

## Local Agency Audits

### Policy

#### **USDA Federal Regulations:**

##### *(b) State audit responsibilities*

(1) State agencies must obtain annual audits in accordance with 2 CFR part 200, subpart F, and appendix XI, Compliance Supplement, and USDA implementing regulations 2 CFR parts 400 and 415. In addition, States must require local agencies under their jurisdiction to obtain audits in accordance with 2 CFR part 200, subpart F, and appendix XI, Compliance Supplement, and USDA implementing regulations 2 CFR parts 400 and 415.

(2) Each State agency shall make all State or local agency sponsored audit reports of Program operations under its jurisdiction available for the Department's (*USDA*) review upon request. The cost of these audits shall be considered a part of nutrition services and administration costs and may be funded from the State or local agency nutrition services and administration funds, as appropriate. For purposes of determining the Program's pro rata share of indirect costs associated with organization-wide audits, the cost of food shall not be considered in total dollar amount of the program.

#### **IDPH General Conditions:**

##### 15. Audit or Examination of Records:

- a. Contractors that expend \$750,000 or more in a fiscal year in federal awards (from all sources) shall have a single audit conducted for that year in accordance with the provisions of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements. Single Audits must be completed and the data collection from and reporting package must be submitted electronically to the Federal Audit Clearinghouse 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. The contractor shall submit to the Department one (1) copy of the separate letter to management addressing no-material findings, if provided by the auditor.
- b. Contractors that are independently audited but not required to submit the audit report per the criteria above, Article 15.a. shall submit one (1) copy of the audit report to the Department within thirty (3) working days of its issuance, unless specific exemption is granted in writing by the Department. To be submitted with the audit is a copy of the separate letter to management addressing non-material findings, if provided by the auditor.
- c. The Department may require, at any time and its sole discretion, that recipients of non-federal and/or federal funds have an audit performed. The Contractor shall submit one (1) copy of the audit report to the Department within thirty (30) working days of its issuance, unless specific exemption is granted in writing by the Department. The Contractor shall submit with the audit report a copy of the separate letter to management addressing non-material findings, if provided by the auditor. The Contractor may be required to comply

with other prescribed compliance review procedures.

d. The Contractor shall be solely responsible for the cost of any required audit unless otherwise agreed in writing by the Department. When the Department has agreed in writing to pay for the required audit services, the Department reserves the right to refuse payment for audit services which do not meet Federal or State requirements.

e. The Department may require a pre-award survey by the State Auditor for contractors.

f. The contractor agrees that the Department, Auditor of the State or any authorized representative of the State, and where Federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States Government, shall have access to, and the right to examine, audit, excerpt and transcribe any pertinent books, documents, paper, and records of the Contractor related to order, invoices, payments or other documentation pertaining to this contract.

g. The Contractor agrees that the Department or its authorized representatives may have access to medical records and quality assurance materials for purposes of an independent audit of quality assurance and quality of care.

h. The Contractor shall not charge the Department a fee to audit, inspect or examine Contractor's records.

## Authority

**USDA Federal Regulations:** 7 CFR Part 246.20 (b)(1) – (2)

**Iowa Department of Public Health General Conditions:** 15. Audit or Examination of Records

## Procedures

Each local WIC agency is required to have an internal audit of the WIC Program. Audits reports must be submitted to the Iowa Department of Public Health for review by the Department, Bureau of Finance Financial Reviewer. Staff of the state WIC office monitor agencies for compliance with recommendations of the audit report.

Audit guidance has been sent to all agency directors to assist them in securing an independent CPA firm and conducting an audit that meets federal and state requirements.

Technical assistance is available from state staff. Contact the Department, Bureau of Finance Financial Reviewer at 515-281-7225 with questions regarding audit requirement.