

Maine Center for Disease Control and Prevention WIC Nutrition Program

Effective: October 1, 2012

Policy No. MA-1

State and Local Agency Audits

Authority

7 CFR §3016 and §3052

OMB Circulars A-87, A-122 and A-133

DHHS Division of Audit procedures

Policy

1. The State Agency and all Local Agencies shall be subject to audits on an annual basis.
2. The State Agency shall maintain a tracking system to ensure:
 - 2.1 All audits are conducted in a timely manner.
 - 2.2 The findings are responded to and corrective action is taken when necessary.

Procedures

1. Audits are conducted as follows:
 - 1.1. The Maine Department of Audit audits the State Agency at least every other year, or annually if there were previous audit findings.
 - 1.2. The Maine Department of Health and Human Services (DHHS) Division of Audit shall be responsible for auditing Local Agency contracts.
2. The Local Agency shall provide for an independent organizational-wide financial and compliance audit (single audit) once each year.
 - 2.1. The audit shall be conducted by an independent certified public accountant and shall be in accordance with applicable OMB Circulars and the Agreement with the State Agency.
 - 2.2. The audit must be submitted to the DHHS Division of Audit and the State Agency financial manager within six (6) months of the end of the Local Agency fiscal year.
3. Local Agencies shall:
 - 3.1. Ensure that audit costs are included as a cost category in the Local Agency's WIC budget if a pro rata share of the costs will be billed directly to the State Agency.

- 3.2. Maintain documentation that supports cost allocation to the State Agency.
4. When Local Agency audit findings require corrective action:
 - 4.1. The DHHS Division of Audit shall be responsible for all follow-up on its audits of Local Agencies, including establishment of claims for improper billing.
 - 4.2. The State Agency must receive a copy of the corrective action plan and keep it on file.
 - 4.3. The State Agency shall track audits to determine if the same problems are recurring from year to year.
 - 4.4. The State Agency shall monitor receipt of a check in the amount of the audit claim to ensure that all claim amounts are recovered.
 - 4.5. The State Agency shall return recovered claim amounts from prior fiscal years to FNS.
5. Utilizing DHHS Division of Audit procedures, the State Agency shall receive and maintain, for at least three years, copies of all Local Agency organization-wide audits involving the Maine CDC WIC Nutrition Program. The State Agency shall also maintain a listing of all Local Agency organization-wide audits.
6. The State Agency shall ensure WIC participation in A-133 and other audits by:
 - 6.1. Following DHHS audit procedures.
 - 6.2. Maintaining a tracking system that monitors the status of each audit.
 - 6.3. Including the audit requirement in Local Agency contracts.