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MEMORANDUM

To: CPAs Engaged to Conduct Audits and Reviews of Local Government Entities

From: Stuart T. Stickel CPA, CFE
Deputy State Auditor
Chief Inspector Division

Date: March 23, 2020

Re: Memo 20-01 - Revised Audit Extension Procedures Related to COVID-19

As you know, our country and State are attempting to manage a significant health crisis with COVID-19. This is a very dynamic situation and there are many decisions being made quickly to protect our citizens and diminish the spread of the virus. Inasmuch as it relates to governmental audits, the Office of Management and Budget (hereinafter referred to as OMB) issued Memo 20-17 on March 20, 2020 related to single audits (governmental entities expending over $750,000 in federal funds during a fiscal year). Therefore, the Chief Inspector Division (hereinafter referred to as CID) is providing revised guidance regarding audit extension procedures to *CPAs Engaged to Conduct Audits and Reviews of Local Government Entities*. This guidance replaces the memorandum dated March 18, 2020 from our office.

The latest memorandum issued by OMB stipulates that federal cognizant and oversight agencies **should** allow recipients and subrecipients to delay submission of their single audit reporting package up to six months from the normal due date. Recipients and subrecipients are not required to seek approval from the cognizant or oversight agency for the extension but are required to maintain documentation of the reason for the delayed filing. Since most local West Virginia governments have a fiscal year ending June 30th, the normal due date for these single audits is March 31, 2020. Based on the foregoing, CID is granting a blanket audit extension for all single audits until **June 30, 2020**. CPA firms and governments should still fill out and submit a *Delayed Single Audit Submission Form* for single audits to document the reason for the delay. We are not requiring "live" signatures on this form, and **they may be submitted to our office after the March 24, 2020 original deadline.**

Furthermore, CID is automatically extending due dates for all other types of engagements (non-single audits) that are due in the next three months to **June 30, 2020**. Firms and governmental entities **will not** be required to complete and submit an audit extension form.

As this health crisis progresses, we will provide additional audit guidance as necessary. If you have questions, please do not hesitate to contact Michelle Hodge at 304-558-2261 ext. 2411 or at cpaaudits@wvsao.gov