

HCP/CDDO Policy

Regarding: Independent Audit

Final Revisions and Approval Date: May 17, 2001 (Revised September 1, 2004)

Implementation Date: July 1, 2001

Policy Language:

CDDOs and affiliates are required to conduct monitoring efforts in accordance with the provisions of the SRS Recipient Monitoring Policy (attached to this policy and/or posted with this policy on the SRS CSS Website.). These monitoring efforts will be conducted to:

1. Report any findings where grant funds were spent for non-allowable costs, in accordance with OMB Circulars A-87 and A-102 if governmental entities or OMB Circulars A-110 and A-122 if not-for-profit entities. For the for-profit entities, HCP/CSS will designate the applicable non-allowable cost criteria from OMB Circulars A-87, A-102, A-110 and A-122. The circulars can be downloaded at the following web site:
<http://www.whitehouse.gov/omb/circulars/index.html>
2. Meet the requirements of K.A.R. 30-64-33.
3. Examine Individualized Rates.
 - a. The independent auditor must review a randomly selected number of persons for whom Individualized Rates are paid.
 - b. The auditor must report any findings which indicate the total allowable services expenses for serving these persons are less than the total service revenue (i.e. HCBS/MRDD waiver and/or Community & Family Supports and Services funds) paid for these same persons. The amount of the variance shown in the audit may be recouped by HCP/CSS.
4. Each entity that is audited in accordance with this policy shall be responsible for mailing one (1) copy of the independent auditor's report to each of the following within the earlier of thirty (30) days after the auditors report(s), or nine months after the end of the audit period.

SRS Office of Audit and Consulting Services
DSOB 11th Floor
915 SW Harrison
Topeka, Kansas 66612

SRS/HCP/CSS
DSOB 10th Floor East
915 S.W. Harrison
Topeka, Kansas 66612

5. CDDOs may require independent audits or financial reviews of any affiliating entity on an annual basis.