

## SECTION .0600 - GENERAL REQUIREMENTS

### 10A NCAC 05D .0601 AUDITS

#### (a) Division of Aging Audits

- (1) The Department of Health and Human Services (DHHS) shall generally conduct an audit of area agencies and grantees and contractors who are recipients of Titles III-B and III-C funds. Beginning in Fiscal Year 1980, DHHS shall conduct audits of Title IV-A, Title V, and state funds grantees.
- (2) DHHS shall establish a schedule for conducting its audits as early as possible after the start of each fiscal year and will notify grantees of proposed audit dates. Special instructions, where appropriate, will be issued at this time.
- (3) The DHHS audit shall comply with the federal and state standards as reprinted in the "Manual of Policies and Procedures", and will fulfill all requirements of grantees receiving Division of Aging assistance.
- (4) Because of time and financial constraints, DHHS may not be able to audit all of the Division of Aging grantees cited above. If it appears that DHHS is not able to audit a particular grantee, the grantee will be instructed to obtain an independent audit using a CPA firm or other approved audit organization.
- (5) A grantee who wishes to use an independent auditor (i.e., not use the DHHS audit) shall obtain prior approval from the Division of Aging.

#### (b) Audit Reports

- (1) Audits conducted by the DHHS shall result in an audit report, a copy of which shall be provided to the grantee in a timely manner, normally within 30 days after completion of the audit.
- (2) A copy of all independent audits shall be submitted to the Division of Aging within 30 days after the report is complete and provided to the grantee or contractor.
- (3) If any deficiencies or recommendations are included in audit reports, the grantee or contractor shall indicate how it proposes to take corrective action.
- (4) State Agency Actions
  - (A) The Division of Aging may subsequently monitor a grantee or contractor to verify that appropriate actions are being taken to fulfill audit recommendations.
  - (B) If audit findings of a grantee or contractor are deemed sufficiently serious, the Division of Aging may immediately begin suspension or termination procedures, as outlined in Section 1100 of the "Manual of Policies and Procedures."

#### *History Note:*

*Authority G.S. 143B-10; 143B-138;*

*Eff. September 1, 1978;*

*Amended Eff. May 1, 1990; October 1, 1980;*

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 23, 2015.*