



**North Carolina Department of Health and Human Services
Division of Aging and Adult Services**

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Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Dennis W. Streets
Director

DAAS Administrative Letter No. 10-19

To: Area Agencies on Aging

From: Dennis W. Streets, Director

A handwritten signature in black ink that reads "Dennis W. Streets".

Date: December 3, 2010

Subject: FISCAL MONITORING OF PROVIDERS

In an effort to streamline the fiscal monitoring process that Area Agencies on Aging (AAAs) are required to conduct annually for all providers, the Department and DAAS have made the determination that AAAs will no longer be required to complete the Internal Control Questionnaire (ICQ) and the Fiscal Monitoring Tool for providers that are required to have an audit. *Note: The Fiscal Monitoring Tool is no longer required for any providers.*

Agencies receiving \$500,000 or more in federal funding are required to complete the single audit process. Throughout North Carolina, however, over 100 local agencies are not required to have a single audit and must receive fiscal monitoring from one of the 17 AAAs. AAAs will need to complete the ICQ for these providers and maintain the ICQ on file.

As part of the annual fiscal monitoring of providers, AAAs will be required to review provider audits and follow-up on any findings cited. In addition, AAAs will need to complete the Audit Review Form (attached) to verify that AAA staff have reviewed the audit and noted any technical assistance and/or non-compliance issues cited in the audit.

Listed below is a summary of what will be required annually for AAAs conducting fiscal monitoring of providers:

For Providers Who Are Required to Have an Audit

- Review the audit and follow-up on any findings cited.
- Complete the Audit Review Form.

Location: 693 Palmer Drive, Raleigh, NC 27603 • State Courier No. 56-20-02
An Equal Opportunity / Affirmative Action Employer



<http://www.nccarelink.gov/>

For Providers Who Are Not Required to Have an Audit

- Complete the ICQ.

If you have any questions, please contact Kim Jacobs at (919) 733-8390 or at kim.jacobs@dhhs.nc.gov. The Division sincerely appreciates your continued efforts to ensure that we are all being good stewards of our aging dollars.

DS/kj

Attachment

Location: 693 Palmer Drive, Raleigh, NC 27603 • State Courier No. 56-20-02
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Audit Review Form

Provider Name: _____

Date Audit Received: _____

Audit Period: _____

1. Does the audit report contain the following parts?

a. Financial Statements. Yes No

b. Schedule of expenditures of federal awards.
Yes No #'s Agreement: _____

c. Audit findings follow-up. Yes No

d. Corrective action Plan. Yes No

e. Combined or separate reports.

1. An opinion of the financial statements. Yes No

2. Report on internal control. Yes No

3. Report on compliance with laws, Regulations, etc. Yes No

2. Were there any audit findings? Yes No
(If yes, please list below)

1. _____

2. _____

3. _____

II. Review OMB A-133 (single or program-specific required if expend \$500,000 or more Year: excludes Medicaid & Medicare) Effective January 01, 2004

1. Does the audit report state that the audit was made in accordance with the provisions of OMB Circular A-133—audits of states, local governments and non-profit organizations?

Yes No N/A

2. Was the audit report completed by the time prescribed (nine months)?

Yes No

3. Does the audit report contain the following parts?

a. Financial Statements. Yes No

b. Schedule of expenditures of federal awards.
Yes No #'s Agreement: _____

c. Audit findings follow-up. Yes No

d. Corrective action Plan. Yes No

e. Combined or separate reports.

1. An opinion of the financial statements. Yes No

2. Report on internal control. Yes No

3. Report on compliance with laws, Regulations, etc. Yes No

4. Does the report indicate they had a “program-specific” audit?

Yes No N/A

III. G.S. 143-6.1 Reports on use of State Funds by non-State Entities (OMB A-133 Audit will satisfy G.S. 143-6.1 requirements) Effective January 01, 2004

1. Grantee Audit Reports – A grantee that receives, uses or expends State funds in the amount of five hundred thousand dollars (\$500,000) or more annually, must file annually with the State Auditor, a financial statement in the form and on the schedule prescribed by the State Auditor. The financial statement must be audited in accordance with standards prescribed by the State Auditor to assure that State funds are used for the purpose provided by law.

Yes No N/A

2. Grantee Receipt and Expenditure Reports – A grantee that receives, uses or expends between fifteen thousand dollars (\$15,000) and five hundred thousand (\$500,000) in State funds annually, must file annually with the State agency that disbursed the funds, a sworn accounting of receipts and expenditures of the State funds. This accounting must be attested to by the treasurer and one other authorizing officer of the grantee. The accounting must be filed within six months after the end of the grantee's fiscal year in which the State funds were received. The accounting shall be in the form developed by the State Auditor's office. The format includes:

- a. A Certification and Sworn Statement of the Treasurer and a second authorizing officer on the entity's letterhead;
- b. The Schedule of Grantee Receipts and Expenditures (cash basis);
and
- c. Supplementary information on the organization, the paid preparer and the program(s).

Yes No N/A Timely _____

3. Grantee receives less than \$15,000 in State funds and is not required to file the sworn accounting or audited financial statements. Disbursement and use audit oversight still applies.

IV. G.S. 143-6.1 Reports on use of State Funds by non-State Entities (OMB A-133 Audit will satisfy G.S. 143-6.1 requirements) Effective January 01, 2004

1. Grantee Audit Reports – A grantee that receives, uses or expends State funds in the amount of five hundred thousand dollars (\$500,000) or more annually, must file annually with the State Auditor, a financial statement in the form and on the schedule prescribed by the State Auditor. The financial statement must be audited in accordance with standards prescribed by the State Auditor to assure that State funds are used for the purpose provided by law.

Yes No N/A

2. Grantee Receipt and Expenditure Reports – A grantee that receives, uses or expends between fifteen thousand dollars (\$15,000) and five hundred thousand (\$500,000) in State funds annually, must file annually with the State agency that disbursed the funds, a sworn accounting of receipts and expenditures of the State funds. This accounting must be attested to by the treasurer and one other authorizing officer of the grantee. The accounting must be filed within six months after the end of the grantee's fiscal year in which the State funds were received. The accounting shall be in the form developed by the State Auditor's office. The format includes:

- a. A Certification and Sworn Statement of the Treasurer and a second authorizing officer on the entity's letterhead;
- b. The Schedule of Grantee Receipts and Expenditures (cash basis);
and
- c. Supplementary information on the organization, the paid preparer and the program(s).

Yes No N/A Timely _____

3. Grantee receives less than \$15,000 in State funds and is not required to file the sworn accounting or audited financial statements. Disbursement and use audit oversight still applies.

