



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

JOYCE MASSEY-SMITH, MPA •
Director, Division of Aging and Adult Services

DAAS ADMINISTRATIVE LETTER NO. 19-09

TO: Area Agencies on Aging Administrators
FROM: Joyce Massey-Smith, Director
SUBJECT: Fiscal Review and Monitoring, Effective: October 1, 2019
DATE: September 30, 2019

This guidance supersedes Administrative Letter 10-19. The audit review form (attached) for the Area Agencies on Aging (AAA) and their Subrecipients (Providers) use has been revised to reflect the Uniform Guidance which supersedes and streamlines requirements from the U.S. Office of Management and Budget (OMB) Circulars A-21, A-87, A-110, A-122, A-89, A-102, A-133, and parts of A-50. Further revisions reflected on the form are G.S. 143C-6-23 and NC administrative Code 09 NCAC 03M. OMB Uniform Guidance 2 CFR part 200 replaces all reference of OMB Circular A-133 in fiscal monitoring documentation.

AAAs are required to follow audit regulations mandated under the OMB Uniform Guidance 2 CFR Part 200 and G.S. 159-34 in accordance with the State Single Audit Act Implementation Act. Agencies receiving \$500,000 or more in state funding (including federal pass-through funding) and \$750,000 or more in federal funding are required to have a single or program-specific audit conducted annually.

As stated in section 308.2C of the AAA Polices and Procedures manual, the AAAs are required to conduct an annual fiscal review of all Providers (i.e. service-providing agencies). A fiscal monitoring tool is not required for any providers. The AAA fiscal review shall include:

1. A review of All Provider audits and follow-up on any findings cited.
2. A completed Audit Review form for all Providers required to have an Audit certifying the audit review and notation of any technical assistance and/or non-compliance issues cited.
3. A completed Internal Control Questionnaire (ICQ) for all Providers who are not required to have an audit.

Please contact Jennifer Powell at jennifer.a.powell@dhhs.nc.gov if the Division can be of further assistance.

JMS/JP/pg

Attachment

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF AGING AND ADULT SERVICES

LOCATION: 693 Palmer Drive, Taylor Hall, Raleigh, NC 27603
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www.ncdhhs.gov • TEL: 919-855-3400 • FAX: 919-733-0443

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Audit/Reports Review Form

Provider Name:
Date Audit Received:
Audit Period:
Audit Firm:
Date of Audit Report:

Level I

Recipient or subrecipient that receives, holds, uses, or expends State financial assistance funding in amount less than twenty-five thousand dollars (\$25,000) within its fiscal year. Recipients and subrecipients shall provide a certification that State financial assistance funding received or, held was used for the purposes for which it was awarded. Recipients and subrecipients shall provide an accounting of all State financial assistance funding received, held, used, or expended. Reports shall be filed with the disbursing agency in the format and method specified by the agency no later than three months after the end of the recipient's fiscal year, unless the same information is already required through more frequent reporting.

Note: Subrecipients must meet certification statement and accounting receipts requirements and deadlines for Level I reporting annually in accordance with Administrative Code 09 NCAC 03M. Subrecipient may report using forms provided by the Division or form established by their agency to meet requirements

Total Funds from all State Agencies	Reports Due	Reports Due Date
Level I: \$1 - \$24,999	<ul style="list-style-type: none"> Certification State Grants Compliance Reporting Receipt of <\$25,000. 	Within 3 months of entity's fiscal year end

Yes No N/A Timely? _____

Level II

Recipient or subrecipient that receives, holds, uses, or expends State financial assistance funding in an amount of at least twenty-five thousand (\$25,000) or greater, but less than five hundred thousand dollars (\$500,000) within its fiscal year. Recipients and subrecipients shall provide a certification that State financial assistance funding received or, held was used for the purposes for which it was awarded. Recipients and subrecipients shall provide an accounting of all State financial assistance funding received, held, used, or expended. Recipients and subrecipients shall report on activities and accomplishments undertaken by the recipient, including reporting on any performance measures established in the contract. Reports shall be filed with the disbursing agency in the format and method specified by the agency no later than three months after the end of the recipient's fiscal year, unless the same information is already.

Note: Subrecipients must meet certification statement and accounting receipts requirements and deadlines for Level II reporting annually in accordance with Administrative Code 09 NCAC 03M. Subrecipient may report using forms provided by the Division or form established by their agency to meet requirements

Total Funds from all State Agencies	Reports Due	Reports Due Date
Level II: \$25,000 - \$499,999	<ul style="list-style-type: none"> Certification State Grants Compliance Reporting Receipt of >= \$25,000 Schedule of Receipts and Expenditures Program Activities and Accomplishments 	Within 3 months of entity's fiscal year end

Yes No N/A Timely? _____

Level III

- **G.S. 143C-6-23 Reports on use of State Funds by non-State Entities (OMB Uniform Guidance 2 CFR part 200 will satisfy G.S. 143C-6-23 requirements) Effective July 1, 2007.**

Recipient or subrecipient that receives, holds, uses, or expends State financial assistance funding in an amount equal to or greater than five hundred thousand dollars (\$500,000) within its fiscal year. Recipients and subrecipients shall provide a certification that State financial assistance funding received or, held was used for the purposes for which it was awarded. Recipients and subrecipients shall provide an accounting of all State financial assistance funding received, held, used, or expended. Recipients and subrecipients shall report on activities and accomplishments undertaken by the recipient, including reporting on any performance measures established in the contract. Recipients and subrecipients shall have a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book. Audits must be provided to the funding agency no later than nine months after the end of the recipient's fiscal year.

Note: Subrecipients must meet certification statement and accounting receipts requirements and deadlines for Level III reporting annually in accordance with Administrative Code 09 NCAC 03M. Subrecipient may report using forms provided by the Division or form established by their agency to meet requirements.

Total Funds from all State Agencies	Reports Due	Reports Due Date
Level III: \$500,000 or more	<ul style="list-style-type: none"> • Certification • State Grants Compliance Reporting Receipt of \geq \$25,000 • Audit [Single Audit if \geq \$500,000 in State funds • Schedule of Federal and State Awards (May be included in the audit) • Program Activities and Accomplishments 	Within 9 months of entity's fiscal year end

- **G.S. 159-34 -Beginning with fiscal years ending on or after June 30, 2016, local governments and public authorities that expend \$500,000 or more in State financial assistance must have a single audit performed in accordance with State Single Audit Implementation Act.**

Yes No N/A Timely? _____

1. Does the audit report contain the following parts?

- a. Financial Statements Yes No
- b. Schedule of expenditures of federal awards Yes No

If yes, indicate fiscal year _____. Numbers in the schedule agree to expenditures in the audit? Yes No N/A

- c. Prior year findings follow-up Yes No N/A
- d. Corrective action Plan Yes No N/A
- e. Combined or separate reports _____
- f. An opinion of the financial statements Yes No
- g. Report on internal control Yes No
- h. Report on compliance with laws, regulations, etc. Yes No

2. a. Does the report indicate that the entity had a “program-specific” audit?

Yes No N/A

b. If so, list programs subject to an audit:

- **Federal Funds: Review OMB 2 CFR Part 200 (single or program-specific required if expend \$750,000 or more a year: excludes Medicaid & Medicare) Effective for fiscal years ending after December 26, 2015**

1. Does the audit report state that the audit was made in accordance with the provisions of *OMB Uniform Guidance 2 CFR Part 200*—audits of states, local governments and non-profit organizations?

Yes No

2. Was the audit report submitted 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

If yes, indicate fiscal year _____. Numbers in the schedule agree to expenditures in the audit? Yes No N/A

- c. Prior year findings follow-up Yes No N/A
 d. Corrective action Plan Yes No N/A
 e. Combined or separate reports _____
 f. An opinion of the financial statements Yes No
 g. Report on internal control Yes No
 h. Report on compliance with laws, regulations, etc. Yes No

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

Yes No N/A

b. If so, list programs subject to an audit:

Audit Finding Review Summary

Were there any audit findings? Yes No

(If yes, please list below and attach list if more than 3 findings were noted on audit)

1. _____

2. _____

3. _____

Action(s) taken by AAA to follow-up on findings cited:
(List Finding # and Follow-Up Action)

Signature of COG/AAA Designated Staff Completing Audit Review

Date

*****Please retain original form for Division and/or State monitoring or audit.*****

Note: 09 NCAC 03M .0205 "Unless prohibited by law, the costs of audits made in accordance with the provisions of this Rule shall be allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 CFR Part 200. The cost of any audit not conducted in accordance with this Subchapter shall not be charged to State awards."