2019	12/30/2019	06/30/2019	06/29/2019	06/25/2019	02/18/2022
	FAC Submission Date	08/28/2019	07/01/2019	01/08/2020	07/01/2019	07/15/2019	06/26/2019	03/14/2022
	Due Date	06/30/2019	06/30/2019	06/30/2019	06/30/2019	06/30/2019	06/30/2019	06/30/2019
FY'17	Report Date	06/27/2018	10/15/2018	01/18/2019	06/19/2018	06/29/2018	08/29/2018	10/25/2019
	FAC Submission Date	06/29/2018	11/08/2019	02/04/2019	06/27/2018	06/29/2018	09/05/2018	11/14/2019
	Due Date	06/30/2018	06/30/2018	06/30/2018	06/30/2018	06/30/2018	06/30/2018	06/30/2018
FY'16	Report Date	07/27/2017	01/30/2018	06/22/2017	04/28/2017	05/11/2017	01/24/2018	07/26/2018
	FAC Submission Date	07/31/2017	02/28/2018	07/06/2017	05/30/2017	06/08/2017	01/25/2018	07/29/2018
	Due Date	06/30/2017	06/30/2017	06/30/2017	06/30/2017	06/30/2017	06/30/2017	06/30/2017

Source: Federal Audit Clearinghouse (<https://facweb.census.gov/>) and OPA website (<https://www.opacnmi.com/financial-audits/>)

The FY 2021 Single Audit report is due on June 30, 2022. Except for NMC, no other FY 2021 Single Audit report has been received by or submitted to OPA as of the issuance date of this report.

① Single Audit Report has not been received/submitted

<sup>1</sup> Based on preliminary draft SEFA provided by the agency

<sup>2</sup> Due date extended to December 31, 2021 per OMB Memo M-21-20 Appendix 3(DX)

<sup>3</sup> Due date extended to December 31, 2020 per OMB Memo M-20-26 Appendix A(2)



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## Audit Reporting Requirements

In accordance with 2 CFR 200.339 (a) through (f), failure to comply with the United States Constitution, Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity;
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
- (c) Wholly or partly suspend or terminate the Federal award;
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency);
- (e) Withhold further Federal awards for the project or program;
- (f) Take other remedies that may be legally available.

### Local Audit Requirements

In addition to the Single Audit, CNMI law requires certain entities such as the Commonwealth Economic Development Authority (CEDA, formerly known as Commonwealth Development Authority), Department of Public Lands (DPL), and Marianas Visitors Authority (MVA) to have its operations, books, and records be audited at least annually and require the audit report to be transmitted to the entity's managing head, the board, the Governor, and the legislature (1 CMC § 2810 and 4 CMC §§ 2126 and 10413).

The Marianas Public Land Trust (MPLT) is mandated by Article XI, Section 6(e) of the CNMI Constitution to have an annual written report to the people of the Commonwealth accounting for the revenues received and expenses incurred and describing the investments and other transactions authorized by the Trustees.

The audit reports submitted by the agencies are summarized in the table below by fiscal year and report date.

Audit Reports					
Entity	FY20	FY19	FY18	FY17	FY16
CEDA	06/03/2022	10/23/2020	06/27/2019	11/13/2018	03/13/2018
MVA	01/31/2022	07/23/2020	04/15/2019	05/15/2018	03/15/2017
DPL	②	12/10/2020	06/10/2019	07/27/2018	01/03/2018
MPLT	09/09/2021	11/20/2020	07/23/2019	11/29/2018	06/08/2017

Source: OPA website (<https://www.opacnmi.com/financial-audits/>)

## COMPLIANCE



LAW



REQUIREMENTS



RULES



POLICIES



REGULATIONS



TRANSPARENCY



GOVERNANCE



STANDARDS

② Annual Financial Audit Report has not been received