

State of Alaska

Audit Guide and Compliance Supplement for State Single Audits

**Department of Administration
Division of Finance**

May 2017

State of Alaska

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SECTION 1 - INTRODUCTION

OVERVIEW

The *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* (the Guide) has been prepared to assist grantees and auditors with state single audit preparation. It contains two major sections:

- **Audit Guide:** Covers general information, audit, and reporting requirements. It is prepared by the single audit coordinator's office with the State of Alaska. This office is located in the Department of Administration, Division of Finance.
- **Compliance Supplement:** Contains both the general compliance requirements, which are prepared by the single audit coordinator's office; and the specific compliance requirements, which are prepared by the various State of Alaska agencies administering the state financial assistance programs.

INTENT OF THE GUIDE

To a significant extent, the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* is intended to parallel the federal Single Audit Act Amendments of 1996, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

EFFECTIVE DATE

This Guide is effective for audits of fiscal years beginning April 1, 2017 and after, and supersedes the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* issued in May 2016.

NONE OF THE MATERIAL IN THIS GUIDE SUPERSEDES OR REDUCES FEDERAL AUDIT REQUIREMENTS.



- Moneys advanced to an entity under one or more state loan programs.
- Power cost equalization payments made to an electric cooperative on behalf of its customers.
- Amounts received under state loan programs.
- Scholarships, loans or other tuition aid provided to students, but paid to an educational institution on their behalf.
- For a third party, “financial assistance” does not include goods purchased from the third party for direct administration or operation of the entity that received financial assistance.

Known Questioned Costs – Those questioned costs specifically identified by the auditor in the audit conducted under 2 AAC 45.

State Single Audit - Audits required under 2 AAC 45.010. Entities expending state financial assistance in amounts described in 2 AAC 45.010 are required to submit audits to the Department of Administration. Please refer to Section 6 for a complete reprinting of 2 AAC 45.

Subrecipient – An entity that receives state financial assistance passed through from the original recipient. The subrecipient is responsible for meeting the requirements of the assistance program.

Vendor – An entity that receives a procurement contract for goods or services from a recipient. Vendor contracts are usually a result of a competitive bidding process. A vendor’s responsibility is to meet the requirements of the procurement contract.

FUTURE IMPROVEMENTS

We appreciate your assistance in identifying improvements for future updates to the ***State of Alaska Audit Guide and Compliance Supplement for State Single Audits***. Please direct your comments to:

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 Division of Finance
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State Single Audit Website: <http://doa.alaska.gov/dof/ssa/index.html>

FEDERAL PASS-THROUGH FUNDS

Federal money passed to an entity by the State of Alaska is **NOT** considered to be state financial assistance.

STATE PROGRAMS IDENTIFIED IN 2 AAC 45.010(M)

Financial assistance in the following form is **excluded** from the threshold calculation per 2 AAC 45.010(m). However, under 2 AAC 45.010(n), the excluded financial assistance in 2 AAC 45.010(m) is not exempt from compliance testing **if** the entity meets the threshold requirements under 2 AAC 45.010(b). Please refer to Section 6 for a complete reprinting of 2 AAC 45 and the specific statute citations.

- Community revenue sharing money provided under AS 29.60.850–29.60.879.
- Aviation fuel tax money provided under AS 43.40.010.
- Electric and telephone cooperative gross revenue tax refunds provided under AS 10.25.570.
- Alcoholic beverage license fee refunds provided under AS 04.11.610.
- Fisheries tax refunds provided under AS 29.60.450, AS 43.75.130, and AS 43.77.060.
- PERS/TRS relief funding under money appropriated to pay employer unfunded liability attributable to the entity under AS 14.25 and AS 39.35.
- Money expended for projects that are solely managed, supervised, and controlled by the Alaska Energy Authority under AS 44.83 and turned over to the grantee at the conclusion of the project.

NON-CASH STATE FINANCIAL ASSISTANCE

State non-cash financial assistance, such as free rent, donated commodities or property, or donated surplus property shall be valued at fair market value at the time of receipt or the assessed value provided by the state agency. Non-cash financial assistance values must be included in the total adjusted expenditures computation for the fiscal year in which it was received.

PROFESSIONAL STANDARDS

Auditors must comply with the current standards contained in and/or issued by:

- American Institute of Certified Public Accountants (AICPA)
- ***Government Auditing Standards***
- Governmental Accounting Standards Board (GASB)
- The Alaska Administrative Code **2 AAC 45**
- The ***State of Alaska Audit Guide and Compliance Supplement for State Single Audits***

SECTION 3 - REPORTING

REPORTING PACKAGE

An entity that meets the state single audit requirements is required to submit a reporting package that includes the following:

- Audited financial statements and notes to the financial statements.
- Schedule of State Financial Assistance and notes that describe the significant accounting policies used in preparing the schedule.
- Auditor's reports - In an effort to make the reports understandable and to reduce the number of reports issued, the following format of reports is required:
 - Opinions (or disclaimers of opinions) on the financial statements and the Schedule of State Financial Assistance.
 - Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with **Government Auditing Standards**.
 - Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*
- Schedule of Findings and Questioned Costs. See example on page 13.
- Corrective Action Plan (as applicable). See example on page 15.
- Summary Schedule of Prior Audit Findings (as applicable). See example on page 16.
- Copy of any management letter issued by the auditor (as applicable).

UNTIL THE DEPARTMENT OF ADMINISTRATION RECEIVES SUFFICIENT COPIES OF ACCEPTABLE AUDIT REPORTS, INCLUDING THE ITEMS NOTED ABOVE (AS APPLICABLE) THE AUDITEE HAS NOT MET THE AUDIT REQUIREMENT.



AUDITOR'S REPORTS

Auditor's opinions and reports must include the following:

1. Opinions on financial statements and Schedule of State Financial Assistance

- An opinion (or disclaimer of opinion) on whether the financial statements are presented fairly in all material respects in conformity with accounting principles generally accepted in the United States of America.
- An opinion (or disclaimer of opinion) on whether the Schedule of State Financial Assistance is presented fairly in all material respects in-relation-to the financial statements as a whole.

2. Internal Control Related to the Financial Statements and on the Internal Control Related to Major Programs

Reports must describe the scope of testing of internal control and the results of the tests and, where applicable, must refer to the separate Schedule of Findings and Questioned Costs. It is not expected that the auditor will test internal control structure policies and procedures on which there is no intent to rely for purposes of expressing an opinion on compliance or the financial statements.

3. Compliance with Laws, Regulations, and the Provisions of Contracts and Grant Agreements, Noncompliance that Could Have a Material Effect on the Financial Statements and Each Major Program

Reports must include an opinion (or disclaimer of opinion), on whether the auditee complied with laws, regulations, and the provisions of applicable contracts or grant agreements; noncompliance with which could have a direct and material effect on the financial statements and each major program. As applicable, the report must refer to the separate Schedule of Findings and Questioned Costs.

4. Schedule of Findings and Questioned Costs – (See example on page 13)

A Schedule of Findings and Questioned Costs, which includes the following three components:

A. Summary of the auditor's results, which shall include:

- 1) The type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP (i.e., unmodified opinion, qualified opinion, adverse opinion or disclaimer of opinion);
- 2) A statement indicating if any significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements;
- 3) A statement on whether the audit disclosed any noncompliance that is material to the financial statements;
- 4) The type of report the auditor issued on compliance for major state programs (i.e., unmodified opinion, qualified opinion, adverse opinion or disclaimer of opinion);

Name of Entity
EXAMPLE: SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 201x

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: **Unmodified**
 Internal control over financial reporting:

- Significant deficiency(ies) identified? Yes No
- Material weakness(es) identified? Yes No
- Noncompliance material to financial statements? Yes No

State Financial Assistance

Type of auditor’s report issued on compliance for major programs: **Unmodified**
 Internal control over major programs:

- Significant deficiency(ies) identified? Yes No
- Material weakness(es) identified? Yes No

Dollar threshold used to distinguish a state major program: **\$150,000**

SECTION II – FINANCIAL STATEMENT FINDINGS

The (***name of entity***) did not have any findings that relate to the financial statements.

SECTION III: STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding: 201x-001 **Deadline for State Single Audit**
State Agency: Department of Public Safety
Grant Name: Tactical Equipment for Local Law Enforcement
Grant Number: 17-DPS-9999 **Award Year:** 201x
Criteria: 2 AAC 45.010(b) states an entity that expends a cumulative total of \$750,000 or more shall submit an audit report for the audit period by...” the earlier of 30 days after the entity receives its audit report for the audit period; or nine months after the end of the audit period” or a later date agreed upon in writing and advance of the date in this section.
Condition: The organization did not engage a qualified audit firm within the required timeline to complete and submit the audit in a timely manner.
Questioned Costs: None noted.
Context: The audit firm was engaged to perform an audit in accordance with the 2 AAC 45 more than nine months after the audit period.
Effect: The organization is not in compliance with 2 AAC 45.010 (b)(1).
Cause: The organization did not have controls in place to identify the requirements of the state single audit threshold.
Recommendation: The organization needs to adjust the accounting records timely, arrange for an annual audit and submit the reporting package within the guidelines as outlined in the State of Alaska single audit regulations.

Name of Entity
EXAMPLE: CORRECTIVE ACTION PLAN
For the Fiscal Year Ended December 31, 201x

Financial Statement Findings

Finding: 201x-001 Segregation of Duties

Name of Contact Person: Name, Title

Corrective Action: The duties will be separated as much as possible and alternative controls will be used to compensate for lack of separation. The accounting staff will become more involved in providing these controls.

Proposed Completion Date: February 1, 201x

State Award Findings and Questioned Costs

Finding: 201x-002 Late submission of financial reports

Name of Contact Person: Name, Title

Corrective Action: The program coordinator will be responsible for submitting quarterly and year-end financial reports within 15 working days of the quarter or year end.

Proposed Completion Date: The above procedure was implemented November 1, 201x.

ILLUSTRATIVE AUDITOR'S REPORTS

Examples of reports in this section are based on reports issued under generally accepted auditing standards, *Government Auditing Standards*, and the AICPA.

- **Example 1:** Unmodified Opinions on Basic Financial Statements Accompanied by Required Supplementary Information and Other Information – State or Local Governmental Entity
- **Example 2:** Unmodified Opinion on Consolidated Financial Statements Accompanied by Other Information - Not-For-Profit Entity
- **Example 3:** Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
(No Material Weaknesses Identified, No Significant Deficiencies Identified, No Reportable Instances of Noncompliance or Other Matters Identified)
- **Example 4:** Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
(Material Weaknesses and Significant Deficiencies Identified; and Reportable Instances of Noncompliance and Other Matters Identified)
- **Example 5:** Independent Auditor's Report on Compliance for Each Major State Program; Report on Internal Control over Compliance and Report on the Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*
(Unmodified Opinion on Compliance; No Material Weaknesses or Significant Deficiencies in Internal Control over Compliance Identified)
- **Example 6:** Independent Auditor's Report on Compliance for Each Major State Program; Report on Internal Control over Compliance and Report on the Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*
(Qualified Opinion on Compliance for one Major State Program; Unmodified Opinion on Compliance on Each of the other Major State Programs; Material Weaknesses and Significant Deficiencies in Internal Control over Compliance Identified)

entity's internal control⁴. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Example, Alaska, as of June 30, 20x1, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information⁵

Accounting principles generally accepted in the United States of America require that the [identify the required supplementary information, such as management's discussion and analysis and budgetary comparison information] on pages xx-xx and xx-xx be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

⁴ In circumstances when the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, this sentence would be worded as follows:

"In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances."

In addition, the next sentence, "Accordingly, we express no such opinion." would not be included.

⁵ Generally accepted accounting principles for state and local government entities often require that the financial statements be accompanied by certain required supplementary information (RSI). This RSI paragraph, within the "Other Matters" section of the report, illustrates a situation where RSI is included, the auditor has applied the specified procedures, and no material departures from prescribed guidelines have been identified.

If all of the RSI is omitted, the paragraph on RSI would be replaced with the following:

Management has omitted [identify the missing RSI, such as management's discussion and analysis and budgetary comparison information] that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

For other situations in which some RSI is omitted and some is presented in accordance with prescribed guidelines, there are material departures from prescribed guidelines, specified procedures not completed, or there are unresolved doubts about whether the RSI is in accordance with prescribed guidelines, refer to the guidance in AU-C section 730, *Required Supplementary Information (AICPA, Professional Standards)* and the AICPA Audit and Accounting Guide *State and Local Governments*.

Other Reporting Required by Government Auditing Standards⁹

In accordance with *Government Auditing Standards*, we have also issued our report dated [date of report] on our consideration of the City of Example's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.¹⁰ The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.¹¹ That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Example's internal control over financial reporting and compliance.

[Auditor's signature]

[Auditor's city and state]

[Date of the auditor's report]

⁹ Paragraph .37 of AU-C section 700, *Forming an Opinion and Reporting on Financial Statements* (AICPA, *Professional Standards*), provides that the section related to an auditor's other reporting responsibilities should be subtitled "Report on Other Legal and Regulatory Requirements" or otherwise, as appropriate to the contents of the section. An example of an alternative title describing the reporting required by *Government Auditing Standards* is illustrated here.

¹⁰ Paragraph 4.07 discusses noncompliance and other matters - that is, certain fraud and abuse - for which *Government Auditing Standards* requires reporting in the auditor's report.

¹¹ This sentence should be modified if the auditor is providing an opinion on internal control over financial reporting or on compliance in the *Government Auditing Standards* report.

effectiveness of the entity's internal control.¹⁶ Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Example NFP as of June 30, 20x1, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information^{17,18}

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The [*identify accompanying supplementary information (such as the schedule of state financial assistance*¹⁹, as required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits)] is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards²⁰

In accordance with *Government Auditing Standards*, we have also issued our report dated [*date of report*] on our consideration of Example NFP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant

¹⁶ See footnote 4.

¹⁷ This section, within the "Other Matters" section of the report, is intended to include the reporting on supplementary information (SI) when the auditor is engaged to provide an "in-relation-to" opinion on SI and also when explanatory language will be provided relating to other information (OI) when the auditor is disclaiming an opinion on the OI. This illustration assumes that the only information that accompanies the financial statements is the schedule of state financial assistance and that the auditor is providing an "in-relation-to" opinion on it. Example 1 provides illustrative wording that can be incorporated into this illustration when other information also accompanies the financial statements. The caption provided in this illustration is one way an auditor could title the section. Alternatively, the auditor could title it "Supplementary and Other Information," "Supplementary Information," or "Accompanying Information."

¹⁸ If there is no SI on which to report, these paragraphs would be deleted. If the auditor has issued an opinion other than unmodified on the financial statements, see the guidance in AU-C section 725, *Supplementary Information in Relation to the Financial Statements as a Whole* (AICPA, *Professional Standards*) and AICPA Audit and Accounting Guide *State and Local Governments*.

¹⁹ See footnote 8.

²⁰ See footnote 9.

Example 3: Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* (for a Governmental Entity)²³

(No Material Weaknesses Identified, No Significant Deficiencies Identified, No Reportable Instances of Noncompliance or Other Matters Identified)

Independent Auditor's Report

[Appropriate Addressee]

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States²⁴, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Example Entity, as of and for the year ended June 30, 20x1, and the related notes to the financial statements, which collectively comprise Example Entity's basic financial statements, and have issued our report thereon dated August 15, 20x1.²⁵

Internal Control over Financial Reporting^{26, 27}

In planning and performing our audit of the financial statements, we considered Example Entity's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions²⁸ on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Example Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Example Entity's internal control.

²³ This illustration assumes that Example Entity is a governmental entity. If Example Entity is a not-for-profit entity, the wording in the first paragraph of this report should be modified using the wording below. Additionally, the first sentence under the heading "Internal Control over Financial Reporting" would be revised to refer to "our opinion" instead of "our opinions."

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Example Entity, which comprise the consolidated statement of financial position as of June 30, 20x1, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 15, 20x1.

²⁴ See footnote 3. Additionally, if the financial statements include organizational units that are not required to have a *Government Auditing Standards* audit, the auditor should consider modifying this paragraph.

²⁵ If the auditor expressed a modified opinion on the financial statements (that is, a qualified opinion, an adverse opinion, or a disclaimer of opinion), the auditor should include a statement describing the nature of the modification. The auditor may include certain additional communications when the auditor included such additional communications in the auditor's report on the financial statements that are not modifications to the auditor's opinion. For example, if the auditor included an emphasis-of-matter paragraph in the auditor's report on the financial statements because of an uncertainty about the entity's ability to continue, as a going concern for a reasonable period of time, the auditor may also include mention of the additional communication here.

²⁶ *Government Auditing Standards* permits, but does not require, auditors to express an opinion on internal control over financial reporting or on compliance if sufficient work was performed.

²⁷ This report sequences the reporting on internal control over financial reporting before the reporting on compliance and other matters. Auditors may present the internal control and compliance sections of the report in whichever sequence better meets their needs.

²⁸ See footnote 23.

Example 4: Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* (for a Governmental Entity)³³

(Material Weaknesses and Significant Deficiencies Identified; and Reportable Instances of Noncompliance and Other Matters Identified)

Independent Auditor's Report

[Appropriate Addressee]

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States,³⁴ the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Example Entity as of and for the year ended June 30, 20x1, and the related notes to the financial statements, which collectively comprise Example Entity's basic financial statements, and have issued our report thereon dated August 15, 20x1.³⁵

Internal Control Over Financial Reporting^{36, 37}

In planning and performing our audit of the financial statements, we considered Example Entity's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions³⁸ on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Example Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Example Entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the

³³ See footnote 23.

³⁴ See footnote 24.

³⁵ See footnote 25.

³⁶ See footnote 26.

³⁷ See footnote 27.

³⁸ See footnote 23.

Example 5: Report on Compliance for Each Major State Program; Report on Internal Control over Compliance and Report on the Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

(Unmodified Opinion on Compliance for each Major State Program; No Material Weaknesses or Significant Deficiencies in Internal Control over Compliance Identified¹)

Independent Auditor's Report

[Appropriate Addressee]

Report on Compliance for Each Major State Program

We have audited Example Entity's compliance with the types of compliance requirements² described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect³ on each of Example Entity's major state programs for the year ended June 30, 20x1. Example Entity's major state programs are identified in the accompanying schedule of state financial assistance.⁴

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

¹ Examples 5 and 6 in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits (Guide)* are intended to provide illustrations for various situations. Auditors, using professional judgment, may adapt these examples to other situations not specifically addressed within the illustrations.

² The auditor's determination of whether a noncompliance with the provisions of laws, regulations, contracts, or grant agreements is material for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program or an audit objective identified in the State of Alaska's *Compliance Supplement for State Single Audits (Compliance Supplement)*. Further, the auditor's determination of whether a deficiency in internal control over compliance is a significant deficiency or material weakness for the purpose of reporting an audit finding is also in relation to a type of compliance requirement for a major state program or an audit objective identified in the *Compliance Supplement*. The reference to "type of compliance requirements" used here and elsewhere in this report illustration refers to the 10 types of compliance requirements described in the "General Compliance Requirements" section of the *Compliance Supplement*.

³ AU-C section 935, *Compliance Audits (AICPA, Professional Standards)*, defines *applicable compliance requirements* as the compliance requirements that are subject to the compliance audit. According to the "Auditor's Reports" section of the *Guide*, the auditor's report on compliance with laws, regulations, and the provisions of contract or grant agreements must include an opinion (or disclaimer of opinion) regarding whether the auditee complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program. Therefore, in a compliance audit in accordance with the *Guide*, the *applicable compliance requirements*, as the term is used in AU-C section 935, are those that could have a direct and material effect on a major state program. Accordingly, for the purpose of adapting AU-C section 935 to a compliance audit in accordance with the State of Alaska's *Guide*, the term *applicable* has been replaced by *direct and material* when referencing such compliance requirements in this report.

⁴ There are situations in which the audit of state awards may not encompass the entirety of the auditee's operations. In this case, the operations that are not included should be identified in a separate paragraph following the first paragraph of the report. An example of such a paragraph follows:

Example Entity's basic financial statements include the operations of the [identify organizational unit, such as a component unit or department], which received [include dollar amount] in state awards which is not included in Example Entity's schedule of state financial assistance during the year ended June 30, 20x1. Our audit, described below, did not include the operations of [identify organizational unit] because [state the reason for the omission, such as the component unit engaged other auditors to perform an audit in accordance with the Guide].

planning and performing our audit of compliance, we considered Example Entity's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Example Entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.⁹

Report on Schedule of State Financial Assistance required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*^{10, 11}

We have audited the financial statements of Example Entity as of and for the year ended June 30, 20x1, and have issued our report thereon dated August 15, 20x1, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the

⁹ This paragraph has been adapted from AU-C section 905, *Alert That Restricts the Use of the Auditor's Written Communication* (AICPA, *Professional Standards*) to relate to the reporting on internal control over compliance that is required in an audit of compliance in accordance with the *Guide*.

¹⁰ The wording of this report is based on AU-C section 725, *Supplementary Information in Relation to the Financial Statements as a Whole* (AICPA, *Professional Standards*).

¹¹ This guide recommends reporting on the schedule of state financial assistance in the report on the financial statements. However, there may be certain circumstances when the auditor's report on the schedule is incorporated into the report issued to meet the requirements of the *Guide*. Therefore, this example and Example 6 illustrate the inclusion of the auditor's in-relation-to reporting on the schedule of state financial assistance. Its inclusion in these examples is not intended to imply a best practice. If the in-relation-to reporting on the schedule is included in the report on the financial statements or in a separate report, this section would be omitted.

Example 6: Report on Compliance for Each Major State Program; Report on Internal Control over Compliance and Report on the Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

(Qualified Opinion on Compliance for one Major State Program; Unmodified Opinion on Compliance on Each of the Other Major State Programs; Material Weaknesses and Significant Deficiencies in Internal Control over Compliance Identified)¹⁴

Independent Auditor's Report

[Appropriate Addressee]

Report on Compliance for Each Major State Program

We have audited Example Entity's compliance with the types of compliance requirements¹⁵ described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect¹⁶ on each of Example Entity's major state programs for the year ended June 30, 20x1. Example Entity's major state programs are identified in the accompanying schedule of state financial assistance.¹⁷

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Example Entity's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Example Entity's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However our audit does not provide a legal determination of Example Entity's compliance.

¹⁴ See footnote 1.

¹⁵ See footnote 2.

¹⁶ See footnote 3.

¹⁷ See footnote 4.

Report on Internal Control over Compliance²⁴

Management of Example Entity is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Example Entity's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Example Entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items *[list the reference numbers of the related findings, for example 20x1-005 and 20x1-006]*²⁵ to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items *[list the reference numbers of the related findings, for example 20x1-007 and 20x1-008]*²⁶ to be significant deficiencies.

Example Entity's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Example Entity's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

²⁴ See footnote 8.

²⁵ See footnote 6.

²⁶ See footnote 6.

SECTION 4 - SUBMITTING SINGLE AUDITS

WHERE TO SEND AUDITS

Centralized Collection of Audits: The department provides the service of collecting and reviewing audits required from grantees. This includes **state single audits** for state financial assistance and **federal single audits** for recipients of federal pass-through assistance distributed by a state agency.

Send Audit Packages to: Single Audit Coordinator
 State of Alaska, Department of Administration
 Division of Finance
 P.O. Box 110204
 Juneau, AK 99811-0204

WHAT TO SUBMIT FOR A COMPLETE REPORTING PACKAGE

Be sure to include the audited financial statements and all applicable items of a complete reporting package as described on page nine. See the following page for a list of state agencies that would be included on the Schedule of State Financial Assistance.

Number of Copies:

State Single Audit Only (No Federal Single Audit was done)	Federal Single Audit Only (No State Single Audit was done)	Both a Federal <u>and</u> a State Single Audit was done on your organization
<ul style="list-style-type: none"> • 1 copy for EACH State of Alaska agency listed on the Schedule of State Financial Assistance <li style="text-align: center;">AND • 1 copy for the single audit coordinator 	<ul style="list-style-type: none"> • In most cases, for audits after 12/31/2015, we can obtain the audit copy from the Federal Single Audit Clearinghouse; • Otherwise, we'll be in touch 	<ul style="list-style-type: none"> • 1 copy for EACH State agency listed on either the Schedule of Expenditures of Federal Awards or Schedule of State Financial Assistance <li style="text-align: center;">AND • 1 copy for the single audit coordinator

Note: School districts have an additional requirement to send a complete reporting package, including management letter, directly to Department of Education & Early Development.

After receipt and review of the **complete reporting package**, the single audit coordinator's office will distribute the audit package to the appropriate state agencies.



If you have questions, please contact the Single Audit Coordinator at (907) 465-4666.

SECTION 5 - QUESTIONS AND ANSWERS

This section is designed to clarify issues or requirements of the state single audit.

1. **Will state agencies withhold money from their awards to cover the cost of a single audit, or should the recipient do this?**

Answer. State agencies are not responsible for withholding money for the cost of a single audit. Recipients of state financial assistance are responsible for the budgeting and payment of audit services.

2. **How will recipients know if they should plan for the cost of a single audit before the end of the fiscal year?**

Answer. It is important to continuously track receipt and expenditure of state financial assistance and federal pass-through funds. The recipient should budget for an audit. Then, if it becomes clear that the audit is not necessary, the money can be used as otherwise allowed in the grant agreements.

3. **What money can be used to pay the cost of a state single audit?**

Answer. Audit costs are legitimate costs of administering state financial assistance. Audit costs can be direct or indirect costs depending on the award agreement or policies established by the state granting agency. It is important that audit costs be fully documented. Costs apportioned to state programs need to be supported with schedules or other documentation showing how the allocation was applied. Generally, auditors will evaluate the reasonableness of that allocation.

4. **How will recipients that have not budgeted for the single audit costs pay for it?**

Answer. Planning ways to meet audit expenses is an important element in good business management. The recipient of state financial assistance that has not earmarked money for an audit will have to absorb the payment from other unrestricted funds. **Failure to set aside money to pay for audits is not a valid excuse for failing to have an audit performed.**

5. **What if an audit is not completed within nine months after fiscal year end?**

Answer. You may contact the single audit coordinator prior to the nine month due date to request an extension. The single audit coordinator will review the request, the past history of the grantee in submitting timely audit packages, and other relevant facts. The single audit coordinator's office will notify the recipient, applicable state agencies and CPA firm, if provided, whether the extension request was granted or denied.

13. Do school districts reports have any special submission requirements?

Answer. Yes. School districts should follow the guidelines on page 37, for submitting single audits; with the additional requirement of sending a copy of the reporting package to the Commissioner of the Department of Education and Early Development.

AS 14.14.050 requires the school board of each school district to send a copy of their audit report and management letter to the Commissioner of Education and Early Development by November 15.

Send the Commissioner of Education and Early Development's copy to:

Alaska Department of Education & Early Development
Education Support Services
Attn: Alenita Danner
801 West 10th Street, Suite 200
P.O. Box 110500
Juneau, AK 99811-0500
e-mail: alenita.danner@alaska.gov

14. How does the state determine if an audit meets audit standards?

Answer. The single audit coordinator's office will review audit reports for conformance with professional standards; inclusion of required opinions, reports, and schedules; timely completion; and sufficient number of copies. Audit reports will be forwarded to each state agency that granted financial assistance, for review to ensure all awards were included; findings are clear and understandable; planned corrective actions appear adequate and management decision letters are issued.

15. If an audit report is found deficient, what procedures will be used to notify the parties involved; and who will resolve the issues?

Answer. The single audit coordinator's office will notify the grantee (copy to the auditor and applicable granting agencies) of a deficient reporting package within four weeks of receipt of the audit. Within 30 days of this notification, the entity is required to provide the requested information and/or documents.

If a revision or further information is required by the auditors, the notification will be sent to the auditor with a copy sent to the grantee and applicable granting agencies. The auditor will have 30 days to submit revised reports or other requested information.

Audits are not in compliance with the timely submission requirement of the single audit regulation until deficiencies are resolved. The grantee should maintain contact with the state funding agency(s) and the single audit coordinator's office while deficiencies are being resolved.

The single audit coordinator's office will mediate disagreements between the auditor, grantee, and the state funding agency(s).

23. How do entities determine state major programs when their fiscal year has a different yearend than the state?

Answer. Major program and audit thresholds are based on the entity's fiscal year.

24. When an entity changes its yearend, how should it treat the stub period for purposes of the state single audit?

Answer. A state single audit of the stub period is required if the stub period is six months or longer, or if it was audited by itself. If the stub period is less than six months and not audited separately, it should be included in the succeeding year's single audit.

25. Are auditors required to do compliance testing for financial assistance programs that are excluded from the state single audit threshold computations?

Answer. Yes, if such programs are determined to be major state programs. The exclusion applies only for the audit threshold computation, not compliance testing.

26. If the compliance supplement does not contain requirements for a particular program, does that mean this program does not need to be audited for compliance?

Answer. No. The auditor should determine compliance requirements from the award document, and applicable laws and regulations. Auditors can contact the agency representatives indicated on page 52, Single Audit Contacts.

27. What requirements apply to federal pass-through money?

Answer. Federal pass-through money received from state agencies remains classified as federal financial assistance. Federal compliance and audit requirements apply to this money. The requirements for federal single audits are contained in the Single Audit Act Amendments of 1996 and the Uniform Grant Guidance, 2 CFR Part 200.

28. What are the federal audit and major program thresholds?

Answer. The Uniform Grant Guidance, 2 CFR Part 200 changed the federal audit threshold for fiscal years beginning on or after December 26, 2014 as follows:

- **Audit Threshold** - A recipient of federal awards that expends a cumulative total equal to or greater than \$750,000 during the entity's fiscal year is required to submit a federal single audit
- **Major Federal Programs** - Major federal programs are determined on a risk-based approach. The risk-based approach includes consideration of current and prior audit experience; oversight by federal agencies and pass-through entities; and the inherent risk of the federal program. The determination is subject to a variety of exceptions and limitations described in 2 CFR Part 200.

33. What are “questioned costs?”

Answer. Auditors report expenditures that may not be allowable charges to state programs as “questioned costs.” State agencies determine whether charges will be allowed. Questioned costs usually fall in one of five categories:

- **Unallowable** - Costs specifically not allowed under the general and specific requirements or conditions of a program.
- **Ineligible** - Costs which would otherwise be allowable except the amounts involved were paid on behalf of an individual who is not eligible.
- **Undocumented** - Costs for which detailed documentation does not exist.
- **Unapproved** - Costs for which the program requires approval and the auditor cannot find evidence of approval, or costs not provided for in an approved budget.
- **Unreasonable** - Costs incurred that may not reflect the actions of a prudent person, or the assignment of an unreasonably high valuation to in-kind contributions.

- (2) the entity's compliance with applicable state statutes and regulations and applicable financial assistance agreements affecting the expenditure of the financial assistance; the report must identify findings and known questioned costs that exceed \$5,000 in the aggregate for all transactions of expenditures tested for the financial assistance being audited;
- (3) the entity's financial statements;
- (4) the schedule of state financial assistance;
- (5) the schedule of findings and questioned costs.

(e) As part of the audit report required under this section, the entity must provide

- (1) written comments on any
 - (A) findings;
 - (B) known questioned costs;
 - (C) significant deficiencies, including material weaknesses; and
 - (D) recommendations contained in the audit report;
- (2) the entity's plan for corrective action, if any findings are identified or any recommendations are made in the audit report;
- (3) the status of the entity's implementation of any plans for corrective actions related to
 - (A) the audit reports required under this section for the fiscal year before the audit period; and
 - (B) unresolved findings of audit reports required by this section for audit periods before those specified in (A) of this paragraph; and
- (4) a written explanation of the reasons why corrective action will not be taken if the entity does not intend to take corrective action on the findings and recommendations in any audit report required by this section.

(f) An audit report required under this section need not evaluate the effectiveness of a program funded by financial assistance. However, a program evaluation or financial monitoring may be conducted by the state agency or requested of the entity by the state agency that entered into the financial assistance agreement.

(g) An audit required by this section must cover the entire operations of the entity.

(h) An entity shall provide the department with sufficient copies of each audit report to allow submission of a copy to each state agency providing financial assistance to the entity. The department will determine if auditing standards have been met and will forward a copy of the audit to the appropriate state agencies. The department will coordinate the assignment of the resolution to one state agency, if the exceptions concern more than one state agency. The applicable state agency providing financial assistance to the entity must meet its responsibilities under other law for ensuring compliance with the audit report.

(i) Unless additional audit requirements are imposed by state or federal law, a state agency that provides financial assistance to an entity shall accept the audit required by this section in satisfaction of any other audit requirement. If additional audit work is necessary to meet the needs of a state agency, the audit work must be based on the audit required by this section. Nothing in this subsection authorizes a state agency to seek payment from the entity for the additional audit work.

- (1) an audit that complies with those provisions; or
- (2) a statement that an audit is not required under the provisions of 2 AAC 45.010(b).

History Eff. 7/1/98, Register 146; am 3/31/2008, Register 185; am 8/1/2008, Register 187; am 1/1/2011, Register 196; am 9/25/2013, Register 207, am 4/1/2017, Register 221
Authority: AS 37.05.020 AS 37.05.190

2 AAC 45.080. EXEMPTIONS FROM FINANCIAL ASSISTANCE.

- (a) For purposes of this chapter, "financial assistance" does not include the following:
- (1) public assistance provided under AS 47;
 - (2) goods or services purchased for the direct administration or operation of state government;
 - (3) moneys advanced to an entity under one or more state loan programs;
 - (4) power cost equalization payments made to an electric cooperative on behalf of its customers;
 - (5) scholarships, loans, or other tuition aid provided to students, but paid to an education institution on their behalf.
- (b) In addition to the exemptions set out in (a) of this section, for a third party, "financial assistance" does not include goods purchased from the third party for direct administration or operation of the entity that received financial assistance.

History: Eff. 7/1/98, Register 146
Authority: AS 37.05.020 AS 37.05.190

2 AAC 45.085. WAIVER OF AUDIT REQUIREMENTS.

- (a) No later than 30 days after the due date of an entity's audit, the entity may submit a written request to the commissioner under this section for a waiver of the requirements for an audit under 2 AAC 45.010 for good cause.
- (b) A written request submitted under this section must state the reasons for the request for waiver and good cause. Good cause exists under this section if
- (1) the financial assistance expended by the entity was under close state agency management and supervision;
 - (2) an audit will not likely promote the public interest because
 - (A) the audit will be duplicative of existing audited information;
 - (B) an alternative source of externally verified information from an independent source provides sufficient assurance that the financial assistance was expended properly.
- (c) For the purposes of this section, an entity's lack of funding to purchase an audit is not good cause for waiver of an audit under this section.
- (d) No later than 30 days after receiving a written request for a waiver under this section, the commissioner will issue a written decision regarding the request for waiver. The written decision will document the basis for any grant or denial of waiver under this section. The commissioner's decision will be mailed or delivered to the entity and will constitute the final administrative decision on the request.
- (e) In this section, "commissioner" means the commissioner of administration.

History: Eff. 1/1/2011, Register 196
Authority: AS 37.05.020 AS 37.05.190

SECTION 7 - COMPLIANCE SUPPLEMENT

COMPLIANCE SUPPLEMENT OVERVIEW

This section describes general and specific compliance requirements, which if not met, could have a material effect on the auditee's combined financial statements and/or state programs.

Each requirement is accompanied by suggested audit procedures for testing compliance. These are intended to be suggestions and are not the only or necessarily the best audit procedures, nor are they mandatory. Auditors should apply professional judgment in determining the audit procedures that are necessary to adequately measure an entity's compliance.

General Requirements: Some constitutional or statutory requirements are applicable to all or most state assistance programs and should be considered in all financial and compliance audits.

Specific Requirements: These requirements are applicable to specific state programs. Specific Requirements are organized in five categories:

- Types of service allowed or unallowed
- Eligibility
- Matching, level of effort, or earmarking requirements
- Reporting requirements
- Special tests and provisions

Auditors are not relieved of responsibility for compliance testing of programs not included in specific requirements or compliance supplement sections. Auditors should review the award, grant agreement, regulations, or enabling legislation to determine whether there are special conditions that need to be considered.

LIST OF AGENCY SINGLE AUDIT REPRESENTATIVES

Questions regarding specific requirements for a program should be directed to the funding agency's contact person. See the following page for a list of the current Single Audit Contacts for state agencies and component units receiving centralized monitoring services from the State of Alaska's Single Audit Coordinator's office.

Any component unit not on the list will perform its own single audit monitoring. Questions regarding their individual programs should be addressed directly to that component unit.

Questions regarding state assistance and the application or interpretation of 2 AAC 45 should be directed to the Single Audit Coordinator at (907) 465-4666.

GENERAL COMPLIANCE REQUIREMENTS

Public Purpose Compliance Requirement

Article IX, Section 6 of the Alaska Constitution requires all appropriations of public money or transfer of public property to accomplish a public purpose.

Suggested Audit Procedures:

Evaluate expenditures to determine that they accomplish a public purpose.

Civil Rights Compliance Requirement

Alaska Statute 18.80.200 and federal civil rights laws prohibit discrimination against a person because of race, religion, color, national origin, sex, age, physical or mental disability, marital status, change in marital status, pregnancy, or parenthood.

Suggested Audit Procedures:

1. Obtain representation and/or attorney letters to determine whether any civil rights suits have been adjudicated or are pending.
2. During the fiscal year for each program, determine the:
 - a. Number of complaints filed with federal, state and/or local agencies responsible for ensuring nondiscrimination.
 - b. Status of unresolved complaints or investigations.
 - c. Actions taken on resolved complaints or completed investigations.

Minimum Wages Compliance Requirement

Alaska Statute 23.10.065 requires employers to meet minimum wage requirements.

Suggested Audit Procedure:

Review payroll records for compliance.

Prevailing Wages Compliance Requirement

Alaska Statute 36.05.010 requires certain projects meet the provisions of AS 36 Public Contracts. To the extent that such provisions apply to the project that is the subject of an assistance agreement, the recipient shall pay the current prevailing rates of wage to employees.

Suggested Audit Procedures:

1. Identify the programs involving construction activities.
2. Review construction contracts and subcontracts and determine whether they contain provisions requiring the payment of prevailing wages.
3. For the selected construction contracts and subcontracts, determine whether the audited entity immediately notified the Alaska Department of Labor & Workforce Development under AS 36.05.035 of the:
 - a) Amount and effective date of the contract

Retention and Inspection of Records Compliance Requirements

A recipient of state financial assistance shall maintain and make available records of expenditure for those funds. As a minimum, the expenditure records shall be maintained until audits required under 2 AAC 45.010 are completed and noncompliance findings are resolved.

Suggested Audit Procedure:

Determine whether prior audit recommendations were resolved and if not; determine that pertinent records are still available for inspection.

Responsibility for Third Parties Compliance Requirement

Per 2 AAC 45.010, a recipient of state financial assistance that disburses financial assistance to a third party(s) in an amount equal to or greater than the audit threshold is required to ensure that the third party(s) complies with audit requirements. The recipient entity must also ensure that appropriate corrective action is taken within six months after disclosure of a third party's noncompliance with state statute or regulation, or financial assistance agreement.

Suggested Audit Procedures:

1. Determine whether the recipient entity has established a system for notifying third parties of their responsibilities, and that the system is being used.
2. Determine that the recipient entity has established a system to ensure third party compliance.
3. Determine whether the recipient entity has established a system to ensure that appropriate corrective action is taken within six months after a third party's noncompliance is disclosed.

Audit Requirements Compliance Requirement

Per 2 AAC 45.010, recipients of state financial assistance that meet the audit threshold are required to submit an audit to the single audit coordinator's office. See section 2 of this *Guide*, Requirements - State Single Audit and Major Program Thresholds.

Suggested Audit Procedure:

Refer to information in the "Audit Guide" section of this publication.

Compliance Supplements

STATE OF ALASKA
ALASKA ENERGY AUTHORITY
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Rural Energy Programs	05/2010
2	Energy Development Program	05/2010

PROGRAM 1 – RURAL ENERGY PROGRAMS

ALASKA ENERGY AUTHORITY

I. PROGRAM OBJECTIVES

Authorized under AS 42.45, the Alaska Energy Authority's (AEA) Rural Energy Programs include Bulk Fuel Storage Upgrades, Rural Power System Upgrades, and Power Cost Equalization (PCE).

AEA grants fall under “umbrella” state funding sources for energy project construction and management activities. The objective of the programs are to fund projects that improve cost-savings, energy efficiency, safety and reliability of electric energy systems, bulk fuel storage facilities and waste heat systems in rural Alaska. Examples include: purchases or modifications to electric utility engine-generators, system meters, or other equipment; upgrades or safety improvements to electric transmission and distribution lines, repairs and code compliance work on electric utility bulk fuel storage facilities and installation of waste heat recovery systems.

The Power Cost Equalization program provides payments to electrical utilities on behalf of individuals. Power cost equalization payments are not considered to be financial assistance for state single audit purposes, please refer to 2 AAC 45.080(a)(4).

II. PROGRAM PROCEDURES

AEA administers grants in two ways:

1. **Managed on Behalf of the Grantee:** Through the terms of the grant agreement with the grantee, AEA acts as an agent of the grantee and directly procures all grant force account labor, materials and other services. AEA pays vendors directly for materials and services and the grantee does not receive funds directly. An accounting firm under contract with AEA pays force account payroll from a trust account into which AEA deposits grant funds for payroll and related taxes.
2. **Direct Award to the Grantee:** These grants are paid to the grantee based on the terms of the grant agreement.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirements: Grant funds can be expended as specified in the grant agreement in accordance with the authorizing legislation, statutes, and regulations.

Suggested Audit Procedure: Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the agreement.

PROGRAM 2 – ENERGY DEVELOPMENT PROGRAM

ALASKA ENERGY AUTHORITY

I. PROGRAM OBJECTIVES

Authorized under AS 42.45, the Alaska Energy Authority (AEA) Energy Development Program includes the energy sustainability plan and the renewable energy grant program pursuant to state legislation passed in 2008.

AEA grants fall under “umbrella” state funding sources for energy project construction and management activities. The objective of the program is to assist in developing projects in Alaska that reduce and stabilize the cost of energy and decrease dependency on diesel and Cook Inlet natural gas for power, heating, and transportation. Specific areas of project development include bio-fuels and biomass energy, combined heat and power, energy efficiency, geothermal, hydropower, ocean and river energy, and wind energy.

II. PROGRAM PROCEDURES

AEA administers grants in two ways:

1. **Managed on Behalf of the Grantee:** Through the terms of the grant agreement with the grantee, AEA acts as an agent of the grantee and directly procures all grant force account labor, materials and other services. AEA pays vendors directly for materials and services and the grantee does not receive funds directly. An accounting firm under contract with AEA pays force account payroll from a trust account into which AEA deposits grant funds for payroll and related taxes.
2. **Direct Award to the Grantee:** These grants are paid to the grantee based on the terms of the grant agreement.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirements: Grant funds can be expended as specified in the grant agreement in accordance with the authorizing legislation, statutes, and regulations.

Suggested Audit Procedure: Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the agreement.

B. ELIGIBILITY -

The auditor is not expected to make tests for recipient eligibility.

STATE OF ALASKA
ALASKA HOUSING FINANCE CORPORATION
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Senior Citizens Housing Development Program	05/2014
2	Supplemental Housing Development Grants Program	05/2017
3	Weatherization Assistance for Low Income Persons	05/2017
4	Grants Match Program	05/2017
5	Basic Homeless Assistance Program (BHAP)	05/2016
6	Special Needs Housing Grant Program	05/2016
7	Teacher, Health Professional and Public Safety Officials Grant Program	04/2015

**PROGRAM 1 – SENIOR CITIZENS HOUSING
DEVELOPMENT PROGRAM
ALASKA HOUSING FINANCE CORPORATION**

I. PROGRAM OBJECTIVES

This program awards grants for the acquisition, rehabilitation or development of housing for senior citizens. Awards can be made for both the planning and the development of the housing.

II. PROGRAM PROCEDURES

Under the program, grants are made to municipalities or to public or private 501(c)(3) or (4) nonprofit corporations, and Alaskan Regional Housing Authorities.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Grants made under this program are for the acquisition, rehabilitation or development of housing for seniors. Development includes:
 - a) Purchase of suitable building sites;
 - b) Necessary site preparation;
 - c) Preparation of plans and specifications;
 - d) Financing the purchase of materials and actual construction;
 - e) Financing the rehabilitation, improvement, or conversion of existing structures. 15 AAC 154.100 - 154.110

Suggested Audit Procedures: Test financial and related records to determine the purposes for which the funds were expended.

2. **Compliance Requirement:** All interest earned on grant money must be returned to Alaska Housing Finance Corporation (AHFC) upon completion of the project. 15 AAC 154.040 (6)

Suggested Audit Procedures: Review financial and related records, and if appropriate, any previous audit reports, to determine interest accrued on grant funds to date; and verify that all interest earned on grant funds have been paid back to AHFC.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Although not specifically required by statute or regulation, grant recipients typically include other sources of funds when applying for the grants. The grant agreement budgets will typically include the amounts and sources of other funds.

PROGRAM 2 - SUPPLEMENTAL HOUSING DEVELOPMENT GRANTS PROGRAM ALASKA HOUSING FINANCE CORPORATION

I. PROGRAM OBJECTIVES

This program is designed to provide state funds to supplement residential housing projects funded by the U.S. Department of Housing and Urban Development. Grant monies are to be used for sewer and water, access road construction, electrical distribution to the housing site and/or energy efficient design features in homes.

II. PROGRAM PROCEDURES

Grant funds under the program are only made available to Regional Housing Authorities organized pursuant to AS 18.55.995 - 997. A grant agreement is executed upon demonstration by the housing authority that its project has been approved in its Indian Housing Plan (IHP) by the U.S. Department of Housing and Urban Development.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Funds are only to be used for the cost of on-site sewer and water facilities, road construction to project sites, extension of electrical distribution facilities to individual residences, and energy efficient design features in homes. AS 18.55.998(a) and 15 AAC 154.300-154.320

Suggested Audit Procedure: Test financial and related records and determine the purposes for which the funds were expended.

2. **Compliance Requirement:** No part of the grant may be used for administrative or other costs of a regional housing authority whether the costs are directly associated with the construction or general costs of the authority. AS 18.55.998(c) and 15 AAC 154.300 and 154.320

Suggested Audit Procedure: Test financial and related records and determine that no grant funds were expended for administrative or other general costs of the housing authority.

3. **Compliance Requirement:** All interest earned on grant funds must be returned to Alaska Housing Finance Corporation (AHFC) upon completion of the project. 15 AAC 154.040 (6)

Suggested Audit Procedures: Review financial and related records, and if appropriate, any previous audit reports, to determine interest accrued on grant funds to date; and verify that all interest earned on grant funds have been paid back to AHFC.

PROGRAM 3 – WEATHERIZATION ASSISTANCE FOR LOW INCOME PERSONS ALASKA HOUSING FINANCE CORPORATION

I. PROGRAM OBJECTIVES

The objective of the weatherization assistance for low income persons is to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable such as the elderly, persons with disabilities, families with children under six years old, the lowest income households, and emergencies. Conditions of a home and/or fuel consumption may justify moving any household up the wait list.

The program includes federal pass through and state monies and the audit should be in accordance with state and federal audit requirements.

II. PROGRAM PROCEDURES

The weatherization program is implemented through annually awarded grants at the local level.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

Auditors should be advised that the provisions below only relate to activity funded with state monies. Federal requirements are guided by CFDA Numbers 81.041 and 81.042.

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirements:** The Department maintains, and auditors are requested to review, amounts (regionalized by community) that can be expended per dwelling unit for the below-listed weatherization materials. The materials must meet the U.S. Department of Energy's standards for quality and installation techniques, as cited in the Federal Register on February 27, 1980 as amended on January 4, 1985 and updated on April 1, 2001. Eligible materials include:
 - a) Caulking and weather stripping of doors and windows; and advanced air sealing of the building envelope;
 - b) Furnace efficiency modifications including:
 - Replacement burners designed to substantially increase energy efficiency of the heating system;
 - Devices for minimizing energy loss through heating system, chimney or venting system; and
 - Electrical or mechanical furnace ignition systems which replace standing gas pilot lights.
 - c) Programmable thermostats;

PROGRAM 3 – WEATHERIZATION ASSISTANCE FOR LOW INCOME PERSONS ALASKA HOUSING FINANCE CORPORATION

e) Dwelling units and residential buildings that are not used as year-round permanent residences. 10 CFR 440.16(c) and 15 AAC 155.440

Suggested Audit Procedures: Test financial and related records and determine the purposes for which the funds were expended.

2. **Compliance Requirement:** Program support costs must be in accordance with the applicable percentages identified in the regulations and specified in the grant agreement.

Suggested Audit Procedures: Test financial and related records determine the purposes for which funds were expended; and

3. **Compliance Requirement:** Administrative costs may not exceed 15 percent of the program money expended under a grant or the granted percentage, whichever is less. 15 AAC 155.450

Suggested Audit Procedures:

a) Test financial and related records to determine the purposes for which funds were expended; and

b) Verify that administrative costs did not exceed the appropriate percent of the total program funds expended appropriately under the grant.

4. **Compliance Requirement:** All interest earned on grant money must be returned to Alaska Housing Finance Corporation (AHFC) upon completion of the project. 15 AAC 154.040 (6)

Suggested Audit Procedure: Review financial and related records, and if appropriate, any previous audit reports, to determine interest accrued on grant funds to date and verify that all interest earned on grant funds have been paid back to AHFC.

B. ELIGIBILITY -

Compliance Requirements: Exceptions must be in writing and have prior approval from the AHFC Program Manager.

a) Income guidelines are issued annually by AHFC. Participants must earn below the 100% area median income.

b) Priority must be given to eligible applicants who are handicapped, elderly, families with children under 6 years of age, and most in need. Reference the Weatherization Operation Manual (WOM).

PROGRAM 4 – GRANTS MATCH PROGRAM

ALASKA HOUSING FINANCE CORPORATION

I. PROGRAM OBJECTIVES

This program awards grants to organizations to meet match requirements of federal, state or private foundation grant programs which provide affordable housing or supportive services for homeless, special needs, or other persons who are unable to achieve self-sufficiency.

II. PROGRAM PROCEDURES

Under the program, grants are made to municipalities or to public or private 501(c)(3) or (4) nonprofit corporations. Prior to execution of a grant agreement between AHFC and the grantee, the grantee must produce evidence of an award from the "primary" grantor such as the federal government.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Grants made under this program are for activities cited as eligible in the primary Grant Notice of Fund Availability (NOFA) and/or governing regulations. The grant agreement scope of services will further specify the types of activities and services allowable under the grant. 15 AAC 154.010 - 154.080

Suggested Audit Procedures: Review the grant agreement, identify the services and activities to be provided; and test financial and related records to determine if the funds expended were used for the purpose for which funds were awarded.

2. **Compliance Requirement:** All interest earned on grant money awarded by Alaska Housing Finance Corporation (AHFC) must be returned to AHFC upon completion of the project. 15 AAC 154.040 (6)

Suggested Audit Procedures: Review financial and related records, and if appropriate, any previous audit reports, to determine interest accrued on grant funds to date and verify that all interest earned on grant funds have been paid back to AHFC.

B. ELIGIBILITY -

Compliance Requirement: In some cases, the grant scope of services specifies supportive services to eligible clients. Client eligibility may be specified by the primary grant program, and, or the grantee's own policies and procedures.

Suggested Audit Procedures: The auditor should verify client eligibility for receipt of services based on the requirements of the grant agreement and the primary grant program, and, or the grantee's own policies and procedures.

PROGRAM 5 – BASIC HOMELESS ASSISTANCE PROGRAM (BHAP) ALASKA HOUSING FINANCE CORPORATION

I. PROGRAM OBJECTIVES

This program awards grants aimed toward the reduction of homelessness, through the provision of shelter, transitional housing and/or related supportive services.

II. PROGRAM PROCEDURES

Under the program, grants are made to municipalities or to public or private 501(c)(3) or (4) nonprofit corporations.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Grants made under this program are for the costs to operate emergency or transitional housing facilities; services to help homeless persons to secure permanent housing; and/or services to prevent homelessness such as rent and utility arrearage assistance. 15 AAC 154.400-154.450.

Suggested Audit Procedures: Review the grant agreement, identify the services and activities to be provided; and test financial and related records to determine if the funds expended were used for the purpose for which the funds were awarded.

2. **Compliance Requirement:** All interest earned on grant money must be returned to Alaska Housing Finance Corporation (AHFC) upon completion of the project. 15 AAC 154.040 (6)

Suggested Audit Procedure: Review financial and related records, and if appropriate, any previous audit reports, to determine interest accrued on grant funds to date and verify that all interest earned on grant funds have been paid back to AHFC.

B. ELIGIBILITY -

Compliance Requirement: Homeless clients must meet specific eligibility requirements as specified in the grantee's client eligibility procedures.

Suggested Audit Procedures: The auditor should verify client eligibility for receipt of services based on the information developed by the grantee and submitted as required by the grant agreement.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Although not specifically required by statute or regulation, grant recipients typically include other sources of funds when

PROGRAM 6 – SPECIAL NEEDS HOUSING GRANT PROGRAM

ALASKA HOUSING FINANCE CORPORATION

I. PROGRAM OBJECTIVES

This program awards grants for the acquisition, rehabilitation, development of housing, leasing / rental assistance, supportive services, and administrative costs for special needs populations in particular, mental health trust beneficiaries. Awards can be made for both the planning and the actual development of the housing, in addition to the operational and supportive services.

II. PROGRAM PROCEDURES

Under the program, grants are made to municipalities or to public or private 501(c)(3) or (4) nonprofit corporations, and regional housing authorities.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Although not specifically required by statute or regulation, grants made under this program are for the acquisition, rehabilitation, development of housing, leasing / rental assistance, supportive services, and administrative costs for special needs populations. Development, operational and supportive services includes:
 - a) Purchase of suitable building sites;
 - b) Necessary site preparation;
 - c) Preparation of plans and specifications;
 - d) Financing the purchase of materials and actual construction;
 - e) Financing the rehabilitation, improvement, or conversion of existing structures;
 - f) Housing Operations / Leasing / Rental Assistance (as defined in 24 CFR Part 583);
 - g) Supportive Services (Food, outreach, transportation, non-clinical case management and program supplies).

Suggested Audit Procedures: Test financial and related records to determine the purposes for which the funds were expended.

2. **Compliance Requirement:** All interest earned on grant money must be returned to Alaska Housing Finance Corporation (AHFC) upon completion of the project. 15 AAC 154.040 (6)

Suggested Audit Procedures: Review financial and related records, and if appropriate, any previous audit reports, to determine interest accrued on grant funds to date; and verify that all interest earned on grant funds have been paid back to AHFC.

PROGRAM 7 – TEACHER, HEALTH PROFESSIONAL AND PUBLIC SAFETY OFFICIALS GRANT PROGRAM ALASKA HOUSING FINANCE CORPORATION

I. PROGRAM OBJECTIVES

This program awards grants for the acquisition, rehabilitation or new construction of housing for teachers, health professionals and public safety officials. Awards can be made for both the planning and the actual development of the housing.

II. PROGRAM PROCEDURES

Under the program, grants are made to municipalities or to public or private 501(c) (3) or (4) nonprofit corporations, regional housing authorities, public universities, public vocational education institutions, local governments (e.g. municipalities and tribes) and regional health corporations.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Although not specifically required by statute or regulation, grants made under this program are for the acquisition, rehabilitation or new construction of housing for teachers, health professionals, and public safety officials. Eligible activities includes:
 - a) Purchase of suitable building sites;
 - b) Necessary site preparation;
 - c) Preparation of plans and specifications;
 - d) Financing the purchase of materials and actual construction;
 - e) Financing the rehabilitation, improvement, or conversion of existing structures.
 - f) Financing related project costs for grant close out and completion of development.

Suggested Audit Procedures: Test financial and related records to determine the purposes for which the funds were expended.

2. **Compliance Requirement:** All interest earned on grant money must be returned to Alaska Housing Finance Corporation (AHFC) upon completion of the project. 15 AAC 154.040 (6)

Suggested Audit Procedures: Review financial and related records, and if appropriate, any previous audit reports, to determine interest accrued on grant funds to date; and verify that all interest earned on grant funds have been paid back to AHFC.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

STATE OF ALASKA
ALASKA MENTAL HEALTH TRUST AUTHORITY
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Trust Authority Grant Program	05/2012

PROGRAM 1 – TRUST AUTHORITY GRANT PROGRAM

ALASKA MENTAL HEALTH TRUST AUTHORITY

I. PROGRAM OBJECTIVES

The Alaska Mental Health Trust Authority (the Trust) distributes a small portion of its annual operating budget through Trust Authority Grants which are distributed to grantees representing one or more Trust beneficiary groups.

II. PROGRAM PROCEDURES

Trust Authority Grant funds are appropriated throughout the year by the Trust. These funds are distributed to organizations serving Trust beneficiaries. The Trust's general Trust Authority Grant regulations are found in 20 AAC 40.200 – 20 AAC 40.990. Specific Trust Authority Grant conditions are found in the individual grant agreements.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirements: The types of services allowed and unallowed will be specified in the grant approval document and/or the grant agreement.

Suggested Audit Procedure: Refer to the grant approval documents and/or the grant agreement.

B. ELIGIBILITY –

Any entity, including a government agency, with an interest in serving beneficiaries or otherwise advancing the mission of the Trust is eligible to receive a Trust Authority Grant. An individual is not eligible for a Trust Authority Grant.

C. MATCHING, LEVEL OF EFFORT AND /OR EARMARKING REQUIREMENTS -

Compliance Requirements: Trust Authority Grants have no matching, level of effort and/or earmarking requirements.

Suggested Audit Procedure: Not Applicable.

D. REPORTING REQUIREMENTS -

Compliance Requirements: The Trust Authority Grant agreement will specify the reporting schedule and requirements to which the grantee agrees to adhere.

Suggested Audit Procedures:

- a) Review the grant agreement to determine the reporting requirements;
- b) Review a sampling of reports for completeness, accuracy, and timeliness of submission.

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
SINGLE AUDIT COMPLIANCE SUPPLEMENT

Program	Program Name	Last Revised
1	Salmon Enhancement Tax	05/2016
2	Capital Project Matching Grants	05/2016
3	Grants to Named Recipients	04/2015
4	Grants to Unincorporated Communities	04/2015
5	Rural Development Assistance	05/2016
6	Shared Fisheries Tax Program	05/2007
7	Community Assistance Program	05/2017
8	Alaska Regional Economic Assistance Program	05/2013
9	Rural Utility Business Advisor (RUBA) Program	05/2014
10	Grants to Municipalities	04/2015

PROGRAM 1 – SALMON ENHANCEMENT TAX

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES

The salmon enhancement tax collected by the Department of Revenue and deposited into the general fund may be appropriated by the legislature to the Department of Commerce, Community, and Economic Development for financing to qualified regional aquaculture associations under AS 43.76.001-43.76.028. Administration of the funds is accomplished through the review and approval of applications and annual budgets submitted by the regional associations per 3 AAC 149.010.

II. PROGRAM PROCEDURES

Qualified regional associations must comply with 3 AAC 149.010 in order to receive funds appropriated under AS 43.76.025(c).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: A qualified regional aquaculture association that receives state financial assistance under this section shall use the funds to support projects and services in accordance with AS 43.76.001-43.76.028, 3 AAC 149.010.

Suggested Audit Procedures: Review the financial records and supporting documentation to determine if the funds were expended in accordance with AS 43.76.001-43.76.028, 3 AAC 149.010, and the recipient's application.

B. ELIGIBILITY - The auditor is not expected to test for recipient eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS – There is no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS – Reports shall be submitted in accordance with the reporting requirements identified in 3 AAC 149.010.

E. SPECIAL TESTS AND PROVISIONS – None.

PROGRAM 2 – CAPITAL PROJECT MATCHING GRANTS

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES

This grant program provides assistance to municipalities and unincorporated communities in acquiring capital projects while requiring a match contribution from the grant recipient. Capital project matching grants made to municipalities are authorized by AS 37.06.010; those made to unincorporated communities are authorized by AS 37.06.020.

II. PROGRAM PROCEDURES

By October 1 of each fiscal year, eligible entities submit a listing of prioritized capital projects to the department for inclusion in the capital budget submitted by the office of management and budget to the Legislature. Funds for projects are appropriated by the Legislature.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Grant funds are to be expended for capital projects specified in the grant agreement.

Suggested Audit Procedures: Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the agreement.

2. **Compliance Requirement:** No more than 10 percent of the total amount of a grant for land acquisition, or planning, design, construction or repair of a facility may be used for administrative expenses. No more than 5 percent of the total amount of a grant for equipment or equipment repairs may be used for administrative expenses. AS 37.06.010(e) and AS 37.06.020(f).

Suggested Audit Procedures: Review the grant agreement to identify the amount of administrative cost allowed. Examine the financial records and supporting documents to verify that the amount expended for administrative costs did not exceed the amount allowed under the terms of the grant agreement.

B. ELIGIBILITY -

The auditor is not expected to make tests for recipient eligibility.

PROGRAM 3 – GRANTS TO NAMED RECIPIENTS

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES

Authorized under AS 37.05.316, these grants are made at the discretion of the Legislature. The grants are designated by the Legislature to a specific entity for a specific project or activity to be performed by the named recipient.

II. PROGRAM PROCEDURES

Following enactment of the authorizing legislation, the Department executes a grant agreement with the named recipient, which specifies the project to be undertaken.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no specific grant regulations governing the administration of these grants. All compliance requirements and suggested audit procedures must be based upon specific provisions of the grant agreement.

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Grant funds can be expended for a variety of purposes as provided for in the authorizing legislation and as specified in the grant agreement.

Suggested Audit Procedure: Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the agreement.

B. ELIGIBILITY -

The auditor is not expected to make tests for recipient eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Any matching, level of effort and/or earmarking requirements will be established by the Legislature and identified in the grant agreement. Most grants to named recipients will not require a match. The appropriation or allocation for a grant to a Named Recipient lapses if substantial, ongoing work on the project has not begun within five years after the effective date of the appropriation or allocation.

Suggested Audit Procedure: Review the grant agreement, identify any matching, level of effort and/or earmarking requirements, and verify that the requirements were met.

PROGRAM 4 – GRANTS TO UNINCORPORATED COMMUNITIES

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES

Authorized under AS 37.05.317, these grants are made at the discretion of the Legislature. The grants are designated by the Legislature for a specific project or activity in a specific unincorporated community.

II. PROGRAM PROCEDURES

Following enactment of the authorizing legislation, the department determines the entity within the community, which is most capable of administering and completing the project. The Department then executes a grant agreement with the entity, which specifies the project to be undertaken.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no specific regulations governing the administration of these grants. All compliance requirements and suggested audit procedures must be based upon specific provisions of the grant agreement.

A. **TYPES OF SERVICES ALLOWED OR UNALLOWED -**

Compliance Requirement: Grant funds can be expended for a variety of purposes as provided for in the authorizing legislation and as specified in the grant agreement.

Suggested Audit Procedure: Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the grant agreement.

B. **ELIGIBILITY -**

The auditor is not expected to make tests for recipient eligibility.

C. **MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -**

Compliance Requirement: Any matching, level of effort and/or earmarking requirements will be established by the Legislature and identified in the grant agreement. Most legislative grants to unincorporated communities will not require a match. An appropriation or allocation for a grant to an Unincorporated Community lapses if substantial, ongoing work on the project has not begun within five years after the effective date of the appropriation or allocation.

Suggested Audit Procedure: Review the grant agreement, identify any matching, level of effort and/or earmarking requirements, and verify that the requirements were met.

PROGRAM 5 – RURAL DEVELOPMENT ASSISTANCE

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES

The purpose of the Rural Development Assistance Program is to promote development of the rural areas of the state by broadening and diversifying the economic base of rural areas; to improve health, welfare and economic security; and to provide employment and income in rural areas. This program is authorized and administered under AS 44.33.740-.745.

II. PROGRAM PROCEDURES

Funds are awarded on a competitive basis to eligible rural communities. Up to \$100,000 per year may be provided to a community under this program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: A project is eligible for funding if it: (1) contributes to the economic development of the community; (2) develops basic community facilities or infrastructure to improve the health, welfare, and economic security of the community; or, (3) develops planning and feasibility studies for community development or prepares for externally generated projects or events affecting the community. .

Suggested Audit Procedure: Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the grant agreement.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility for receipt of funds.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Any matching, level of effort and/or earmarking requirements will be established by the Legislature and identified in the grant agreement. Most legislative grants to unincorporated communities will not require a match.

Suggested Audit Procedure: Review the grant agreement, identify any matching, level of effort and/or earmarking requirements, and verify that the requirements were met.

PROGRAM 6 – SHARED FISHERIES TAX PROGRAM

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of the shared fisheries tax program is to share state fisheries business tax and fisheries resource landing tax receipts collected outside municipal boundaries to municipalities that demonstrate they suffered significant effects from fisheries business activity. This program is authorized and administered under AS 29.60.450 and 3 AAC 134.

II. PROGRAM PROCEDURES

The Department of Revenue (DOR) collects fisheries business license fees and taxes (AS 43.75.130) and fisheries resource landing taxes (AS 43.77.060) and distributes it to eligible municipalities. Fifty percent (50%) of any revenue not disbursed by DOR is transferred to the Department of Commerce (AS 43.75.137 & AS 43.77.060(d)) to be distributed to eligible municipalities that demonstrate significant effects from fisheries business activity (AS 29.60.450(b)(1) and (2)).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: A municipality that receives a tax allocation under this section shall use the tax allocation to help reduce the effect of fisheries business activities on the municipality, which may include the expenses of any municipal service (AS 29.60.450 and 3 AAC 134).

Suggested Audit Procedure: Review the financial records and supporting documentation to determine if the funds were expended in accordance with AS 29.60.450, 3 AAC 134, and the recipient's application.

B. ELIGIBILITY - The auditor is not expected to test for recipient eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS – There is no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS - There are no reporting requirements.

E. SPECIAL TESTS AND PROVISIONS – None.

PROGRAM 7 – COMMUNITY ASSISTANCE PROGRAM

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES COMMUNITY

Under the State of Alaska Community Assistance¹ program (AS 29.60.850 - .879 and 3 AAC 180), payments are paid to municipalities and unincorporated communities in the unorganized borough for local government services.

II. PROGRAM PROCEDURES

Municipalities and unincorporated communities may receive, upon application, a base payment plus a per capita payment.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirements: Payments received by a municipality or unincorporated community must be used for a public purpose (AS 29.60.850)

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching or level of effort requirements. The auditor should determine that funds have been spent on a public purpose.

D. REPORTING REQUIREMENTS -

There are no requirements for the periodic reporting on the use of the funds. Municipalities are required to submit an annual audit and/or certified financial statement for continued receipt of the entitlement.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: Those municipalities which levy and collect a property tax are required to provide notice to taxpayers, pursuant to AS 29.45.020, showing: a) the amount of financial assistance received from the State and b) the equivalent mill rate needed to raise that amount in

¹ Per 2 AAC 45.010(m)(1), this program is excluded from the threshold calculation in determining if an audit is required for an entity receiving financial assistance under 2 AAC 45.010(b). However, per 2 AAC 45.010(n), exemption from the threshold calculation does not exempt a program from compliance testing if the entity meets the threshold monetary requirements under 2 AAC 45.010(b).

**PROGRAM 8 - ALASKA REGIONAL ECONOMIC
ASSISTANCE PROGRAM
DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT**

I. PROGRAM OBJECTIVES

The objective of this program is to facilitate the formation of regional economic development organizations whose purpose is to provide services designed to encourage economic development to local villages, communities, and businesses in the region; collect and distribute economic information relevant to the region; serve as an effective liaison between state government and the region; participate in state marketing campaigns and trade missions relevant to the region; and develop and implement a regional economic development strategy. This program is authorized under AS 44.33.895 and administered under 3 AAC 57.

II. PROGRAM PROCEDURES

Subject to appropriation by the Legislature and an application process, qualified Alaska Regional Development Organizations (ARDORs) may be awarded matching grants in accordance with AS 44.33.895 and 3 AAC 57.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: The grant agreement will specify the types of activities and services allowed.

Suggested Audit Procedures: Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the agreement.

B. ELIGIBILITY -

The auditor is not expected to test for eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: The grant agreement will specify any matching, level of effort and/or earmarking requirements. Unless the Department grants a waiver in accordance with 3 AAC 57.070 (d) and (f), an ARDOR is required to meet the matching requirements as described in 3 AAC 57.070. Twenty percent (20%) of the required match must be from non-state sources, not to exceed \$10,000. The balance of the required minimum match can be provided by any source other than state funds.

Suggested Audit Procedure:

1. Review the grant agreement and verify that the required match was met.

**PROGRAM 9 – RURAL UTILITY BUSINESS ADVISOR
(RUBA) PROGRAM
DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT**

I. PROGRAM OBJECTIVES

The Rural Utility Business Advisor (RUBA) program provides rural communities with technical assistance and training on the business and financial administration of their utilities. The program includes federal money (CFDA 66.202) from the U.S. Environmental Protection Agency (EPA), as well as State of Alaska match money.

II. PROGRAM PROCEDURES

There are no specific statutes or regulations governing the administration of the program. The program is restricted to outputs and procedures under the Federal Funding Agreement that is executed on a yearly basis.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirement: RUBA provides assistance to any entity that provides public sanitation services and meets the requirements of the annual Federal Funding Agreement.

Suggested Audit Procedures: Review the Federal Funding Agreement, identify any other applicable compliance provisions, and verify that the requirements were met.

B. ELIGIBILITY -

Compliance Requirement: RUBA provides assistance to communities of 1,500 or less in population per the current Federal Funding Agreement.

Suggested Audit Procedures: The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: The Federal Funding Agreement will identify any matching, level of effort, or earmarking requirements.

Suggested Audit Procedures: Review the Federal Funding Agreement, identify any matching, level of effort, or earmarking requirements, and verify that the requirements were met.

D. REPORTING REQUIREMENTS -

Compliance Requirement: The Federal Funding Agreement will specify the schedule by which periodic progress and financial reports are to be submitted.

PROGRAM 10 – GRANTS TO MUNICIPALITIES

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

I. PROGRAM OBJECTIVES

Authorized and administered under AS 37.05.315 - .325, grants to municipalities are made at the discretion of the Legislature. The grants are designated for use on various capital projects and activities.

II. PROGRAM PROCEDURES

Once the authorizing legislation becomes effective, a grant agreement specifying the purpose, terms, and conditions of the grant is executed with the municipality.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

1. **Compliance Requirement:** Grant funds can be expended for a variety of purposes as provided for in the authorizing legislation and as specified in the grant agreement.

Suggested Audit Procedure: Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the agreement.

2. **Compliance Requirement:** The facilities and services provided by the grant must be available for use of the general public.

Suggested Audit Procedures: Determine whether the facilities and services provided by the grant are available for the use of the general public.

B. ELIGIBILITY -

The auditor is not expected to make tests for recipient eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: The appropriation or allocation for a grant to a municipality lapses if substantial, ongoing work on the project has not begun within five years of the effective date of the appropriation or allocation.

Suggested Audit Procedures: Examine financial records, reports, and supporting documentation to determine if substantial, ongoing work on the project has begun within five years of the effective date of the appropriation or allocation. Expenditures alone should not be a determining factor; site visits, photographic documentation, and/or interviews with contractors may be required if ongoing work is in question.

STATE OF ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Municipal Grants Program	05/2017
2	Village Safe Water Program (VSW)	05/2017
3	Remote Maintenance Worker Program	05/2013

PROGRAM 1 – MUNICIPAL GRANTS PROGRAM

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

I. PROGRAM OBJECTIVE

The objective of the Department of Environmental Conservation's (DEC) Municipal Grants Program is to assist incorporated communities, through cash grants, in construction of publicly owned water supply, treatment, storage, and distribution systems; sewage collection treatment and discharge systems, and solid waste processing and disposal facilities; and water quality enhancement projects.

II. PROGRAM PROCEDURES

This program is administered by the Division of Water, Municipal Grants and Loans Section. After application review and determination by a project engineer, a grant is offered and officially accepted by the community. Water Division makes payments based upon a Request for Payment from a community. When a project has been completed and all project expenses made known, a final cost statement is prepared by the community. At this time, 90 percent of the grant is paid to the community and the project is scheduled for an audit. If good cause is shown, the final 10 percent of the grant may be released.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED -

1. **Compliance Requirements:** Grant funds can be expended for new construction, including expansion and extensions of municipal systems, the replacement or rehabilitation of existing systems or for water quality enhancement projects. The construction of storm sewers systems are eligible if the system is part of an approved water quality enhancement project; or, separates storm water runoff from a sanitary sewer system. The maintenance of existing systems is ineligible for grant funding.

Suggested Audit Procedures: Review grant obligation documents, related project records, and expenditures.

2. **Compliance Requirements:** Eligible costs include construction, equipment, engineering, legal, and administrative expenses incurred as a direct result of the project as follows:

Grant-eligible costs may be incurred 120 days or less before the effective grant offer date; and prior to the final cost statement and certification date given by the grantee upon submission of the final payment request. Force account labor and equipment charge rates must be approved by DEC before expenses are incurred against the grant. 18 AAC 73.010(f), (g), and .050(b). Concurrence must be given by the engineer on engineering services before expenses are incurred against the grant.

PROGRAM 1 – MUNICIPAL GRANTS PROGRAM

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Suggested Audit Procedures:

- Review reported costs and related records to determine if the funded project included any ineligible costs;
- Obtain and review copies of construction, engineering, and other applicable contracts; and
- Review field inspector's reports to determine if there were construction irregularities.

B. ELIGIBILITY -

Compliance Requirement: The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirements: For those grants awarded on or after July 1, 1994; the grant amount may not exceed:

- a) 85 percent of the eligible costs for a municipality with a population of 1,000 persons or less;
- b) 70 percent of the eligible costs for a municipality with a population 1,001 to 10,000 persons; and
- c) 60 percent of the eligible costs for a municipality with a population greater than 10,000 persons.

AS 46.03.030(e)

No grant awarded by the department may result in project funding being in excess of 100 percent of total project costs. 18 AAC 73.040(b)

Suggested Audit Procedures: Review municipality's reported source of funds and perform the following:

- Obtain copies of all funding source documents and receipts; and
- Determine if committed funding is more than 100 percent of total project costs.

D. REPORTING REQUIREMENTS -

Compliance Requirement: Grantee must submit requests for payment on forms approved by the department and shall include supporting documentation as part of each payment request. 18 AAC 73.050(a) and (b).

Suggested Audit Procedure: Obtain copies of submitted reports to review for completeness and timeliness.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: Grantee must construct a project capable of operating in accordance with approved plans and specifications. 18 AAC 73.020(j).

Suggested Audit Procedures: Perform physical review of actual construction project; and review documentation concerning operability.

PROGRAM 2 – VILLAGE SAFE WATER PROGRAM (VSW)

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

I. PROGRAM OBJECTIVES

The objective of the Village Safe Water (VSW) Program is to assist small communities, through capital funding projects, to provide new or improved water, wastewater and solid waste facilities.

II. PROGRAM PROCEDURES

The VSW program is administered by the Department of Environmental Conservation (DEC), Division of Water (DW), Facility Programs component. The primary functions of the program are:

- 1) Funding allocation and distribution
- 2) Grant administration
- 3) Project oversight

VSW's allocation system is the Capital Improvement Program (CIP), where grant applications are submitted by interested and eligible communities. These applications are scored and ranked. Depending on the total capital funding projected to be made available, projects from this list are added to the statewide "Multi-Year Priority List" (MYPL). Funding is then made available for projects on the MYPL on an as-needed basis and as funding sources will allow. Grant agreements are made to communities and are administered by VSW. Expenses are reviewed and approved by the assigned VSW engineer in accordance with project scope and funding sources. Project accounting is performed by DEC, except for force account construction payroll, which is provided by a contractor. The assigned VSW engineer provides technical assistance and oversees the project. After the project is completed, a final report is completed (if required by the federal funding agency), including final reconciliation of all expenses, and then closed.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirement: Funds shall be expended only for the scope of work described in the grant agreement.

Suggested Audit Procedure: Review and compare reported costs, related documents, and grant agreement terms.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

PROGRAM 3 – REMOTE MAINTENANCE WORKER PROGRAM

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

I. PROGRAM OBJECTIVES

The objective of the Department of Environmental Conservation's (DEC) Remote Maintenance Worker Program is to assist rural Alaskan communities in providing safe drinking water and properly treated wastewater by developing a group of well-trained sanitation facility operators. This is accomplished by: providing onsite technical assistance training and off site assistance; assisting and motivating operators to achieve appropriate levels of certification; encouraging communication among operators and utility managers and communication with regulatory agencies and other supporting agencies; and promoting the implementation of preventative maintenance programs in each community served.

II. PROGRAM PROCEDURES

This program is administered by the Division of Water, Operations Assistance Section. After application review and determination, a grant offer is made. Water Division makes payments based upon the payment schedule established for each Remote Maintenance Worker (RMW) grant. This payment schedule is included within the grant agreement.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

- 1. Compliance Requirement:** Grant funds can be expended only for those budgeted items specifically detailed in the grant agreement for each particular line item, unless DEC has approved a request to modify the approved budget.

Suggested Audit Procedure: Review to compare grant agreement, related project records, and expenditures.

- 2. Compliance Requirement:** Eligible costs may include, but are not limited to: salaries and benefits, travel and per diem, supplies for the RMW, other direct costs incurred as a result of the project, indirect costs of the grantee (limited to the percentage detailed by the approved budget in the grant agreement), and equipment costs for the RMW.

Suggested Audit Procedures: Review project documentation and prepare test schedule to determine if:

- a) Expense is necessary, reasonable, and eligible; and
- b) Documentation is mathematically accurate and supports the expense.

- 3. Compliance Requirement:** Grantees must satisfy several specific requirements detailed under the section of the grant titled, "Grant Conditions", including the various reporting requirements detailed in the

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Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Boarding Home Program	05/2010
2	Debt Retirement Program	04/2015
3	Grants to Named Recipients	05/2011
4	Capital Improvement Projects for School Districts	05/2016
5	Public School Funding Program	05/2016
6	Pupil Transportation	04/2015
7	Alaska State Council on the Arts	05/2007
8	Alaska School for the Deaf	05/2017
9	Providence Heights School	05/2016
10	Interlibrary Cooperation Grant	04/2015
11	Low Incidence Disabilities (Special Education Service Agency - SESA)	05/2014
12	Public Library Assistance	05/2017
13	Youth in Detention Program	05/2017
14	State Head Start Program	05/2016
15	Capital Improvement Projects for School Districts Funded with State G.O. Bonds	05/2016
16	District-Operated Residential Schools	05/2016

PROGRAM 1 – BOARDING HOME PROGRAM

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of this program is to provide a basic boarding home program for secondary school age students who reside in an area where they do not have daily access to an appropriate secondary education program within a reasonable distance.

II. PROGRAM PROCEDURES

The Department may grant money to school districts to defray the costs of a boarding home program. These costs include transportation, room and board, and an amount for out-of-school supervision.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Grant funds may be expended for the administration and operation of the school district's boarding home program within the limitation of district guidelines and those in 4 AAC 09.050.

Suggested Audit Procedures: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program, and are authorized or not prohibited under applicable guidelines and regulations.

B. ELIGIBILITY -

Compliance Requirement: All secondary students residing in the State of Alaska who do not have daily access to an appropriate secondary education program by being transported a reasonable distance are eligible for this service.

Suggested Audit Procedures: Review and evaluate policies and procedures for ensuring eligibility compliance.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS -

1. Compliance Requirement: The school district must submit the Boarding Home Budget & Program Report Forms (Form# 05-96-021 and 05-96-023) to the Department by October 15 for initial approval. Quarterly reports using these forms are required thereafter, as outlined in the Application Instructions & Payment Rates (Form# 05-96-022). The Memorandum of Agreement, under Form 05-96-022, is required for those secondary students placed outside of their district of residence.

PROGRAM 2 – DEBT RETIREMENT PROGRAM

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

AS 14.11.100 authorizes payments for reimbursement of principal and interest on bonds and other outstanding indebtedness for the construction of education facilities. Payments are based on annual appropriations from the Legislature and are made to a municipality that has a school district.

II. PROGRAM PROCEDURES

Based on the annual appropriation for debt service, the Department determines the level of funding available for reimbursement to school districts for their payments of outstanding bonds or cash payments from local revenue for approved projects. If sufficient funds are not available to meet the entitlement, the Department will distribute these funds on a pro rata basis.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

Projects authorized to utilize an allocation provided under AS 14.11.100(a) and 4 AAC 31 must meet the requirements of the portions of AS 14.11.100(j) to be in compliance. All approved projects must be constructed in accordance with the procedures outlined in AS 14.11.100 and 4 AAC 31.023.

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

- 1. Compliance Requirement:** Bond debt service expenditures may only be reimbursed by the Department if related bond proceeds were used for the construction or rehabilitation of education facilities subject to prior approval by the Department.

Cash expenditures on projects approved by the Department may only be reimbursed if the source of funding is locally generated revenue.

Items ineligible for reimbursement include:

- Grant fund expenditures may not be reimbursed under AS 14.11.100.
- Debt incurred for the purpose of meeting the participating share requirements as per AS 14.11.008 is not eligible for reimbursement.
- Revenues from bond sales used to reduce indebtedness incurred under this program are not eligible for reimbursement.

Suggested Audit Procedures:

- a) Determine whether controls are in place to ensure that only cash payments and debt service expenditures for bonds issued in connection with the construction or rehabilitation of education facilities as approved by the Department are submitted for reimbursement under this program;

PROGRAM 2 – DEBT RETIREMENT PROGRAM

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

- b) Under 4 AAC 31.060(d), for all projects in an active status, Annual Project Summary-Debt Retirement-Schedule 3, Form 05-08-015, must be completed and submitted to the Department by October 15 of each year. The summary should include all activity on the project from its inception to the preceding June 30.
- c) Under 4 AAC 06.121(5)(D), for projects subject to AS 14.11.100(a)(1)-(5), a Schedule of Payments Made for Principal and Interest on Bonds-Schedule 1, on Form 05-94-035, must be completed and submitted to the Department by October 15 of each year.

Suggested Audit Procedures:

- a) Evaluate internal controls for preparing reports;
- b) Trace reported data to the supporting documentation; and
- c) Review reports for completeness and timeliness of submission;

E. SPECIAL TESTS AND PROVISIONS -

- 1. Compliance Requirement:** This program reimburses current debt service costs that are financed by bond indebtedness. Under AS 14.11.100(i), reimbursements will be made only after bonds are sold and debt incurred. Reimbursements for cash payments to vendors will be made only after those amounts are paid to the vendor. Additionally, reimbursements for both debt service costs and cash payments will not be made for contract costs paid after a contract has been released.

Suggested Audit Procedure:

- a) Compare bond sale and contract release dates to related reimbursements to determine compliance with AS 14.11.100(i);
- b) In instances of cash payment reimbursements, compare dates of vendor payments and contract release to related reimbursements to determine compliance with AS 14.11.100(i); and
- c) Review a sample of reimbursements for completeness and timeliness of submission to the Department.

- 2. Compliance Requirement:** The plan for the use of the facility is approved by the Department. The approved facility must meet the criteria in 4 AAC 31.061-.062.

Suggested Audit Procedures: By observation and/or discussion, determine that the facility is being used in a manner consistent with Department approval and 4 AAC 31.061-.062.

PROGRAM 3 – GRANTS TO NAMED RECIPIENTS

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

Authorized under AS 37.05.316, these grants are made at the discretion of the Legislature. The grants are designated by the Legislature to a specific entity for a specific project or activity to be performed by the named recipient.

II. PROGRAM PROCEDURES

Following enactment of the authorizing legislation, the Department shall promptly notify the recipient of the grant. The recipient is responsible for submitting a proposal to provide the object of the grant. The grant agreement must be executed within 60 days of the authorizing legislation unless the Department determines not to make the award.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

If the grant is for a public works project the recipient must comply with AS 36.10.150 – 36.10.175 for hiring preferences. Beyond this, there are no specific regulations governing the administration of these grants. Compliance requirements and suggested audit procedures therefore must be based upon specific provisions of the grant agreement.

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Grant funds can be expended for a variety of purposes as outlined in the authorizing legislation and as specified in the grant agreement.

Suggested Audit Procedures: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the project, and are authorized or not prohibited under the grant agreement and applicable statutes or agreements.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Any matching, level of effort and/or earmarking requirements will be identified and established in either the grant agreement or authorizing legislation.

Suggested Audit Procedures:

- a) Review the grant agreement and legislation for any matching, level of effort, and/or earmarking requirements; and
- b) Test financial and related records to determine whether the requirements, if any, were met.

PROGRAM 4 – CAPITAL IMPROVEMENT PROJECTS FOR SCHOOL DISTRICTS DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

Authorized under AS 14.07.020(13), AS 14.11.005, and AS 14.11.007, funds are appropriated to the Department of Education & Early Development for construction and rehabilitation of educational facilities in school districts throughout the State.

II. PROGRAM PROCEDURES

Following enactment of the enabling legislation, the Department executes a grant agreement with the school district or other entity to construct the project in accordance with the language of the legislation.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

Compliance requirements are contained in the grant agreement and in 4 AAC 31.

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Grant funds can be expended only for the purpose stipulated in the enabling legislation and as specified in the grant agreement.

Suggested Audit Procedures: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the project, and are authorized or not prohibited under the grant agreement and other applicable guidelines and regulations.

B. ELIGIBILITY -

Compliance Requirement: A municipality that is a school district or a regional educational attendance area, who submits an approved grant request to the Department, as outlined in AS 14.11.011, is eligible for funding under this program.

Suggested Audit Procedures: None.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Participating share requirements for grants beginning after FY 1993 are specified in AS 14.11.008.

Suggested Audit Procedures: Review the legislation and statute to identify the participating share requirements; and verify that the requirements were met.

D. REPORTING REQUIREMENTS -

1. Compliance Requirement: The results of operations of capital projects that extend over two or more fiscal years must be presented on a dual basis. In accordance with the Codification of Governmental Accounting and Financial Reporting Standards 1300.124, the Statement of Revenues,

PROGRAM 5 – PUBLIC SCHOOL FUNDING PROGRAM

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of the Public School Funding Program is to provide State operating funds to school districts for the education of all school age children enrolled in public schools in Alaska.

II. PROGRAM PROCEDURES

The Department provides funds to public school districts in accordance with the procedures outlined in AS 14.17. These funds are calculated based on the district's average daily membership (ADM) determined during a 20-school-day count period ending the fourth Friday in October and are distributed to school districts in scheduled payments throughout the fiscal year.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Funds can be expended for the administration and operation of the district's educational programs for elementary and secondary students. Funds must be budgeted, expended, and accounted for in accordance with requirements established in AS 14.17.520 and 4 AAC 06.120, and the policies and procedures established by the local school district.

Suggested Audit Procedures:

Test a sample of transactions to determine whether expenditures were spent for public education purposes and are classified in accordance with the Alaska Department of Education & Early Development Uniform Chart of Accounts and Account Code Descriptions for Public School Districts (DEED Chart of Accounts).

B. ELIGIBILITY -

Compliance Requirement: Each public school district in Alaska is eligible to receive funds from the State in accordance with the requirements and procedures established by AS 14.17.

Suggested Audit Procedures: The auditor is not expected to test for eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: City or borough school districts must fund its required local contribution every fiscal year pursuant to AS 14.17.410.

Suggested Audit Procedures:

Test accounting records to ascertain that actual appropriations made by a city or borough to its school district were equal to the required local contribution, as approved by DEED, for the year under audit; and that lapsed local appropriations returned to the city or borough by the school district, if any, are

PROGRAM 5 – PUBLIC SCHOOL FUNDING PROGRAM

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

- b) Select a sample of student counts reported to DEED during the year under audit. When selecting a sample, consider factors such as students' enrollment in correspondence programs and school sites reporting 10-16 ADM or 101-110 ADM. Test the following data elements for adequate support, completeness and compliance with DEED's Student Data Reporting Manual guidelines:
 - i. FTE Enrollment Level - Trace data back to the supporting documentation, which may include enrollment forms (for newly enrolled students in the current fiscal year) and student class schedules.
 - ii. Membership Days – trace data back to the student attendance records.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: All moneys in the year-end fund balance of a district's school operating fund are subject to the 10 percent limit of AS 14.17.505(a) except for funds that are categorized in 4 AAC 09.160(a).

Suggested Audit Procedures:

- a) Review the fund balance subject to the 10 percent limit and determine the percentage total this fund balance represents of that fiscal year's expenditures; and
- b) Test transfers from the General Fund to determine that they were reasonable and necessary for public education purposes.

PROGRAM 6 – PUPIL TRANSPORTATION

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

Authorized under AS 14.09, these funds are provided for the purpose of pupil transportation to and from schools within the student's transportation service area within the district.

II. PROGRAM PROCEDURES

The Department provides funds to public school districts pursuant to AS 14.09.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Funds may be expended for the direct costs of operation of the district's pupil transportation programs within the limitations of 4 ACC 27.

Suggested Audit Procedure: Test a sample of transactions to determine whether expenditures are necessary and reasonable for the operation of the program, and are authorized or not prohibited under 4 ACC 27 or transportation contract; and are classified in accordance with the Alaska Department of Education & Early Development Uniform Chart of Accounts and Account Code Descriptions, 2014 Edition, for Pupil Transportation Fund and student transportation functions 760-762.

B. ELIGIBILITY -

Compliance Requirement: Each school district in Alaska operating an approved pupil transportation program is eligible to receive funds in accordance with AS 14.09.

Suggested Audit Procedure: Determine that the district operated a transportation program.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS –

There is no matching, level of effort, or earmarking requirement.

D. REPORTING REQUIREMENTS -

Compliance Requirement: 4 AAC 27.056 states districts shall submit the following performance reports:

- Pupil transportation program annual report to the Department not later than October 1 each year.
- Pupil transportation quarterly report shall be submitted no later than 15 days after the end of each quarter.

Suggested Audit Procedures: Test timeliness and accuracy of report elements to supporting documentation.

PROGRAM 7 – ALASKA STATE COUNCIL ON THE ARTS DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

Authorized under AS 44.27.040 – 44.27.060, the Council awards grants to Alaskan artists, non-profit art groups, schools, and other organizations to stimulate and encourage throughout the state the study and presentation of the performing, visual, and fine arts, and public interest and participation in the arts.

II. PROGRAM PROCEDURES

Following funding decisions made by the Council, consisting of eleven volunteer members appointed by the governor, grants are awarded and a grant agreement stating the terms of the grant is mailed to grantees.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Grant funds can be expended only for the purposes specified in the grant agreement.

Suggested Audit Procedures: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program, and are authorized or not prohibited under applicable agreements.

B. ELIGIBILITY -

Compliance Requirement: Eligibility requirements are outlined in 20 AAC 30.010 – 30.985.

Suggested Audit Procedures: There are no special suggested audit procedures.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Any matching, level of effort, and/or earmarking requirements will be identified and established in the grant agreement.

Suggested Audit Procedures: Review the grant agreement for any matching, level of effort, and/or earmarking requirements; and verify that requirements were met.

D. REPORTING REQUIREMENTS -

Compliance Requirement: The State Arts Council regulations, as identified in 20 AAC 30.010 – 30.985, and the grant agreement detail the reporting requirements.

Suggested Audit Procedures: Examine regulations and the grant agreement to determine reporting requirements; and evaluate for completeness and timeliness of submission.

PROGRAM 8 – ALASKA SCHOOL FOR THE DEAF DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of this program is to provide residential services as part of the educational program for deaf students in the State based upon the provisions of 4 AAC 33.070.

II. PROGRAM PROCEDURES

This program consists of two components. The instructional support component is provided by the Anchorage School District through a grant agreement with the Department. The Anchorage School District operates the Alaska State School for the Deaf and Hard of Hearing Students, also known as the Alaska School for the Deaf (AKSD).

The Student Residential Sponsors component is supported through a grant from the Department of Health and Social Services based on a Reimbursable Service Agreement with the Department. The Anchorage School District is the liaison for the residential component.

Each component provides an annual plan of service to the Department for approval.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: The Anchorage School District operates their program under an agreement with the Department that requires an annual plan of service to be approved by the Department.

Suggested Audit Procedures:

- a) Review the program to determine whether its operations are in accordance with the annual plan of service;
- b) Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program; and
- c) Determine whether expenditures are authorized or not prohibited under the terms of the grant agreement and other applicable guidelines and regulations.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching, level of effort, or earmarking requirements.

PROGRAM 9 – PROVIDENCE HEIGHTS SCHOOL

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of this funding is to help finance the educational program at the Alaska Psychiatric Institute, Providence Heights School, as directed by 4 AAC 33.060.

II. PROGRAM PROCEDURES

This program funds expenditures of Providence Heights School that exceed the amount provided by other funding sources in a fiscal year and are based upon an annual plan of service approved by the Department. Providence Heights School is currently operated by the Anchorage School District.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: The Anchorage School District operates Providence Heights School under an agreement with the Department that requires an annual plan of service to be approved by the Department.

Suggested Audit Procedure:

- a) Review the program to determine whether its operations are in accordance with the annual plan of service;
- b) Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program; and
- c) Determine whether expenditures are authorized or not prohibited under the terms of the grant agreement and other applicable guidelines and regulations.

B. ELIGIBILITY -

Compliance Requirement: Eligibility will be determined in accordance with the requirements as laid out in the agreement between the school district and the Department.

Suggested Audit Procedure:

- a) Review the grant agreement for terms of eligibility;
- b) Review the current policies used by the school district for Providence Heights School;
- c) Evaluate procedures to ensure compliance with the grant; and
- d) Test a selection of applicants to ensure they are being evaluated correctly.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching, level of effort, or earmarking requirements.

PROGRAM 10 – INTERLIBRARY COOPERATION GRANT

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The Interlibrary Cooperation Grant authorized under AS14.56.310(a)(2) was established to fund libraries which promote or support resource sharing, cooperative services with other libraries, and innovative programs for delivering library services, training, or other programs that strengthen library services and is regulated under 4 AAC 57.065.

II. PROGRAM PROCEDURES

Grants are competitive; and based upon applications submitted by interested libraries and library cooperatives. While grant projects in which two or more libraries are cooperating are preferable, grant projects submitted by individual libraries are also acceptable. Applications must be postmarked by April 1 for grants that are awarded in the subsequent fiscal year.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Funds shall be expended only for purposes detailed in the approved grant application.

Suggested Audit Procedures:

- a) Test transactions to determine whether expenditures are necessary and reasonable, and are authorized or not prohibited under applicable grant award guidelines and regulations.
- b) The major expenditure categories of Personnel, Collections, and other expenditures constitute the budget line items. The grantee needs to comply with the detail of expenditures in subcategories.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Matching requirements are outlined in the grant award, if applicable.

Suggested Audit Procedures: Review grant award for matching requirement, and if applicable, test that matching funds were provided.

D. REPORTING REQUIREMENTS -

Compliance Requirement: A final report must be postmarked by September 1 following the end of the grant period on a form provided by the State Library.

PROGRAM 11 – LOW INCIDENCE DISABILITIES (SPECIAL EDUCATION SERVICE AGENCY – SESA) DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of the program is to provide special education and related services to children with a disability, as that term is defined in AS 14.30.350, who reside in school districts that do not have the capacity to hire full-time specialists. AS 14.30.600 has designated the Special Education Service Agency (SESA), a public organization, to administer the program. Generally, the support and services of the SESA are provided to rural and remote school districts.

II. PROGRAM PROCEDURES

Per AS 14.30.610, the SESA is governed by the Governor's Council on Disabilities and Special Education. The agency provides outreach services to school districts to serve students with low incidence disabilities. Under AS 14.30.650, each fiscal year the SESA is allocated not less than \$18.65 times the number of students in the state in average daily membership in the preceding fiscal year as determined under AS 14.17.600.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Funds must be expended for the administration and operation of a program that provides special education services as detailed in AS 14.30.630(b)(1).

Suggested Audit Procedure: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program, and are authorized or not prohibited under applicable guidelines and regulations.

B. ELIGIBILITY -

Compliance Requirement: AS 14.30.640 describes the eligibility requirements for school districts to receive SESA services.

Suggested Audit Procedure: Review and evaluate policies and procedures for ensuring eligibility compliance.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS -

Compliance Requirement: AS 14.30.630(b)(3) requires the SESA to provide the Department with a two-year plan of operation including a description of the services to be offered by the agency, the method by which the services will be

**PROGRAM 11 – LOW INCIDENCE DISABILITIES
(SPECIAL EDUCATION SERVICE AGENCY – SESA)
DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT**

Suggested Audit Procedures: Review the accounting records to determine whether the requirements for reporting the Low Incidence Disabilities program fund balance has been met; and evaluate whether the fund balance appears excessive.

- 5. Compliance Requirement:** The Department of Education & Early Development conducts a compliance monitoring review with all school districts the SESA works with on a four year cyclical basis. This review consists of student file findings. Findings from the district monitoring are included each year in the federal reporting as part of the state's Annual Progress Report (APR). This document is posted online annually.

Suggested Audit Procedures: Determine if the districts that SESA provides services to have been monitored by the Department of Education and Early Development at least once in the last four years. Verify that those districts are determined to be in compliance with state and federal special education regulations.

PROGRAM 12 – PUBLIC LIBRARY ASSISTANCE

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of this program is to provide financial assistance for the operation of public libraries in the State of Alaska.

II. PROGRAM PROCEDURES

Public and combined school/public libraries apply for the grant annually. All eligible libraries receive funding.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Funds may be expended only for the operation of the public or combined school/public library, and for purposes set out in the grant application. Costs related to a shared facility must be proportionally allocated.

Suggested Audit Procedures:

- a) Test transactions to determine whether expenditures are necessary and reasonable, and are authorized or not prohibited under applicable guidelines and regulations. The major expenditure categories of Personnel, Collections, and Other Expenditures constitute the budget line items. The grantee needs to comply with the detail of expenditures in subcategories.
- b) Review procedures and basis for prorating costs for shared facilities to determine if charges to the grant are reasonable.

B. ELIGIBILITY -

Compliance Requirement: A library must be open and staffed for a minimum of 10 hours a week for 48 weeks a year, must be open at least three days per week, and include at least some evening and weekend hours. For a combined school/public library, this requirement is in addition to any regular school library hours. Services must be free to all residents in the library's service area.

Suggested Audit Procedure: Review available records and discuss with appropriate personnel to determine if eligibility requirements were met during the grant period.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Local match dollars must be expended as per the grant agreement. In-kind contributions may be counted only for volunteer labor at a rate set annually by the State Library. No more than one volunteer hour per hour the library is open to the public may be counted.

PROGRAM 13 – YOUTH IN DETENTION PROGRAM

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of this program is to provide state operating funds for the education (including extended year services, summer school) for all school aged youth at the Alaska detention facilities: McLaughlin Youth Center, New Path High School, Fairbanks Youth Facility, Johnson Youth Center, Marathon Detention Center, Bethel Youth Facility, Mat-Su Youth Facility, and Nome Youth Facility.

II. PROGRAM PROCEDURES

In AS 14.07.020(a)(5), the Department provides funds to public school districts with detention facilities (Anchorage, Fairbanks, Juneau, Kenai, Lower Kuskokwim, Mat-Su, and Nome) for the education of children. These funds are distributed to school districts in the form of a grant based on the adjusted ADM calculated from the bed count of each facility. Furthermore, these funds should be used before other general fund funding for youth in detention services.

III. COMPLIANCE REQUIREMENT AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Funds may be expended for the administration and operation of the district's educational program for secondary and elementary students.

Suggested Audit Procedure: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program, and are authorized or not prohibited under applicable statutes or agreements.

B. ELIGIBILITY -

Compliance Requirement: All school age students who have been confined in a detention center are eligible for this program.

Suggested Audit Procedure: Evaluate policies used for determining eligibility, and review procedures to ensure adherence with this policy.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS -

Compliance Requirement: Districts must report the revenues and expenditures in a special revenue account or by another accounting method to show that the funds were receipted and spent on the operation of educational programs for youth in detention.

PROGRAM 14 – STATE HEAD START PROGRAM

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The State Head Start grant is authorized by AS 14.38.010, the program is to provide supplemental funds competitively to federally recognized Head Start grantees in Alaska. As the grant is to provide assistance to grantees in meeting the required match for their federal grants, these funds are also utilized to improve quality in all areas of direct services for Head Start families and children, with a focus on school readiness, to address poverty of access, to provide technical assistance in training and monitoring to the Head Start programs, and whenever possible to provide services to additional children and families.

II. PROGRAM PROCEDURES

By June 1 of each year, eligible organizations submit applications specifying the services to be provided and amount of funds requested. Funds are allocated through a competitive grant process for a period of one year, July 1 through June 30.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirements: Allowable costs are identified in the approved line items as represented on, Form 05-07-069, Program Budget and Narrative - Non-Profits.

Suggested Audit Procedures: Review financial records and supporting documentation to determine that funds were used in the federal Head Start program and expended in accordance with the approved budget.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS -

Compliance Requirement: All grantees are required to submit reimbursement requests by year-to-date (YTD) expenditures at least quarterly in the Grants Management System (GMS).

- a) Each grantee will provide a YTD detailed expenditure trial balance or equivalent that includes the following: Grantee name, grant title, date of expenditures, document/check number, chart of account/budget line item, vendor/employee name or employee identification number, and amount. Subsequent quarters: submit quarterly detail for which the grantee is requesting payment and YTD summary.

PROGRAM 15 – CAPITAL IMPROVEMENT PROJECTS FOR SCHOOL DISTRICTS FUNDED WITH STATE G.O. BONDS

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

Authorized under AS 14.07.020(13), AS 14.11.005, and AS 14.11.007, funds are appropriated to the Department of Education & Early Development for construction and rehabilitation of educational facilities in school districts throughout the State.

II. PROGRAM PROCEDURES

Following enactment of the enabling legislation, the Department executes a grant agreement with the school district or other entity to construct the project in accordance with the language of the legislation.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

Compliance requirements are contained in the grant agreement and in 4 AAC 31.

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Grant funds can be expended only for the purpose stipulated in the enabling legislation and as specified in the grant agreement.

Suggested Audit Procedures: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program, and are authorized or not prohibited under the grant agreement and other applicable guidelines and regulations.

B. ELIGIBILITY -

Compliance Requirement: Only public school districts in the state with projects listed in the enabling legislation and subsequent ballot initiative are eligible for this program.

Suggested Audit Procedures: None.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Participating share requirements for grants beginning after FY 1993 are specified in AS 14.11.008, except as excluded by the enabling legislation.

Suggested Audit Procedures: Review the legislation and statute to identify the participating share requirements; and verify that the requirements were met.

D. REPORTING REQUIREMENTS -

1. Compliance Requirement: The results of operations of capital projects that extend over two or more fiscal years must be presented on a dual

PROGRAM 15 – CAPITAL IMPROVEMENT PROJECTS FOR SCHOOL DISTRICTS FUNDED WITH STATE G.O. BONDS DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

3. **Compliance Requirement:** Construction management costs are limited as per AS 14.11.020(c).

Suggested Audit Procedures: Review financial and related records to ensure that construction management costs have not exceeded statutory limits; and review to evaluate policies and procedures for ensuring compliance with this statute.

4. **Compliance Requirement:** Expenditures for equipment must be accounted for in the manner specified by AS 14.11.017(a)(3).

Suggested Audit Procedures: Review financial and related records to determine whether equipment purchases exceed the amount in the approved budget; and whether the district has a fixed asset inventory system approved by the Department.

PROGRAM 16 – DISTRICT-OPERATED RESIDENTIAL SCHOOLS

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of this program is to provide a basic residential school for students in grades nine through 12 that provides education, room, and board for a variable-length or 180-day school term without regard to the student's district of residence in accordance with AS 14.16.200 and 4 AAC 33.090.

II. PROGRAM PROCEDURES

The Department may grant money to school districts to defray the costs of a statewide or district-wide residential school. These costs include transportation and room and board.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Grant funds may be expended for the administration and operation of the school district's statewide or district-wide residential school within the limitation of district guidelines and those in AS 14.16.200.

Suggested Audit Procedures:

- a) Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program, and are authorized or not prohibited under applicable guidelines and regulations; and
- b) Verify the region the district is in and that the stipend rate for the correct region is being used, as outlined in AS 14.16.200(b)(2).

B. ELIGIBILITY -

1. **Compliance Requirement:** A district that operates a statewide or district-wide residential school for students in grades nine through 12, without regard to the student's district of residence submits an approved district application is eligible for this program.

Suggested Audit Procedures: Review and evaluate policies and procedures for ensuring eligibility compliance.

2. **Compliance Requirement:** Eligibility for funding under this program is limited in accordance with 4 AAC 33.090(f) and AS 14.16.200(b)(2).

Suggested Audit Procedures: Review and evaluate policies and procedures for ensuring eligibility compliance.

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Comprehensive Behavioral Health – Prevention and Early Intervention Programs	05/2016
2	Comprehensive Behavioral Health – Treatment and Recovery Programs	05/2017
3	Alcohol Safety Action Program	05/2017
4	Community Development Disabilities Program	05/2012
5	Community Health Aide Training and Supervision	05/2014
6	Public Health Nursing	05/2017
7	Capital Grant-In-Aid Program	05/2014
8	Emergency Medical Services	05/2016
9	Early Intervention/Infant Learning Program (EI/ILP)	04/2015
10	Residential Child Care Program	05/2017
11	Tobacco Prevention and Control Grant	05/2016
12	Rural Human Services Systems	05/2017
13	Human Services Community Matching Grant	05/2014
14	Rural Child Welfare Services Grants	05/2016
15	Short Term Assistance and Referral (STAR) Program	05/2017
16	Children’s Advocacy Centers	05/2017
17	Home and Community-Based Care Services - Senior Community Based Grants	05/2017
18	Senior Residential Services Program	05/2017
19	Youth Courts/Community Panels	05/2016
20	Community Initiative Matching Grants	05/2014
21	Trauma System	05/2013
22	Independent Living Rehabilitation – Statewide Centers	05/2017

PROGRAM 1 – COMPREHENSIVE BEHAVIORAL HEALTH PREVENTION AND EARLY INTERVENTION PROGRAMS DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

Prevention & Early Intervention: The program objectives are to provide comprehensive, integrated behavioral health prevention and early intervention services related to substance use and abuse, suicide, fetal alcohol spectrum disorders, youth development, and promotion of community, family and individual wellness across Alaska.

Rural Human Services System: The Rural Human Services (RHS) Systems program offers grants to rural substance abuse, mental health, behavioral health and human services agencies, and to urban agencies serving people who have relocated from rural areas. The program was developed in response to the critical need for a stable system of behavioral health providers in rural Alaska and funds the hiring, training, support, and supervision of culturally competent village-based counselors and counselors who serve relocated villagers. Training is provided through the Rural Human Services Training Program in the University of Alaska College of Rural Alaska from the Kuskokwim (Bethel) and the Interior-Aleutians campus in Fairbanks.

Agencies receiving funds through this program are required to document that village-based counselors receive frequent and regular support and supervision. They are also required to send staff designated as supervisors to an annual supervisor training conducted by the Division of Behavioral Health and the University of Alaska Fairbanks. Designated supervisors are also required to coordinate with the University of Alaska to provide academic support to the village-based counselors while they are participating in the RHS training program.

II. PROGRAM PROCEDURES

Funds are appropriated annually to the Department of Health and Social Services, Division of Behavioral Health (DBH) by the State Legislature. These funds are distributed by DHSS to nonprofit or local government agencies. These agencies become service providers for specific geographic locations or statewide programs.

Funding is provided through an initial advance comprised of 25% of the award amount; a second quarter advance up to 25% of the award amount in response to an approved quarterly Cumulative Fiscal Report and a Program Narrative Report; a third quarter advance of 25% following approval of quarterly Cumulative Fiscal Reports and Program Narrative Report; a fourth quarter advance of 20% following approval of quarterly Cumulative Fiscal Reports and a Program Narrative Report; and a 5% final payment, if applicable, issued upon approval of fourth quarter year-end reporting. Federal funds are generally advanced at 25% each quarter.

PROGRAM 1 – COMPREHENSIVE BEHAVIORAL HEALTH PREVENTION AND EARLY INTERVENTION PROGRAMS DEPARTMENT OF HEALTH AND SOCIAL SERVICES

B. ELIGIBILITY -

Compliance Requirement: Recognized local governments, school districts, and nonprofit community-based agencies, organizations, and corporations registered in the State of Alaska are eligible for grants.

Suggested Audit Procedures: Review articles of incorporation or other appropriate documentation, licenses, certifications and approvals to determine status of agency.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Grantees are required to demonstrate community, agency and individual commitment to their projects with a 10% local in-kind or cash match. Beginning in fiscal year 2016, Comprehensive Prevention grantees are required to provide a percentage of their 10% as a cash match. Percentages are outlined in the Request for Proposals and increase from 1%-3% of the total 10% match.

Suggested Audit Procedures: Confirm compliance with matching requirement.

D. REPORTING REQUIREMENTS -

1. **Compliance Requirement:** All programs will submit quarterly written program narratives and cumulative fiscal expenditure reports no later than thirty (30) days after close of each quarter.

Suggested Audit Procedures:

- a) Confirm if the reports are being filed timely.
- b) Reported revenues and expenditures agree with the agency's general ledger.
- c) Expenditures are within the budget limits or grant provisions.

2. **Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

- a) Review grants regulation 7 AAC 78.230.
- b) Review audit report for compliance with the above.

PROGRAM 2 – COMPREHENSIVE BEHAVIORAL HEALTH TREATMENT AND RECOVERY PROGRAMS DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

Mental Health: The objective of this program is to provide mental health evaluation and treatment services to the eligible population to the extent that such services are not available to them from other providers. Programs for comprehensive treatment mental health include:

1. Psychiatric emergency services
2. Services to adults with serious mental illness (outpatient)
3. Services to seriously emotionally disturbed youth (residential & outpatient)
4. Supported Housing services to seriously mentally ill adults

Substance Abuse: In cooperation with public and private organizations and individuals, the objective of these programs is to develop, encourage, and foster statewide, regional and local resources for the treatment of individuals affected by alcohol, other drug and inhalant abuse. Programs for the comprehensive treatment of substance abuse include:

1. Detoxification services
2. Residential substance abuse treatment services for adults
3. Outpatient substance abuse treatment for adults
4. Residential substance abuse treatment for women with children
5. Outpatient substance abuse treatment for women with children
6. Residential substance abuse treatment for youth
7. Outpatient substance abuse treatment for youth
8. Outpatient opioid treatment services

The following programs also fall within the comprehensive behavior health treatment and recovery program:

1. Bring the kids home (mental health)
2. Evidence based practices (mental health and substance abuse)
3. Independent case management and flexible supports (mental health)
4. Supported employment services (mental health and substance abuse)
5. Adult Peer Support (mental health and substance abuse)

II. PROGRAM PROCEDURES

Mental Health and Substance Abuse: Public funds are appropriated annually by the State Legislature to the Department of Health and Social Services (DHSS) and administered by the Division of Behavioral Health. Fund sources may include federal funds and state general funds. Appropriated funds are distributed by a grant process to nonprofit or local government agencies which become the behavioral health

PROGRAM 2 – COMPREHENSIVE BEHAVIORAL HEALTH TREATMENT AND RECOVERY PROGRAMS DEPARTMENT OF HEALTH AND SOCIAL SERVICES

alcoholism programs where applicable; 7 AAC 29, 7 AAC 33 and 7 AAC 85.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant. Review the following documents:

- a) Final grant award (GA), including all conditions;
- b) Grant revisions and related transmittal letters;
- c) Licenses, certifications, approvals, status of private nonprofit corporation of applicable;
- d) Budget documents, including final revised budget and budget narrative.
- e) 7 AAC 29, 7 AAC 33 (applicable for Methadone programs) and 7 AAC 85.

2. **Compliance Requirement:** Costs allowed or unallowed under this program are determined by grant regulation 7 AAC 78 and 7 AAC 81, CFR Title 45 A, Part 96, Sec. 96.135, as well as budget documents and special conditions.

Suggested Audit Procedures:

- a) Review DHSS's grant regulation, 7 AAC 78 and budget documents;
- b) Review DHSS's regulations 7 AAC 81;
- c) Review Block Grants to States Regarding Substance Abuse, CFR Title 45 A, Part 96, Sec. 96.135 Restrictions on Expenditure of Grant;
- d) Test financial and related records to determine the appropriateness of costs per 7 AAC 81 and 78; and
- e) Determine whether expenditures are within the budget limits prescribed by 7 AAC 81 and 7 AAC 78.260(f)(1).

B. ELIGIBILITY -

Compliance Requirement for Mental Health: The agency must be a nonprofit or a political subdivision per AS 47.30.475(a).

Suggested Audit Procedures: Review articles of incorporation or other appropriate documentation, licenses, certifications and approvals to determine status of agency.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

1. **Compliance Requirement for Mental Health:** Grants shall be awarded in accordance with AS 47.30.550 (Cost Sharing Formula Limitations).

**PROGRAM 2 – COMPREHENSIVE BEHAVIORAL HEALTH
TREATMENT AND RECOVERY PROGRAMS
DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Review grants regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures:

- a) Obtain copy of program site review; and
- b) Determine if recommendations in the site review are being implemented.

PROGRAM 3 – ALCOHOL SAFETY ACTION PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The objective of this program is to provide screening and evaluation of court referred individuals involved in alcohol related offenses, provide appropriate referral to treatment or educational programs, and monitor compliance with court orders as well as some alcohol/drug testing for the Sobriety Monitoring Program.

II. PROGRAM PROCEDURES

Funds are appropriated annually to the Department of Health and Social Services, Division of Behavioral Health by the State Legislature. These funds are distributed by a grant mechanism to nonprofit or local government agencies. These agencies become service providers for specific geographic locations.

Funds are provided through an initial advance comprised of 25% of the award amount; a second quarter advance is paid up to 25%, less any unexpended funds from the previous advance in response to an approved Quarterly Cumulative Fiscal Report and a Program Narrative Report; a third quarter advance up to 25% of the award amount, less any unexpended funds from the previous advance in response to an approved Quarterly Cumulative Fiscal Report and a Program Narrative Report; and a fourth quarter advance of 20%, with a final payment of up to 5%, if applicable, issued upon approval of fourth quarter year-end reporting.

Funding is a combination of general fund and federal SAPT Block grant (CFDA 93.959).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirements:** Each Alcohol Safety Action Program is to function as the central agency for court referrals for the identification of problem drinkers, alcohol education/treatment/rehabilitation referral from the court, and feedback to the court regarding client progress. This includes acting as a connecting link between treatment agencies and the court.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant.

- a) Review final Grant Agreement (GA) including all conditions;
- b) Review Grant revisions and related transmittal letters;
- c) Review Licenses, certifications, approvals, status of private nonprofit corporation if applicable;
- d) Review budget documents including final revised budget and budget narrative.

PROGRAM 3 – ALCOHOL SAFETY ACTION PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

- a) Review grants regulation 7 AAC 78.230.
- b) Review audit report for compliance with the above.

3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Review grants regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures:

- a) Obtain copy of program site review; and
- b) Determine if recommendations in the site review are being implemented.

PROGRAM 4 – COMMUNITY DEVELOPMENTAL DISABILITIES PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVE

The Community Developmental Disabilities Program is administered by the Division of Senior and Disabilities Services. Through this program a wide array of community-based supports and services are provided to individuals with developmental disabilities and their families. Typical services include, but are not limited to: respite care, supported employment, case management, day habilitation, and a variety of residential alternatives.

Services are driven by three central goals established in AS 47.80.110 to (1) maximize the potential of people with developmental disabilities and their families to participate in the cultural, social, and economic life in their community; (2) empower people with developmental disabilities and their families to determine individualized services needed in order to maximize their independence; and (3) provide individualized community based services.

II. PROGRAM PROCEDURES

To be eligible to receive services, a recipient must meet the eligibility criteria as defined by AS 47.80.900. It is the role of the DD Program Staff to make eligibility determinations, approve service plans, and assure compliance with grant reporting requirements.

Community Developmental Disabilities Grants (CDDG) are awarded to nonprofit organizations statewide to provide developmental disabilities community services and supports. Services are delivered in local communities throughout the state by these nonprofit grantee agencies and some services may be provided under the fee for service agreements provided in 7 AAC 81. CDD grantees must meet the provider certification requirements in 7 AAC 43.1090.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

- 1. Compliance Requirement:** Grant funds under this program are used to assist nonprofit agencies in their attempt to integrate developmentally disabled persons into normal patterns of everyday life. These funds are used to support personnel, travel, supplies, equipment, facility expense and other cost categories necessary to sustain services as identified in the approved grant budget, special conditions, and program services specifications.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant.

**PROGRAM 4 – COMMUNITY DEVELOPMENTAL
DISABILITIES PROGRAM
DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

2. **Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

- a) Reviews grant regulation 7 AAC 78.230.
- b) Review audit report for compliance with the above.

3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Reviews grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

- Compliance Requirement:** The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures:

- a) Obtain copy of program site review; and
- b) Determine if recommendations in the site review are being implemented.

PROGRAM 5 – COMMUNITY HEALTH AIDE TRAINING AND SUPERVISION

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The objective of this program is to train and supervise primary and alternate community health aides who provide medical care services in rural communities throughout the state.

II. PROGRAM PROCEDURES

The Department of Health & Social Services administers grants to qualified communities or nonprofit corporations for the purpose of training and supervising primary and alternate community health aides.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirements:** Grant funds are to be used as a supplement for the operation of Community Health Aide Training and Supervision programs in accordance with AS 18.28.010 through AS 18.28.050. Community Health Aides (CHA) are located predominantly in the rural areas where more advanced medical personnel are unavailable. All regional and local health organizations that receive grant funds from the federal government for a community health aide program are eligible for funding through this program.

The program provides funding for CHA's to complete approximately 2,500 training courses, including CHA training, ETT/EMT training, and continuing medical education. Additionally, CHA supervisors are expected to make over 15,000 contacts with CHA's as part of training and supervision. Finally, CHA's are expected to have approximately 300,000 patient encounters during each fiscal year. These projections are based on required self-reporting.

Suggested Audit Procedures: Test financial and related records to determine whether funds expended were for purposes specified in the grant.

- a) Review grant Award (GA) including all conditions;
- b) Review grant revisions and related transmittal letters;
- c) Review licenses, certifications, approvals, status of private nonprofit corporation if applicable;
- d) Review budget documents including final revised budget and budget narrative;
- e) Review AS 18.28.010 through AS 18.28.050;

**PROGRAM 5 – COMMUNITY HEALTH AIDE TRAINING
AND SUPERVISION
DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

- 3. Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether the agency has any outstanding liability to the State.
- b) Review grants regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

- Compliance Requirement:** The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures:

- a) Obtain copy of program site review; and
- b) Determine if recommendations in the site review are being implemented.

PROGRAM 6 – PUBLIC HEALTH NURSING

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The objective of this program is to provide generalized public health nursing services to persons of all ages in order to promote health and prevent and/or control communicable diseases.

II. PROGRAM PROCEDURES

The Legislature appropriates state and federal funds to the Department of Health and Social Services, Division of Public Health for nursing services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. Compliance Requirement: Grantee will provide PHN services in accordance with the State of Alaska, Section of Public Health Nursing (SOPHN) Strategic Management Plan and the PHN Practice Guidelines Manual. Grant funds are to be used to provide the following services:

- a) vaccine preventable disease prevention and control
- b) communicable disease prevention and control
- c) tuberculosis control and case management
- d) sexually transmitted infection control
- e) HIV counseling and testing
- f) PHN services for mothers, infants, children and families
- g) prenatal education and referral
- h) family planning education and services
- i) health promotion and education
- j) chronic disease prevention
- k) injury prevention
- l) data management
- m) local community assessment
- n) community mobilization and interagency coordination
- o) public health preparedness

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant.
Review:

- a) Final Grant Award (GA) including all conditions;
- b) Grant revisions and related transmittal letters;
- c) Licenses, certifications, approvals, status of private nonprofit corporation if applicable;
- d) Budget documents including final revised budget and budget narrative.

PROGRAM 6 – PUBLIC HEALTH NURSING

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Review grants regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

- 1. Compliance Requirement:** The agency must act upon recommendations made by program site review.

Suggested Audit Procedures

- a) Obtain copy of program site review;
- b) Determine if recommendations in the site review are being implemented.

PROGRAM 7 – CAPITAL GRANT-IN-AID PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The objective of the capital grant-in-aid program is to carry out legislative intent in appropriating grant funds for the acquisition, construction, repair, outfitting and equipping of various health and social services related facilities throughout Alaska. In the event that the department receives a one-time only or pilot project, as a result of legislative action that may contain special terms and conditions outside this supplement, a new supplement will be created.

II. PROGRAM PROCEDURES

Capital grants are appropriated on a non-lapsing fiscal year basis to the Department of Health and Social Services from the General Fund, from Mental Health Trust Authority Authorized Receipts, or from various other funding sources including Federal Funds, which may be authorized during each legislative session, in accordance with Alaska Statutes (AS) 37.25.020.

Some appropriations are for named recipient (designated) grants under AS 37.05.316, although fewer named recipient grants have been appropriated in recent years (with more reliance on the Community Matching Grant Program administered by the Department of Community and Economic Development). The majority of capital grants appropriated to the Department are awarded based on the provisions of 7 AAC 78.040 for purposes consistent with the specific appropriation. These grant funds are appropriated and granted under specific authorization provided in various other statutory provisions, including AS 18 and AS 47. Appropriated funds are administered and distributed by Finance and Management Services, Facilities Section through 7 AAC 78.040 provisions. This may include a detailed application, proposal review, and monitoring process to various local governments and/or nonprofit organizations engaged in the delivery of human services to Alaskans. Stringent cash flow control is maintained throughout the life of each grant and a formal close-out process is initiated when the specific project has been completed.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

- 1. Compliance Requirement:** The adoption of regulations for named recipient grants under AS 37.05.316 is expressly prohibited by AS 37.05.318. Furthermore, because of the infrequency of their applicability as authorization for construction grants, no specific regulations have been promulgated or adopted for such grants made under the various provisions of AS 18, AS 47, or any other specific statutory provisions. Consequently, it is necessary to negotiate various compliance details into specific grant agreements. However, for competitive grants, the general grant regulations, 7 AAC 78, adopted by the Department, when applicable and appropriate to capital grants, guide the grant administration, procedures,

PROGRAM 7 – CAPITAL GRANT-IN-AID PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Suggested Audit Procedures:

- a) Review enabling legislation and grant agreement to determine whether or not the recipient must meet matching requirements; and
- b) Test financial and related records to determine whether matching requirements, if any, are met.

D. REPORTING REQUIREMENTS -

- 1. Compliance Requirement:** The agency must submit activity and expenditure reports as required by the terms of the grant agreement.

Suggested Audit Procedures:

- a) Review grant agreement to determine reporting requirements;
- b) Confirm if such reports are being filed timely;
- c) Confirm that reported revenues and expenditures agree with the agency's general ledger; and
- d) Confirm that expenditures are within the budget limits or grant provisions.

- 2. Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures: Review grant regulation 7 AAC 78.230 and review audit report for compliance with the above.

- 3. Compliance Requirement:** The agency must clearly show on their audit or final report any outstanding liability to the State as payable to the State. This includes unspent grant funds; interest accrued on grant funds, and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Reviews grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review; and determine if recommendations in the site review are being implemented.

PROGRAM 8 – EMERGENCY MEDICAL SERVICES

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The objective of the program is to reduce death rates and long term disability resulting from injuries or acute illnesses.

II. PROGRAM PROCEDURES

The Department of Health and Social Services, Division of Public Health, Section of Emergency Programs, EMS Unit reviews and approves applications for EMS educational courses, certifies Emergency Medical Technicians (EMT's), EMT Instructors, Emergency Medical Ambulance Services, and administers grants to Regional EMS agencies to help accomplish the goals and objectives of the statewide EMS system, including:

1. **Training.** Striving to develop and sustain an adequate supply of trained EMS personnel to provide quality continuous coverage of emergency medical services appropriate to each level of community;
2. **Equipment.** Identifying and prioritizing equipment needs to ensure that sufficient EMS equipment and vehicles are provided in communities to provide EMS training, patient care, and transportation;
3. **Data collection.** Assisting in EMS data collection training and activities with the goal of ensuring that each certified ambulance service has the capability of reporting to the electronic patient care reporting system (AURORA); to use the electronic data for quality control and improvement; to access reports to evaluate patient care and revise protocols; and to determine needs for resources and personnel;
4. **Communications.** Ensuring that local and regional EMS communications systems are established and maintained to provide access for residents and visitors to rapid and reliable emergency communications systems which provide rapid dispatch and coordination of EMS personnel and reliable communications with hospital/clinic medical personnel.
5. **Community outreach.** Provide regional stakeholder input to the State to support EMS programs through funding, technical assistance, and resources, and to ensure the availability of qualified and trained EMS administrators to provide the necessary leadership to plan, sustain, and support local EMS systems.
6. **Testing.** Provide testing resources for the certification exams for EMS providers and EMS student to maintain a qualified workforce

In addition, the grants are used to develop and enhance a comprehensive statewide EMS system in accordance with the Alaska EMS Goals.

PROGRAM 8 – EMERGENCY MEDICAL SERVICES DEPARTMENT OF HEALTH AND SOCIAL SERVICES

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching or level of effort requirements.

D. REPORTING REQUIREMENTS -

- 1. Compliance Requirement:** The agency must submit quarterly activity and expenditure reports no later than thirty (30) days after the close of each quarter or as specified in the grant.

Suggested Audit Procedures: Confirm if:

- a) Reports are being filed timely;
- b) Reported revenues and expenditures agree with the agency's general ledger; and
- c) Expenditures are within the budget.

- 2. Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedure:

- a) Review grant regulation 7 AAC 78.230.
- b) Review audit report for compliance with the above.

- 3. Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Review grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures:

- a) Obtain copy of program site review; and
- b) Determine if recommendations in the site review are being implemented.

PROGRAM 9 – EARLY INTERVENTION / INFANT LEARNING PROGRAM (EI / ILP) DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The objectives of this program are: to enhance the development of eligible children under the age of three who experience a developmental delay, disability, or are at risk for the development of a delay or disability, through the provision of comprehensive collaborative early intervention services; to enhance the capacity of families and caregivers to meet the special needs of their infants and toddlers; and to serve all of the infants and toddlers who experience severe delay or disability in the assigned services areas.

II. PROGRAM PROCEDURES

Public funds are appropriated annually by the State Legislature to the Department of Health and Social Services, Office of Children's Services. These funds are a combination of state general funds, and federal Part C funds (CFDA 84.181) that are appropriated directly to the Department of Health and Social Services from the U.S. Department of Education. These funds are awarded as grants to nonprofit corporations, school districts or regional education attendance areas. Local in-kind or cash match is optional in this program.

The services are to be provided on a priority basis. Children who experience a severe development delay or who have an identified condition that has a high probability of resulting in a severe delay have the highest priority. The next highest priority for core Early Intervention / Infant Learning Program (EI/ILP) Services is for children who experience a moderate delay, then those who experience a mild delay and last those who are at risk.

Caseloads are to be adjusted in a gradual manner to serve children according to these priorities. However, there is to be no delay in providing services to children who are experiencing a severe delay and are Part C eligible. By 33 months (2 years and 9 months of age, enrolled children should be referred to the local school district or other services at the parent's request. At 36 months (3 years) of age children are transitioned and exited from EI/ILP.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

- 1. Compliance Requirement:** Early Intervention/Infant Learning Program general grant funds may be used for staff salaries, travel, supplies, equipment, facility and administrative cost for the support and teaching of parents who are the primary facilitator of their child's care and development. Part C federal funds must be reported and tracked separately and must be used to provide services to Part C eligible children.

**PROGRAM 9 – EARLY INTERVENTION / INFANT LEARNING
PROGRAM (EI / ILP)
DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

Suggested Audit Procedures: Review articles of incorporation or other appropriate documentation, licenses, certifications and approvals to determine status of agency.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -
There is no matching or level of effort requirement.

D. REPORTING REQUIREMENTS -

1. Compliance Requirement: The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

- a) Review grant regulation 7 AAC 78.230
- b) Review audit report for compliance with the above.

2. Compliance Requirement: The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Reviews grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by a program site review.

Suggested Audit Procedures:

- a) Obtain copy of program site review; and
- b) Determine if recommendations in the site review are being implemented.

PROGRAM 10 – RESIDENTIAL CHILD CARE PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The objective of this program is to purchase emergency shelter care and residential care services for minors for whom the State has assumed responsibility under AS 47.10 - 47.12 and for children placed by their parents.

II. PROGRAM PROCEDURES

Public funds are appropriated annually to the Department of Health and Social Services, Division of Behavioral Health. Grants are administered in accordance with the provisions of 7 AAC 78 and 7 AAC 81. The sources of funds are federal as well as state general funds. Appropriated grant funds are distributed by the grant process to non-profit, Alaska native tribes or local governmental agencies. Grants are awarded for a specific number of beds for a specific type of program service in a specific geographic area.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Under AS 47.40.011, Purchase of Services, the Department purchases residential services for minors for whom the State has assumed responsibility under AS 47.10 - 47.12. These services are provided within emergency stabilization and assessment programs, residential treatment programs and intensive residential treatment programs.

Suggested Audit Procedures:

- a) Review Grant Award (GA) including all conditions;
- b) Review Grant revisions and related transmittal letters;
- c) Review Licenses, certifications, approvals, status of private non-profit corporation, if applicable;
- d) Review Budget documents including final revised budget and budget narrative; and

2. **Compliance Requirement:** Costs allowed or unallowed under this program are specified by grant regulations 7 AAC 53.900 - 7 AAC 53.999 7 AAC 78, and 7 AAC 81, as well as budget document and special conditions.

Suggested Audit Procedures:

- a) Review Department of Health and Social Services' grant regulations 7 AAC 53, 7 AAC 78, 7 AAC 81 and budget documents.
- b) Test financial and related records to determine the appropriateness of costs per 7 AAC 53.900 - 7 AAC 53.999, 7 AAC 78 and 7 AAC 81.

PROGRAM 10 – RESIDENTIAL CHILD CARE PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Review grant regulations 7 AAC 78.230(e) and 7 AAC 81.160(c).
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review; and determine if recommendations in the site review are being implemented.

PROGRAM 11 – TOBACCO PREVENTION & CONTROL GRANT

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The goal of the Tobacco Prevention and Control Program (TPC) is to reduce premature death, disease, disability and the economic burden related to tobacco use and/or exposure to second-hand smoke by:

- Preventing the initiation of tobacco use among young people;
- Promoting quitting among young people and adults;
- Eliminating exposure to Second Hand Smoke (SHS); and
- Identifying and eliminating disparities related to tobacco use and its effects among different population groups.

The TPC grant program within the department is the Tobacco Prevention and Control Community Grant Program. This program supports regional and statewide tobacco control programs. The objective of this program is to create, implement and maintain population-based policies that support the four goals of the statewide program listed above. Objectives grantees can work on include: Establishing smoke-free workplaces in communities, tribes, schools and worksites; Promote quitting among young people and adults by establishing or expanding comprehensive nicotine addiction treatment services within large health care centers; increasing the price of tobacco; promote Alaska's Tobacco Quit Line; and implementing and enforcing comprehensive tobacco prevention policies within schools. Grantees are required to work regionally to build and maintain partnerships to effectively implement comprehensive tobacco prevention and control programs within the region or across the state.

II. PROGRAM PROCEDURES

The Department of Health and Social Services, Division of Public Health, Tobacco Prevention and Control Program administers all of the tobacco control grants within the State. Grantees are selected through a competitive request for proposal. Submissions are reviewed and scored through a proposal evaluation committee (PEC). Grant recipients are selected based on PEC findings and on compliance with grant applicant requirements.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Tobacco Prevention and Control grant funds may be used for staff salaries, travel, facility expenses, supplies, equipment and administrative costs of the program, provided they support the grant program and are pre-approved by the State.

The Tobacco Prevention and Control Community Grant Program is funded through a cooperative agreement between the Centers for Disease Control and Prevention (CDC) and the State of Alaska, as well as multi-state

PROGRAM 11 – TOBACCO PREVENTION & CONTROL GRANT

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

D. REPORTING REQUIREMENTS -

1. **Compliance Requirement:** The agency must submit quarterly activity and expenditure reports no later than thirty (30) days after the close of each quarter.

Suggested Audit Procedures: Confirm that:

- a) Reports are being filed timely;
- b) Reported revenues and expenditures agree with the agency's general ledger; and
- c) Expenditures are within the budget limits or grant provisions.

2. **Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

- a) Reviews grant regulation 7 AAC 78.230.
- b) Review audit report for compliance with the above.

3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether the agency has any outstanding liability to the State.
- b) Reviews grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review; and determine if recommendations in the site review are being implemented.

PROGRAM 12 – RURAL HUMAN SERVICES SYSTEMS

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The Rural Human Services Systems program offers grants to rural substance abuse, mental health, behavioral health and human services agencies, and to urban agencies serving people who are visiting or have relocated from rural areas. The program was developed in response to the critical need for a stable system of behavioral health providers in rural Alaska and funds the hiring, training, support, and supervision of culturally competent village-based counselors and urban counselors who serve village residents. RHS certificate training is provided through the Rural Human Services Training Program in the University of Alaska College of Rural Alaska from the UA Anchorage, Kuskokwim (Bethel) and the Interior-Aleutians campus in Fairbanks.

Agencies receiving funds through this program are required to document that village-based counselors receive frequent and regular support and supervision and to coordinate this supervision with UAF faculty instructing the curricula. They are also required to send staff designated as supervisors to an annual supervisor training conducted by the University of Alaska Fairbanks faculty and staff. Designated supervisors are also required to coordinate with the University of Alaska to provide academic support to the village-based counselors while they are participating in the RHS training program.

II. PROGRAM PROCEDURES

Funds are appropriated annually to the Department of Health and Social Services, Division of Behavioral Health by the State Legislature. These funds are distributed by a competitive grant-in-aid mechanism to nonprofit and local government agencies.

Funds are provided through an initial advance comprised of 25% of the award amount; a second quarter advance of up to 25%; a third quarter advance up to 25%; and a fourth quarter advance of up to 20% of the award amount paid following approval of a Quarterly Cumulative Fiscal Report and a bi-annual Program Narrative Report; and a 5% payment is paid, if applicable, upon approval of fourth quarter year end reporting. Quarterly cumulative fiscal reports are filed within thirty (30) days from the end of the quarter detailing expenditures and receipts as compared to the approved grant budget. Budget revisions may be approved upon written request consistent with grant regulations.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

- 1. Compliance Requirements:** Grant funds under this program are used to enhance and expand the rural behavioral health workforce and the availability of human service programs, including substance abuse and

PROGRAM 12 – RURAL HUMAN SERVICES SYSTEMS

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

D. REPORTING REQUIREMENTS -

1. **Compliance Requirements:** The agency must submit bi-annual written narrative reports (first and fourth quarters), and quarterly cumulative expenditure reports no later than thirty (30) days after close of each quarter.

Suggested Audit Procedures:

- a) Confirm that required reports are being filed timely.
- b) Reported revenues and expenditures agree with the agency's general ledger.
- c) Expenditures are within the budget limits or grant provisions.

2. **Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

- a) Reviews grant regulation 7 AAC 78.230.
- b) Review audit report for compliance with the above.

3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Reviews grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review if applicable; and determine if recommendations in the site review are being implemented.

**PROGRAM 13 – HUMAN SERVICES COMMUNITY
MATCHING GRANTS
DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

I. PROGRAM OBJECTIVES

Each grantee will meet the goal of passing state funds through to support human social services grants to prevent or alleviate serious mental or physical hardship as identified in the municipalities' current Needs Assessment.

II. PROGRAM PROCEDURES

In 1992, the legislature gave statutory structure to the Human Services Community Matching Grants. The statutory program was constructed in such a manner that only municipalities qualifying under AS 29.60.600 – AS 29.60.650 are eligible to receive these grants.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirements:** A range of programs may be funded under both the Human Services Community Matching Grants, as long as the objective fits into "essential human services" and "services" have the meaning given "social services" in AS 47.75.060, except that they include only service whose unavailability would subject persons needing the service to serious mental or physical hardship. Services should focus on the need of the municipality as identified in the current Need Assessment. For the Human Services Community Matching Grants only, additional defined requirements and restrictions of AS 29.60.600 - 650 apply to qualifications for receipt of and use of funds.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant.

- a) Review grant Agreement (GA) including all conditions;
 - b) Review grant revisions and amendments and related transmittal letters;
 - c) Review licenses, certifications, approvals, status of private nonprofit corporation if applicable;
 - d) Review budget documents including final revised budget and budget narrative.
2. **Compliance Requirement:** Costs allowed or unallowed under this program are determined by grant regulations 7 AAC 78 as well as budget documents and special conditions.

Suggested Audit Procedures:

- a) Review Department of Health and Social Services' grant regulations 7 AAC 78, and budget documents;

**PROGRAM 13 – HUMAN SERVICES COMMUNITY
MATCHING GRANTS
DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Reviews grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agencies must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review if applicable; and determine if recommendations in the site review are being implemented.

PROGRAM 14 – RURAL CHILD WELFARE SERVICES GRANT

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The purpose of the Rural Child Welfare Services Grant (formerly the Rural Social Services Grant) is to aid the Office of Children's Services (OCS) Protective Services staff in the provision of case plan support services to families with open child welfare cases (either with or without legal custody); and to provide in home support services to families at risk of having their children enter the foster care system.

II. PROGRAM PROCEDURES

This program is funded with state general funds. The funds are administered by OCS and awarded to community nonprofit organizations.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirements:** Services may include but are not limited to: service coordination, monthly (or more frequent) quality case worker visits with children to monitor safety, transportation, safety plan monitoring, family meetings, individualized parenting and healthy living skills education, relatives searches, foster parent recruitment, foster parent support and family contact.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant.

Review the following:

- a) Grant Award (GA) including all conditions;
- b) Grant revisions and related transmittal letters;
- c) Licenses, certifications, approvals, status of private non-profit corporation, if applicable; and
- d) Budget documents including final revised budget and budget narrative.

2. **Compliance Requirement:** Costs allowed or unallowed under this program are specified by Alaska Statutes AS 47.05.011, and AS 47.10, as well as grant regulations 7 ACC 78.

Suggested Audit Procedures:

- a) Review grant and related budget documents in conjunction with the Department of Health and Social Services grant regulations (7 AAC 78).
- b) Test financial and related records to determine the appropriateness of costs per 7 AAC 78.
- c) Determine whether expenditures are within the budget limits prescribed by the 7 AAC 78.260(f) (1).

PROGRAM 14 – RURAL CHILD WELFARE SERVICES GRANT DEPARTMENT OF HEALTH AND SOCIAL SERVICES

3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Review grant regulation 7 AAC 78.230
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review; and determine if recommendations in the site review are being implemented.

PROGRAM 15 – SHORT TERM ASSISTANCE AND REFERRAL (STAR) PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

Short Term Assistance and Referral (STAR) is a Community Developmental Disabilities Program administered by the Division of Senior and Disabilities Services. Through this program, services may be provided to individuals with developmental disabilities and their families. STAR services are intended to respond immediately to a variety of needs related to averting or ameliorating a crisis situation. STAR Programs are designed to maximize the individual's ability to function independently in a difficult situation by providing immediate but limited relief.

II. PROGRAM PROCEDURES

There are nine STAR Programs which are awarded to nonprofit organizations statewide. Persons receiving STAR Services must reside in the geographical area related to Census Areas specified in the Grant Agreement with the exception of one program that is designed to serve families from outlying areas who are accompanying children who are receiving medical care in Anchorage.

STAR Programs must conduct customer satisfaction surveys and participate in Senior and Disabilities Services Quality Assurance activities. Grantees that are awarded funds for STAR Programs must comply with Department of Health and Social Services requirements for the expenditure and reporting of the use of grant funds, as well as participating in the Medicaid Administrative Claiming process, through the random moment survey.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

1. **Compliance Requirement:** Grant funds under this program are used to provide assistance with applications for developmental disabilities and other services, referral to community resources and response to a variety of needs related to averting or ameliorating a crisis situation.

Suggested Audit Procedures: Perform audit procedures to verify compliance with applicable state and federal guidelines. Review the following:

- a) A copy of the most recent Request for Proposal(s);
- b) Final Grant Award (GA) including all conditions;
- c) Grant revisions and related transmittal letters;
- d) Licenses, certification, approvals, status of private nonprofit corporation if applicable;
- e) Public Assistance Cost Allocation Plan
- f) Medicaid Administrative Claiming Provider Agreement

**PROGRAM 15 – SHORT TERM ASSISTANCE AND REFERRAL
(STAR) PROGRAM**
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

E. SPECIAL TESTS AND PROVISIONS -

1. **Compliance Requirement:** The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review; and determine if recommendations in the site review are being implemented.

PROGRAM 16 – CHILDREN’S ADVOCACY CENTERS

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

Under Alaska Statute, the Department of Health and Social Services is mandated to investigate every legitimate report of harm made on a child. Child Advocacy Centers (CAC) are funded to address cases of suspected child sexual and physical abuse.

The purpose of a CAC is to provide a comprehensive, culturally competent, multidisciplinary team response to allegations of child sexual and other severe abuse. Law enforcement, child protective services, prosecution, (including both the Assistant District Attorney’s Office and the Assistant Attorney General’s Office), mental health, medical, victim advocacy and child advocacy center staff, work collaboratively in a safe, private, child friendly facility, to provide alleged child victims and their non-offending care providers with forensic interviews, medical evaluations and therapeutic interventions. The overarching goal of the child advocacy model and the utilization of the multi-disciplinary team approach is to increase prosecution of perpetrators of child sexual and other severe abuse by assuring expert evidence collection with the least re-traumatizing to child victims and non-offending care providers. Referrals of alleged child victims may be initiated by law enforcement, the Office of Children’s Services, and medical providers. CAC programs also regularly engage in public education and outreach to families and child abuse professionals, to strengthen community awareness about how to identify, prevent and intervene to stop future child abuse.

II. PROGRAM PROCEDURES

CAC funds are appropriated annually to the Department of Health and Social Services, Office of Children’s Services by the State Legislature and awarded to community nonprofit organizations.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

- 1. Compliance Requirement:** Funds under this program are used to assist in the investigation of child sexual and other severe abuse by using a nationally recognized model of multi-disciplinary teams and the child advocacy center model of a child friendly environment. It is hoped that families will feel less traumatized by a community-based agency offering a child friendly environment that provides the opportunity for forensic interviewing and specialized child abuse medical examinations. Funds may also be used to provide education and outreach to communities about how to recognize, prevent, and intervene to stop future incidents of child abuse.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant.

PROGRAM 16 – CHILDREN’S ADVOCACY CENTERS

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

- b) That reported revenues and expenditures agree with the agency's general ledger; and
- c) Those expenditures are within the budget limits or grant provisions.

- 2. Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

- a) Reviews grant regulation 7 AAC 78.230.
- b) Review audit report for compliance with the above.

- 3. Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Reviews grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review; and determine if recommendations in the site review are being implemented.

PROGRAM 17 – HOME AND COMMUNITY-BASED SERVICES
SENIOR COMMUNITY BASED GRANTS
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The Home and Community-Based (HCB) Senior Grant Programs utilize state, federal and Mental Health Trust funds to provide services that will assist seniors to remain independent as they age in their homes and communities throughout the state. The HCB Senior Grant Program includes four components which include adult day services, senior in-home services, Nutrition, Transportation and Support Services, national family caregiver support program, and Alzheimer's disease and related disorders (ADRD) education and support services.

II. PROGRAM PROCEDURES

Funding for these programs are distributed through a competitive grant process and is administered by the Division of Senior and Disabilities Services (DSDS). Programs are developed within each component to target specific needs of seniors with greatest physical, economic, and social needs. Individuals who receive services under the Home and Community-Based Medicaid waiver program are not eligible for HCB Senior Grant Services that are Medicaid reimbursable. The HCB Senior Grant Services component provides services to assist physically frail or disabled seniors and their caregivers so that they are able to remain at home for as long as possible delaying or avoiding institutional care. These programs provide a variety of services that include adult day care, information and assistance, care coordination, meals, transportation, respite, chore, homemaker, extended respite, supplemental services, support services such as education and training for unpaid family caregivers and grandparents raising grandchildren, legal assistance, education to families and caregivers of individuals with dementia and a variety of other support services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirements: Are those which apply to the following federal programs: Title III of the Older Americans Act (OAA), Traumatic Brain Injury State Demonstration Grant Program, State Health Insurance Assistance Program, Nutrition Services Incentive Program, and Medicare Enrollment Assistance Program Special Programs for the Aging Title IV and Title II Discretionary Projects.

HCB Services include the following programs. Funds must be spent only to support the programs and services outlined below:

- Adult Day Centers provide planned and supervised daytime activities for physically frail or disabled seniors age 60 and over; adults of any age with Alzheimer's Disease and Related Disorders (ADRD); and adults age 18 and over with similar disabilities and service needs as older Alaskans who

PROGRAM 17 – HOME AND COMMUNITY-BASED SERVICES
SENIOR COMMUNITY BASED GRANTS
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

grant. In-kind match items must be items for which DSDS grant dollars could be used if they were available. In HCB programs, program income and client fees for service may be used to meet match.

Suggested Audit Procedures:

- a) Review final Grant Award to identify the required level of local match;
- b) Review the agency's accounting records to determine whether local match has been contributed to the project according to the terms and conditions of the grant.

D. REPORTING REQUIREMENTS -

1. **Compliance Requirement:** Quarterly fiscal and statistical reports are required within thirty days (30) following the end of each quarter.

Suggested Audit Procedures:

- a) Review procedures for preparing reports and evaluate adequacy;
- b) Review a sampling of reports for completeness of submission;
- c) Trace data in selected reports to the supporting documentation; and
- d) Evaluate adjustments, if any, for propriety.

2. **Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

- a) Review grant regulation 7 AAC 78.230.
- b) Review audit report for compliance with the above.

3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a. Determine whether or not the agency has any outstanding liability to the State.
- b. Review grant regulation 7 AAC 78.230.
- c. Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

1. **Compliance Requirement:** Each employee of an agency providing publicly funded home care services under this program (care coordination, chore, respite, adult day services, personal care, home health, and similar

PROGRAM 18 – SENIOR RESIDENTIAL SERVICES PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The Senior Residential Services program provides funding for three Assisted Living Homes in rural communities to support seniors 60 and over who are unable to live alone but who can maintain themselves in a supervised setting with minimal assistance. Funds are distributed to the three Rural Senior Residential facilities in Dillingham, Galena, and Tanana through a non-competitive grant process. Provider Agreements were established with Alzheimer's Disease Resource Agency of Alaska and Tanana Chiefs Conference to ensure residents in Dillingham have access to a care coordinator in order to maintain their Medicaid waiver. The Department of Health and Social Services monitors and licenses all residences as assisted living facilities. By definition, assisted living facilities provide meals and assistance with daily activities to enable seniors to remain in or near their community of choice.

II. PROGRAM PROCEDURES

To be eligible to receive services a recipient must meet the eligibility criteria listed in the Senior Residential Services request for proposal (RFP). Residents may be referred to the Senior Residential Services programs by Adult Protective Services or hospital discharge planner under the General Relief program in order to meet the health and safety needs for vulnerable adults. Senior Residential Services programs refer all new residents to the Aging and Disability Resource Centers pre-screen process to determine eligibility for a Medicaid Long Term Care Waiver. Senior Residential Services programs must be licensed as Assisted Living Homes by the Department of Health and Social Services and certified as Residential Supported Living providers by Senior and Disabilities Services.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Grant funds are used to provide residential living for seniors 60 and over who are unable to live alone but who can maintain themselves in a supervised setting with minimal assistance. Senior Residential Services funds three facilities, one in Dillingham, Galena, and Tanana.

Grant funds must be spent only to support the above service. Costs allowed or disallowed under this program are determined by grant regulations 7AAC 78.160 and approved budget documents and special conditions of the grants.

Suggested Audit Procedures: Perform audit procedures to verify compliance with applicable state guidelines.

B. ELIGIBILITY -

Compliance Requirement: Senior Residential Services provides residential care to physically frail or disabled seniors 60 years of age and over. See requirements outlined in the request for proposal (RFP).

PROGRAM 18 – SENIOR RESIDENTIAL SERVICES PROGRAM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Suggested Audit Procedures: Review documentation of receipt and expenditure of Medicaid waiver revenue to determine whether it is classified as “Other Sources” when dedicated to Senior Residential Services grant services.

4. Compliance Requirement:

Handling Client Personal Cash: Residential facilities personnel generally handle the personal cash of residents who are unable to do so for themselves. A method to account for client personal cash, paying interest to clients based on their bank deposits, tracking client expenses, etc., should be established and followed by each facility.

Suggested Audit Procedures: Review procedures for handling residents' personal cash. Verify that methods used by facilities to handle client personal cash are in place and accurately track clients' funds, personal expenses, and interest earned.

5. Compliance Requirement:

Criminal Background Checks of In-Home Employees: Each employee of an agency providing publicly funded home care services (homemaker, chore, personal care, home health, and similar services), including volunteer staff and senior employment program participants who provide these services, must have a criminal background check done by the Department of Public Safety, pursuant to AS 12.62.035. Senior Residential Services grantee facilities are classified as “assisted living facilities,” which provide home care.

Suggested Audit Procedures: Review records to verify that each employee performing home care services has had a criminal background check and has no record of criminal behavior relating to children or senior citizens.

PROGRAM 19 – YOUTH COURTS/COMMUNITY PANELS

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The purpose of the Youth Courts/Community Panels program is to offer funding for training and technical assistance along with program support to community-based sub-grantees. Youth Courts/Community panels provide an alternative sentencing mechanism both restorative and peer-led, which holds first and/or second time non-violent, low level misdemeanor juvenile offenders immediately accountable for their delinquent behavior. Community based grant programs work with local Division of Juvenile Justice (DJJ) field offices, courts, school districts, district attorneys, public defenders and/or tribal entities.

II. PROGRAM PROCEDURES

These grants are awarded to organizations that have the skills, abilities, and knowledge to effectively carry out the purpose of the program. Allocations are made to communities with active youth courts/community panels. Allocations may be made to communities developing youth courts/community panels to provide training and technical assistance to existing and new youth courts/community panels programs.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

1. **Compliance Requirements:** Applications are accepted for both direct service and training and technical assistance projects.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant. Review the following:

- a) Grant Award (GA) including all conditions;
- b) Grant revisions and related transmittal letters;
- c) Licenses, certifications, approvals, status of private nonprofit corporation if applicable;
- d) Budget documents including final revised budget and budget narrative.

2. **Compliance Requirement:** Costs allowed or unallowed under this program are specified by grant regulations 7 AAC 53.931 - .999 and 7 AAC 78 as well as grant or budget documents and special conditions.

Suggested Audit Procedures:

- a) Review Department of Health and Social Services' grant regulations 7 AAC 53, 7 AAC 78, and budget documents;
- b) Test financial and related records to determine the appropriateness of costs per 7 AAC 53.931-.999, and 7 AAC 78; and
- c) Determine whether expenditures are within the budget limits prescribed by 7 AAC 53.931 - .999, and 7 AAC 78.260(f)(1).

PROGRAM 20 - COMMUNITY INITIATIVE MATCHING GRANTS

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

Each grantee must provide service that falls into the category of health and social services and who are serving the most vulnerable individuals to prevent mental, and physical hardship, or death.

II. PROGRAM PROCEDURES

Awards provided under the Community Initiative Matching Grants (CIMG) are to be used for basic essential human services in areas ineligible for the Human Services Community Matching grants.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirements:** A range of programs may be funded under the Community Initiative Matching Grant programs, as long as the objective fits into “basic essential human services” and “services” have the meaning given “social services” in AS 47.75.060, except that they include only service whose unavailability would subject persons needing the service to serious mental and physical hardship, or death.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant.

- a) Review grant Agreement (GA) including all conditions;
- b) Review grant revisions and amendments and related transmittal letters;
- c) Review licenses, certifications, approvals, status of private nonprofit corporation if applicable;
- d) Review budget documents including final revised budget and budget narrative.

2. **Compliance Requirement:** Costs allowed or unallowed under this program are determined by grant regulations 7 AAC 78 as well as budget documents and special conditions.

Suggested Audit Procedures:

- a) Review Department of Health and Social Services’ grant regulations 7 AAC 78, and budget documents;
- b) Test financial and related records to determine the appropriateness of costs per 7 AAC 78; and
- c) Determine whether expenditures are within the budget limits prescribed by 7 AAC 78.260(f)(1).
- d) Determine if the mandatory cash or in-kind match was fully expended.
- e) Determine whether administrative costs were kept at or below 15%.

PROGRAM 20 - COMMUNITY INITIATIVE MATCHING GRANTS

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

- b) Reviews grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agencies must act upon any recommendations made by program site review.

Suggested Audit Procedures: Obtain copy of program site review if applicable; and determine if recommendations in the site review are being implemented.

PROGRAM 21 – TRAUMA SYSTEM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

The objective of this program is to reduce death rates and long term disability resulting from injuries or acute illnesses.

II. PROGRAM PROCEDURES

The Department of Health and Social Services, Division of Public Health, Section of Emergency Programs certifies hospital trauma centers, and administers funds to help accomplish the goals and objectives of the State Trauma System, including:

1. Planning, development and coordination of the State Trauma System;
2. Provide trauma related training and education for hospital personnel;
3. Identifying and prioritizing equipment needs;
4. Assisting in trauma data collection training and activities; and
5. Assist in providing injury prevention services.

In addition, the funds are used to develop and enhance comprehensive trauma system in accordance with the State Trauma System Plan to collect and analyze data on traumatic injuries, and plan and coordinate injury prevention programs.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** funds are to be used for training trauma center personnel and for setting up and enhancing the State's comprehensive trauma systems, including injury prevention programs. The agencies are required to expend funds (with major emphasis on training) to support personnel, travel, supplies, equipment and facilities to accomplish goals of the Trauma System as identified in the annual application, approved budget and special fund conditions.

Suggested Audit Procedures: Test financial and related records and determine that funds expended were for purposes specified in the fund. Review the following documents:

- a) Trauma Care Fund award including all conditions;
 - b) Fund revisions and related transmittal letter;
 - c) Licenses, certifications, approvals, status of trauma center if applicable; and
 - d) Budget documents including final revised budget and budget narrative.
2. **Compliance Requirement:** Costs allowed or unallowed under this program are determined by fund regulations AS 18.08.085 as well as budget documents and special conditions and the general requirements of the Trauma Care Fund.

PROGRAM 21 – TRAUMA SYSTEM

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Review fund regulation AS 18.08.085.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures:

- a) Obtain copy of program site review; and
- b) Determine if recommendations in the site review are being implemented.

PROGRAM 22 – INDEPENDENT LIVING REHABILITATION – STATEWIDE CENTERS DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

Centers for Independent Living (CILS) assist persons with severe disabilities to function more independently within the family and community by providing the five core services as required by the federal program for Independent Living Rehabilitation Part B and based on the goals and objectives of the State Plan for Independent Living (SPIL).

II. PROGRAM PROCEDURES

Funding for these programs is distributed through a non-competitive grant process and is administered by the Division of Senior and Disabilities Services (DSDS). Centers for Independent Living receive grant funding to assist individuals with disabilities to live as independently as possible by following the goals and strategies described in the State Plan for Independent Living (SPIL). The SPIL is a four year plan developed jointly by the Statewide Independent Living Council (SILC), the Designated State Entity and the Centers for Independent Living that guides the activities and services of the Centers. CILS receive federal Independent Living Rehabilitation Part B funds to provide five core services: Advocacy, Peer Support, Information and Referral, Independent Living skills training, and transition.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Are those which apply to the federal program for Independent Living Rehabilitation, CFDA 84.132A, Title VII, Part B, PL 105-220, 34 CFR Part 366 (The requirements for this federal program are also in the Workforce Investment Act of 1998, Title IV). Costs allowed or disallowed under this program are determined by grant regulations 7 AAC 78 and approved budget documents and special conditions of the grants.

Suggested Audit Procedure: Perform audit procedures to verify compliance with applicable federal and state guidelines.

B. ELIGIBILITY -

1. **Compliance Requirement:** Are those which apply to the federal program for Independent Living Rehabilitation, CFDA 84.132A, Title VII, Part B, PL 105-220, 34 CFR Part 366 (The requirements for this federal program are also in the Workforce Investment Act of 1998, Title IV.) The grantee must be a nonprofit agency or political subdivision or Alaska Native Entity meeting the requirements of 7 AAC 78.030.

Suggested Audit Procedure: Perform audit procedures to verify compliance with applicable federal and state guidelines.

**PROGRAM 22 – INDEPENDENT LIVING REHABILITATION –
STATEWIDE CENTERS
DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

medical reports, and an individual service plan. The agency must act upon any recommendations made by program site review.

Suggested Audit Procedure: Conduct onsite audits every two years. These audits include a review of state and federal administrative and financial management requirements and a review of participant's files to verify eligibility and determine that required documentation and other pertinent information is being maintained. Obtain copy of program site review; and determine if recommendations in the site review are being implemented.

STATE OF ALASKA
DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
 Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Deleted - Program transferred to the Department of Health & Social Services effective 07/01/2016	05/2017
2	Adult Basic Education Program	05/2016
3	State Training and Employment Program (STEP)	05/2016
4	Interpreter Referrals	05/2014
5	Technical and Vocational Education Program (TVEP)	05/2016
6	Alaska Youth First (AYF) Program	05/2016
7	Construction Academies Grant	05/2016
8	Capital Improvement Projects	05/2016
9	Alaska Oil and Gas Training Fund (AOGTF)	05/2016
10	Named Recipient Appropriations	05/2016

**PROGRAM 1 – INDEPENDENT LIVING REHABILITATION –
STATEWIDE CENTERS
DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT**

Effective July 1, 2016, this program was transferred from the Department of Labor & Workforce Development to the Department of Health and Social Services.

Please refer to DHSS compliance supplement #22.

PROGRAM 2 – ADULT BASIC EDUCATION PROGRAM

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

I. PROGRAM OBJECTIVES

The objective of this program is to provide funds for instruction of adult learners in the basic skills of reading, writing, mathematics, English literacy, and General Educational Development (GED) preparation with an emphasis on integrating workplace readiness skills and practical life skills into instruction. In addition, adult students receive instruction in speaking, reading, and writing English as a second language with an emphasis on civics education.

The Adult Basic Education (ABE) Program is authorized by the Workforce Innovation and Opportunity Investment Act (WIOA) of 2014 (Title II – Adult Education and Literacy, Subtitle C – Local Provisions, Sec. 231 - 233). These regulations are located in Title 34 of the Code of Federal Regulations, Parts 75-77, 79, 81-82, 85, 86, 97, 98, and 99. Regulations are also located in the Uniform Guidance, 2 CFR Part 200

II. PROGRAM PROCEDURES

As per Alaska Statute 44.31.020(6), “The Department of Labor and Workforce Development shall administer the state's program of adult basic education and adopt regulations to administer the program.”

In addition, Title 8, Chapter 99 of the Alaska Administrative Code authorizes the Department of Labor and Workforce Development to issue competitive grants to eligible providers to organize, plan, establish, expand, improve or maintain an adult basic education program. The Department of Labor and Workforce Development will, in its discretion, issue grants for a period of up to three years, subject to the availability of funding and review of annual performance reports.

The Department makes grants available to eligible providers. The term eligible provider is defined in Section 203(5) of the WIOA as a local educational agency; a community-based organization of demonstrated effectiveness; a volunteer literacy organization of demonstrated effectiveness; an institution of higher education; a public or private nonprofit agency; a library; a public housing authority; a nonprofit institution that is not described above which has the ability to provide literacy services to adults and families; and a consortium of the agencies, organizations, institutions, libraries, or authorities described above.

Under Section 222 of the WIOA, no more than 12.5 percent of the State allotment may be used at the State level for leadership activities, including professional development; 82.5 percent of the State allotment shall be used to support local programs and corrections education. Not more than 20 percent of the State allotment may be used for correctional education; not more than 5 percent (or \$65,000, whichever is greater) of the State allotment may be used for State level administrative costs. The U.S. Department of Education (DOE), Office of Career, Technical, and Adult Education (OCTAE) provides further guidance.

PROGRAM 2 – ADULT BASIC EDUCATION PROGRAM

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

- b) Test transactions for accuracy and support;
- c) Test transactions to determine that overall combined direct and related indirect administrative costs do not exceed the total amount that the Department of Labor negotiated with each provider.

B. ELIGIBILITY -

Compliance Requirement: Each eligible provider is responsible for determining the eligibility of those enrolled in its programs. Section 211(2)(d) of the WIOA defines adult education as services or instruction below the postsecondary level for individuals:

- a) Who is at least 16 years of age,
- b) Is beyond the age of compulsory school attendance under the law of the State;
- c) who: is basic skills deficient; does not have a secondary school diploma or its recognized equivalent, and has not achieved an equivalent level of education; or is an English language learner.

Each eligible provider may choose to designate a staff member to assume the responsibility of determining the eligibility of those enrolled in its program. Title 8, Chapter 99, section 120 of the Alaska Administrative Code defines eligibility requirements for individuals desiring to take the GED test if:

- a) the person is 18 years of age or older,
- b) the person is physically present in the state,
- c) the person is not enrolled in a high school program,
- d) the person has not received a diploma or certificate through a high school or GED program in another state, province, or U.S. possession.

A person aged 16 or 17 is eligible to take the GED if:

- a) the person is physically present in the state,
- b) the person is not enrolled in a high school program,
- c) the person has not received a diploma or certificate through a high school or GED program in another state, province, or U.S. possession,
- d) the person presents to the local ABE program's regional director:
 - a legal emancipation document, or
 - written permission from a parent or guardian and,
 - a withdrawal slip from the last school attended in Alaska.

Suggested Audit Procedures:

- a) Review the eligibility determination system and evaluate it for accuracy;
- b) Review selected participant files for documentation of eligibility criteria;
- c) Review selected participant files and determine the appropriateness of eligibility determinations.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS - There is no matching or level of effort requirements.

PROGRAM 3 – STATE TRAINING AND EMPLOYMENT PROGRAM (STEP)

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

I. PROGRAM OBJECTIVES

The purpose of the program is to enhance the quality of in-state job training and employment assistance and to make in-state job training and employment assistance more easily available to employers, employees, and future employees.

II. PROGRAM PROCEDURES

Funds for the program are appropriated from a set-aside of one tenth of one percent of employee contributions to the Unemployment Insurance Trust Fund, and provided to the Alaska Department of Labor and Workforce Development. The administrative agencies use State Training and Employment Program (STEP) funds to pay for training and support services for participants.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

AS 23.15.620. State Training and Employment Program. A program is created in the department to provide funds to participants to attend training programs and to finance and award grants to training entities. Training entities shall give the Department of Labor and Workforce Development, Division of Employment and Training Services, full access to accounting records concerning grants received to assure compliance with program requirements.

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirements: An entity receiving a grant under the program shall provide at least one training element and may provide one or more additional program elements. Training elements include industry specific training; on the job training, apprenticeship training in a registered apprenticeship program; institutional or job linked training. Other elements include support services, allowances, employment assistance, relocation assistance, provisions of necessary tools, work related clothing, safety gear, or other necessities to obtain or retain employment. Overhead costs may not exceed the amount designated in the grant agreement.

Suggested Audit Procedures:

- a) Test financial and related records and determine the purposes for which funds were expended.
- b) Verify that overhead expenses were within the amount budgeted in the grant agreement.

B. ELIGIBILITY -

Compliance Requirements:

- a) Each participant must:
 - (i) Be a state resident, as defined in AS 23.15.643 and 8 AAC 87.040;

**PROGRAM 3 – STATE TRAINING AND EMPLOYMENT PROGRAM
(STEP)
DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT**

E. SPECIAL TESTS AND PROVISIONS -

- 1. Compliance Requirement:** Grantees must establish a separate fund and accounting codes for receipt and disbursement of grant funds. The grant agreement may contain specific provisions to which the grantee must adhere.

Suggested Audit Procedures:

- a) Review financial and related records to verify the establishment and adequate use of a separate fund and accounting codes.
 - b) Review the grant agreement, identify any special provisions or requirements, and verify that they were met.
-
- 2. Compliance Requirement:** Grant recipients must maintain their previous level of effort such that STEP funds supplement rather than supplant. This can be achieved by providing services that would otherwise not be available or by training a greater number of participants than would otherwise be the case.

Suggested Audit Procedure: Verify that STEP funds were used for services or activities that would otherwise not be available or verify STEP funds allowed a greater number of individuals to receive assistance.

PROGRAM 4 – INTERPRETER REFERRALS

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

I. PROGRAM OBJECTIVES

The goal of this program is to assist persons who are deaf and others to obtain sign language interpreter services.

II. PROGRAM PROCEDURES

The grantee provides services in accordance with an approved grant application and agreement from the Division of Vocational Rehabilitation.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: As per AS 23.15.100(b)(2), the Department makes grants to public and other nonprofit organizations for the purpose of establishing and operating rehabilitation facilities and workshops. Funds may be expended for the administration and operation of programs designed to address the needs of eligible individuals.

Suggested Audit Procedure: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program, and are authorized or not prohibited under applicable guidelines and regulations.

B. ELIGIBILITY -

There are no specific eligibility requirements. Services may be provided to individuals who are deaf or hearing impaired, businesses and other individuals requesting sign language interpreting services.

Suggested Audit Procedure: There are no special suggested audit procedures.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching or level of effort requirements.

D. REPORTING REQUIREMENTS -

Compliance Requirement:

- a) Quarterly fiscal and statistical reports are required.
- b) A final financial report must be submitted on or before the 30th day after the date of termination of the project.
- c) A narrative summary of project activities must be submitted semiannually.

PROGRAM 5 – TECHNICAL AND VOCATIONAL EDUCATION PROGRAM (TVEP) DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

I. PROGRAM OBJECTIVES

The purpose of this program is to provide grants to technical and vocational education entities to provide industry specific training, on-the-job training and classroom job linked training.

The authority for this program is Alaska Statute 23.15.830, Alaska technical and vocational education program account and AS 23.15.840, Grants for technical and vocational education.

II. PROGRAM PROCEDURES

AS 23.15.835(d) defines both the distribution percentage and institutions eligible to receive funds for the fiscal year. The Alaska Legislature sometimes appropriates state General Fund money to some of the recipients of the Alaska Technical and Vocational Program grants for the same purposes. These General Fund amounts are included in the Alaska Technical and Vocational Program grants and should be subject to the same requirements identified in this section of the compliance supplement.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirements: Subject to the limits of its grant, an entity receiving a grant under this program shall provide one or more of the following program elements (AS 23.15.840(c)):

- a) industry specific training;
- b) on-the-job training;
- c) Institutional or classroom job-linked training.

The entity's activities do not replace or compete in any way with a federally approved apprenticeship program or any other existing training programs. AS 23.15.840(a)(2). Grants may not be awarded if the grant would displace money available through existing private technical and vocational education programs. AS 23.15.840(b)

Suggested Audit Procedures:

- a) Test financial and related records and determine the purposes for which funds were expended.
- b) Verify grant funds were used for an appropriate program element.
- c) Verify program expenditures did not replace or compete with a federally approved apprenticeship program or other existing training program.
- d) Verify program expenditures did not displace money available through existing private technical and vocational education programs.

PROGRAM 6 – ALASKA YOUTH FIRST (AYF) PROGRAM

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

I. PROGRAM OBJECTIVES

The purpose of this program is to promote Alaska's high demand occupations to Alaska's youth, introduce them to the career pathways, develop youth training programs for pre-employment skills identified by business and industry as necessary for entry to Alaska's high demand occupations, and promote academic, vocational, and industry-based credentials or certificates that youth can acquire to support employment and training in high wage, high demand occupations. Youth employability skill training includes training in problem-solving, decision-making, and customer service skills as well as communication and work maturity skills.

Career guidance includes informal information and referral services, para-professional vocational guidance, and community-based advocacy and training for mentors, parents, school partners, employers, and other caring adults who assist youth in making vocational decisions. Industry-based work experience may include paid and unpaid work experience, internships, job-shadowing, on-the-job training, and other simulated work settings that help youth and young adults to develop employability and work maturity skills, technical knowledge, positive work ethic and attitude, and to demonstrate the skills competency that is demanded by Alaska's rigorous employment environment.

II. PROGRAM PROCEDURES

Funds for the program are appropriated from the state General Fund. There are no statutory or regulatory requirements for this program. The Department uses a variety of methods for making grant awards. Typically the Department depends on a competitive solicitation to maximize the quality and relevance of proposals with the program objectives. The Department reserves the use of designated awards to stimulate innovation and creative program development that is likely to increase the competitiveness of Alaska's youth. The Department also relies on letters of interest to streamline grant renewals when program and financial evidence is presented that demonstrates the effectiveness of the grantee and the value of a longer grant relationship.

Critical components required in successful proposals include leveraging other youth workforce development resources, partnering with schools and agencies that have youth workforce development missions, and developing sustainability strategies to avoid long-term dependence on limited state resources. The grant agreements and grant budget specify the activities allowed under a particular grant and specify requirements to which the grantee must adhere.

PROGRAM 6 – ALASKA YOUTH FIRST (AYF) PROGRAM DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

generally accepted accounting principles. The grant agreement may contain specific provisions to which the grantee must adhere.

Suggested Audit Procedure:

- a) Review financial and related records and accounting procedures to verify the accuracy and reliability of the accounting data; verify the system assures compliance with grant agreement requirements; and, verify the records and procedures comply with generally accepted accounting principles.
- b) Review the grant agreement, identify any special provisions or requirements, and verify that they were met.

PROGRAM 7 – CONSTRUCTION ACADEMIES GRANT

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

I. PROGRAM OBJECTIVES

The purpose of this grant is to provide funds to support Construction Academies in Alaska. The Construction Academies are primarily focused upon providing youth ages 16 and older and adults with training to help them become employed in the construction industry.

The authority for this grant is the Department's authorized budget appropriation. There are no specific statutes or regulations governing this grant.

II. PROGRAM PROCEDURES

Funds for the program are appropriated from the State's general fund. The administrative agency uses Alaska Construction Academy (ACA) funds to pay for training related activities for youth and adult participants. The grant agreement and grant budget provide the specifics of the requirements for the use of these grant funds.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirements: The grant agreement will specify the types of activities that are allowed or not allowed under the grant. The grant budget will specify what items are to be paid with grant funds.

Suggested Audit Procedures:

- a) Review the grant agreement and grant budget to determine the services allowed or not allowed under the grant.
- b) Test financial and related records and determine the purposes for which funds were expended.
- c) Verify that overhead expenses were within the amount budgeted in the grant agreement.

B. ELIGIBILITY -

Compliance Requirement: The grant agreement will specify any eligibility requirements for persons being served under the grant.

Suggested Audit Procedures: Review the grant agreement to identify any eligibility requirements and test a sample of participant records to verify eligibility was properly determined.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: There is no level of effort or earmarking requirements. The grant agreement will specify any matching requirement.

PROGRAM 8 – CAPITAL IMPROVEMENT PROJECTS

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

I. PROGRAM OBJECTIVES

The purpose of these grants is to provide funds for Capital Improvement Projects that support training and employment assistance activities within Alaska. The grants may be expended over multiple years and may involve a variety of activities.

The authority for these grants is the Department's authorized budget appropriation. There are no specific statutes or regulations governing these grants.

II. PROGRAM PROCEDURES

Funds for the grants are appropriated from the State's General Fund. The grants may be provided to entities designated by the Legislature for the receipt of the funds. The grant agreements and grant budgets provide the specifics of the requirements for the use of these grant funds.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirements: The grant agreement will specify the types of activities that are allowed or not allowed under the grant. The grant budget will specify what items are to be paid with grant funds.

Suggested Audit Procedures:

- a) Review the Grant Agreement and grant budget to determine the services allowed or not allowed under the grant.
- b) Test financial and related records and determine the purposes for which funds were expended.

B. ELIGIBILITY -

Compliance Requirement: The Grant Agreement will specify any eligibility requirements for persons being served under the grant.

Suggested Audit Procedures: Review the grant agreement to identify any eligibility requirements and test a sample of participant records to verify eligibility was properly determined.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: There is no level of effort or earmarking requirements. The grant agreement will specify any matching requirement.

Suggested Audit Procedures: Review the grant agreement for any matching requirements and verify through the grantee's accounting records that the matching requirement was met.

**PROGRAM 9 –ALASKA OIL AND GAS TRAINING FUND
(AOGTF)
DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT**

I. PROGRAM OBJECTIVES

Per AS 43.90.470 the purpose of this grant is to provide funds to support 113 identified occupations in project management, construction, operations, maintenance and other related positions that are considered critical to building and operating critical energy job categories and to prevent job dislocation.

II. PROGRAM PROCEDURES

Funds for the program are appropriated from the State's General Fund, and provided to employers and regional training centers to pay for goods and services provided by job training vendors. The grant agreement and grant budget provide the specifics of the requirements for the use of these grant funds.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirements: The grant agreement will specify the types of activities that are allowed or not allowed under the grant. The grant budget will specify what items are to be paid with grant funds.

Suggested Audit Procedures:

- a) Review the Grant Agreement and grant budget to determine the services allowed or not allowed under the grant.
- b) Test financial and related records and determine the purposes for which funds were expended.

B. ELIGIBILITY -

Compliance Requirement: The Grant Agreement will specify any eligibility requirements for persons being served under the grant.

Suggested Audit Procedures: Review the grant agreement to identify any eligibility requirements and test a sample of participant records to verify eligibility was properly determined.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: There is no level of effort or earmarking requirements. The grant agreement will specify any matching requirement.

Suggested Audit Procedures: Review the grant agreement for any matching requirements and verify through the grantee's accounting records that the matching requirement was met.

PROGRAM 10 – NAMED RECIPIENT APPROPRIATIONS

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

I. PROGRAM OBJECTIVES

The purpose of these grants is to provide funds for projects that support training and employment assistance activities within Alaska. The grants are expended during a single fiscal year and may include a variety of activities.

The authority for these grants is the Department's authorized budget appropriation. There are no specific statutes or regulations governing these grants.

II. PROGRAM PROCEDURES

Funds for the grants are appropriated from the State's general fund. The grants may be provided to entities designated by the Legislature for the receipt of the funds. The grant agreements and grant budgets provide the specifics of the requirements for the use of these grant funds.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirements: The grant agreement will specify the types of activities that are allowed or not allowed under the grant. The grant budget will specify what items are to be paid with grant funds.

Suggested Audit Procedures:

- a) Review the Grant Agreement and grant budget to determine the services allowed or not allowed under the grant.
- b) Test financial and related records and determine the purposes for which funds were expended.

B. ELIGIBILITY -

Compliance Requirement: The grant agreement will specify any eligibility requirements for persons being served under the grant.

Suggested Audit Procedures: Review the grant agreement to identify any eligibility requirements and test a sample of participant records to verify eligibility was properly determined.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: There is no level of effort or earmarking requirements. The grant agreement will specify any matching requirement.

Suggested Audit Procedures: Review the grant agreement for any matching requirements and verify through the grantee's accounting records that the matching requirement was met.

STATE OF ALASKA
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Emergency Management Program	05/2016
2	Public Assistance Program	05/2016

PROGRAM 1 – EMERGENCY MANAGEMENT PROGRAM

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

I. PROGRAM OBJECTIVES

The objective of the Emergency Management Program Grants (EMPG) is to assist States with support in all-hazards planning, conducting training and exercises, and most importantly, emergency management personnel at the State and local level to strengthen all-hazards incident preparedness.

II. PROGRAM PROCEDURES

Funds are awarded to the Department of Military and Veterans' Affairs, Division of Homeland Security and Emergency Management (DHS&EM) upon approval of the EMPG application by the Department of Homeland Security (DHS), Grant Programs Directorate (GPD). Federal funds are matched on a 50% / 50% cost sharing basis. Both State and locals provide the match base on the awarded amount. Program compliance is based on federal fiscal year guidance.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirement: EMPG funds may be expended for emergency management personnel, management and administration, travel, planning, training, exercises, and equipment, DHS&EM limits application of funds to jurisdiction expenditures for wages and salaries of emergency management staff or contractors.

States, tribes and local governments must ensure and maintain adoption and implementation of the National Incident Management System (NIMS) during the fiscal year as a condition for allocation of funds. The State reports on NIMS implementation through the State Preparedness Report (SPR) and sub-recipient local governments report on implementation through the state-administered Alaska Assessment process

States should use the Presidential Policy Directive 8 (PPD-8), the National Preparedness Goal (NPG), the National Incident Management System (NIMS), Homeland Security Strategies, the Core Capabilities List, Threat and Hazard Identification and Risk Assessments (THIRAs), and the SPR as a basis for developing their EMPG work plans.

Suggested Audit Procedures: Review State and local EMPG agreements to determine if there are special requirements and/or products to be developed; and test expenditure records to determine if expenditures are eligible.

PROGRAM 2 – PUBLIC ASSISTANCE PROGRAM

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

I. PROGRAM OBJECTIVES

The objective of the Public Assistance Program is to provide assistance to local governments and selected non-profit organizations to reduce suffering and hardship resulting from a disaster or from emergencies declared by the Governor.

II. PROGRAM PROCEDURES

Following the Governor's declaration of a disaster, the Department of Military and Veterans' Affairs, Division of Homeland Security and Emergency Management (DHS & EM) provides grants to local government and non-profit entities, which may use the funds to restore disaster related damages to pre-disaster conditions. If the disaster is within the State's capabilities, funds are made available from the Disaster Relief Fund (AS 26.23) in the amount determined by DHS&EM through a damage assessment process. If the disaster is declared by the President, federal funds are made available on a 75% / 25% cost sharing basis. The State may provide the 25% match, or require the entity to contribute the cost share if directed by the Disaster Policy Cabinet to do so. This will be annotated in the Disaster Administrative Plans for each event. Communities will receive funds in either a State or Federally declared disaster after the completion and approval of a project application, project worksheet, and submission of necessary documents.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

1. **Compliance Requirements:** Disaster assistance funds can be expended only on allowable activities and scope of work described on the Project Worksheets (PW) and as approved in the FEMA/State agreement. Federal disaster assistance funds cannot be used for expenditures funded by other Federal Programs.

Suggested Audit Procedures: Review approved grant agreement, review Project Worksheets, test expenditure records, and determine the nature of expenditures and the sources of funding for disaster-related expenditures.

2. **Compliance Requirement:** Funds from insurance settlements, salvage, or other sources for specific losses must be deducted by the grantee from its claim.

Suggested Audit Procedures:

- a) Review insurance policies and other sources likely to reveal the existence of insurance claims, and similar receipts.
- b) Test financial records to determine the manner in which such receipts were processed.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	State Grant Program	05/2012

PROGRAM 1 – STATE GRANT PROGRAM

DEPARTMENT OF NATURAL RESOURCES

I. PROGRAM OBJECTIVES

The objective of the grant is to fund various activities of the grantee based on legislative intent associated with the funding.

The authority for these grants is the Department's authorized budget appropriation. There are no specific statutes or regulations governing these grants.

II. PROGRAM PROCEDURES

Funds are provided to the grantee on a reimbursement basis after signing a written grant agreement with the Department, unless another funding method is specified in the grant agreement. The Department reserves the right to monitor the project, study or plan during its development, and may perform project inspections and perform an audit as needed.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no specific grant regulations governing the administration of these grants. All compliance requirements and suggested audit procedures are based upon specific provisions of the grant agreement.

A. **TYPES OF SERVICES ALLOWED OR UNALLOWED -**

Compliance Requirements: Funds cannot be expended for other than the intended purpose of the grant and must comply with State laws and regulations.

Suggested Audit Procedures: Test expenditure and related records for compliance with the grant agreement terms.

B. **ELIGIBILITY -**

The auditor is not expected to make tests for recipient eligibility.

C. **MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -**

Compliance Requirements: Any matching, level of effort will be identified and established in the grant agreement.

Suggested Audit Procedures: Review the grant agreement, identify any matching level of effort and verify that requirements were met.

D. **REPORTING REQUIREMENTS -**

Compliance Requirements: The grant agreement will specify the reporting requirements the grantee is to adhere to.

STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Alaska Public Broadcasting Commission Grants	05/2013

**PROGRAM 1 – ALASKA PUBLIC BROADCASTING
COMMISSION GRANTS
DEPARTMENT OF ADMINISTRATION**

I. PROGRAM OBJECTIVES

The primary objective of the Alaska Public Broadcasting Commission's Operating and Capital Grants Program is the encouragement and support of non-commercial public broadcasting in Alaska. This objective is accomplished through the award of operating and capital grants in support of the delivery of noncommercial programs intended for a general audience by locally controlled non-profit broadcast stations or telecommunications entities.

II. PROGRAM PROCEDURES

The staff of the Commission prepares application forms for both capital and operating grants to be distributed to stations on an annual basis. The staff then evaluates station applications for establishing eligibility and makes funding recommendations for Commission action. The grants are awarded by the Commission and allocated to grantees using a funding formula. Staff monitors expenditures of all grantees to assure that funds are used as agreed.

On behalf of the stations, staff presents annual funding requests to the Commission for approval before submitting to the DOA during each fiscal year budget cycle.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirement: The Commission makes grants of funds and property to non-profit corporations, which use the funds or property to establish and operate public broadcasting stations.

Suggested Audit Procedure: Test expenditures to determine that funds were used for the establishment or operation of a public broadcast station.

B. ELIGIBILITY -

Compliance Requirement: The Corporation is qualified to receive funds and properties from the Commission, to establish and operate public broadcasting facilities in this state, if the corporation is organized as a non-profit organization under AS 10.20 and is qualified as tax exempt by the United States Internal Revenue Service and meets all other eligibility requirements outlined by the Commission.

Suggested Audit Procedure: The auditor is not expected to verify eligibility. The Commission establishes grantee eligibility on an annual basis per the requirements outlined in the Eligibility Criteria.

STATE OF ALASKA
DEPARTMENT OF REVENUE
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Shared Taxes – Liquor License	05/2002
2	Shared Taxes – Aviation Fuel	05/2001
3	Shared Taxes – Electric and Telephone Cooperatives	05/2002
4	Shared Taxes – Fisheries Business Taxes	05/2001
5	Shared Taxes – Fishery Resource Landing Taxes	05/2001
6	Shared Taxes – Commercial Passenger Vessel Excise Taxes	05/2011
7	Shared Taxes – Cost Recovery Fisheries	05/2014

PROGRAM 1 – SHARED TAXES, LIQUOR LICENSE

DEPARTMENT OF REVENUE

I. PROGRAM OBJECTIVES

Payments are made to municipalities for any public purpose for which the municipality is legally authorized to expend funds. The municipality must provide police protection in order to receive Liquor License sharings.

II. PROGRAM PROCEDURES

The Tax Division of the Department of Revenue administers the Shared Taxes program. Payments for Liquor License sharings are made after ledger balance as of December 31 and June 30. The sharing is based on information included on the licenses issued to local establishments selling liquor. The communities are not required to make application for any of these sharings.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no special compliance requirements or suggested audit procedures for this program.

PROGRAM 2 – SHARED TAXES, AVIATION FUEL DEPARTMENT OF REVENUE

I. PROGRAM OBJECTIVES

Payments are made to organized boroughs and incorporated cities which own and operate or lease and operate an airport facility. Funds received by the municipalities may be expended for any public purpose for which the municipality is legally authorized to expend funds.

II. PROGRAM PROCEDURES

The Tax Division of the Department of Revenue administers the Shared Taxes program. Taxes are shared based on information included on information returns provided to the Department by the fuel dealer. The communities are not required to make application for any of these sharings.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no special compliance requirements or suggested audit procedures for this program.

PROGRAM 3 – SHARED TAXES, ELECTRIC AND TELEPHONE COOPERATIVES DEPARTMENT OF REVENUE

I. PROGRAM OBJECTIVES

Payments are made to municipalities for any public purpose for which the municipality is legally authorized to expend funds.

II. PROGRAM PROCEDURES

The Tax Division of the Department of Revenue administers the Shared Taxes program. Sharings for Electric & Telephone Cooperative Taxes are made as of June 30 and are based on information included on tax documents submitted to the Department by the taxpayer. The communities are not required to make application for any of these sharings.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no special compliance requirements or suggested audit procedures for this program.

PROGRAM 4 – SHARED TAXES, FISHERIES BUSINESS TAXES

DEPARTMENT OF REVENUE

I. PROGRAM OBJECTIVES

Payments are made to municipalities for any public purpose for which the municipality is legally authorized to expend funds.

II. PROGRAM PROCEDURES

The Tax Division of the Department of Revenue administers the Shared Taxes program. Sharings for Fisheries Business Taxes are made yearly as of June 30 based on information included on the tax documents, which are submitted to the Department by the taxpayer. The communities are not required to make application for any of these sharings.

For taxes sourced from processing activities within a municipality, 50% of the taxes are shared to respective municipalities in which processing took place. If a municipality is within a borough, the 50% amount to be shared is generally split equally between the municipality and borough.

For taxes sourced from processing activities outside a municipality (unorganized borough), 50% of the taxes are shared through an allocation program administered by the Alaska Department of Commerce, Community & Economic Development.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no special compliance requirements or suggested audit procedures for this program.

**PROGRAM 5 – SHARED TAXES, FISHERY RESOURCE
LANDING TAXES
DEPARTMENT OF REVENUE**

I. PROGRAM OBJECTIVES

Payments are made to municipalities for any public purpose for which the municipality is legally authorized to expend funds.

II. PROGRAM PROCEDURES

The Tax Division of the Department of Revenue administers the Shared Taxes program. Sharings for fishery resource landing taxes are made yearly as of June 30 based on information included on the tax return documents submitted by taxpayers to the Department. Communities are not required to make application for sharings.

For taxes sourced from landings within a municipality, 50% of taxes are shared to the municipality where the landing occurred. If a municipality is within a borough, the 50% amount is split equally between the municipality and borough.

For taxes sourced from landings outside a municipality (unorganized borough), 50% of the taxes are shared through an allocation program administered by the Alaska Department of Commerce, Community & Economic Development.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no special compliance requirements or suggested audit procedures for this program.

PROGRAM 6 – SHARED TAXES, COMMERCIAL PASSENGER VESSEL EXCISE TAXES DEPARTMENT OF REVENUE

I. PROGRAM OBJECTIVES

Payments are made to municipalities for the purpose of improving port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels.

II. PROGRAM PROCEDURES

The Tax Division of the Department of Revenue administers the Shared Taxes program. Sharings for commercial passenger vessel excise taxes are made yearly as of December 31 based on information included on the tax return documents submitted by taxpayers to the Department. Communities are not required to make application for sharings.

From the total tax collected, \$5 per passenger is shared to each of the first seven municipalities where the travel occurred. If a municipality is within a borough, the \$5 per port amount is split equally between the municipality and borough.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no special compliance requirements or suggested audit procedures for this program.

PROGRAM 7 – SHARED TAXES, COST RECOVERY FISHERIES

DEPARTMENT OF REVENUE

I. PROGRAM OBJECTIVES

The cost recovery fisheries assessment, a program allows hatcheries to establish a common property fishery and recoup costs through an assessment on fishery resources taken in the terminal harvest area. Assessments are set aside for appropriation for the benefit of the seafood industry, either in marketing or in management and development of the industry.

II. PROGRAM PROCEDURES

The Tax Division of the Department of Revenue administers the Shared Taxes program. A rate of the assessment levied on salmon taken from the terminal harvest area is determined annually by the Department of Revenue on March 1. Revenue received under these assessments is deposited in the General Fund. Assessments may then be appropriated by the legislature back to the hatchery permit holder in which the assessment was levied. Permit holders are required to use such funds as detailed in AS 16.10.150(a). Funds collected may also be appropriated by the legislature back to the Department of Revenue for costs incurred by the department for this program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

There are no special compliance requirements or suggested audit procedures for this program.

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Grant Program	05/1997

PROGRAM 1 - GRANT PROGRAM

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

I. PROGRAM OBJECTIVES

The objective of the grant program is to fund various activities of the grantee based on legislative intent associated with the funding. The Department of Transportation does not have a unique grant program. However, it does administer pass through funding appropriated by the Legislature to local communities. These activities generally include but are not necessarily limited to construction, maintenance activities and formulation of transportation plans.

II. PROGRAM PROCEDURES

Funds are provided to the grantee on a reimbursable basis after signing a written agreement with the Department, unless an alternate funding method is specified in the agreement. The Department reserves the right to monitor the project, study or plan during its development, and may perform project inspections and perform an audit as needed.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirements: Funding cannot be expended for other than the intended purpose of the grant and must comply with State laws and regulations.

Suggested Audit Procedures: There are no special suggested audit procedures.

B. ELIGIBILITY -

Compliance Requirements: Only eligible charges should be reimbursed to the grantee. Special stipulations for eligibility may also be noted in the grant agreement.

Suggested Audit Procedures:

- a) Test expenditures and related records for adequate supporting documentation and proper approvals.
- b) Test indirect expenses such as overhead for proper allocation methodology and reasonableness.
- c) Verify existence and/or completion in the case of equipment purchases or facility construction.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirements: Matching or level of effort for the grant recipient will be specified in the grant agreement.

Suggested Audit Procedures: Determine that the grant recipient's records show sufficient match to meet the agreement requirements, if any.

STATE OF ALASKA
DEPARTMENT OF PUBLIC SAFETY
Single Audit Compliance Supplement

Program	Program Name	Last Revised
1	Edward Byrne Memorial Justice Assistance (JAG) Program Sub-Grants	05/2008
2	Council on Domestic Violence and Sexual Assault (CDVSA) Grants	05/2008
3	Village Public Safety Officer Program	05/2011
4	Civil Air Patrol (CAP)	05/2004

PROGRAM 1 – EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE (JAG) PROGRAM SUBGRANTS

DEPARTMENT OF PUBLIC SAFETY

I. PROGRAM OBJECTIVE

The Edward Byrne Memorial Justice Assistance Grant (JAG) program (42 U.S.C. 3751(a)) allows states, tribes, and local governments to support a broad range of activities to prevent and control crime based on their local needs and conditions.

II. PROGRAM PROCEDURES

The Department of Public Safety approves applications and funding amounts for subgrants annually.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

The suggested audit procedures should be performed in accordance with federal audit requirements and the specific provisions of the grant in effect for a particular year.

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirement: JAG funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice for any one or more of the following purpose areas:

- a) Law enforcement programs.
- b) Prosecution and court programs.
- c) Prevention and education programs.
- d) Corrections and community corrections programs.
- e) Drug treatment and enforcement programs.
- f) Planning, evaluation, and technology improvement programs.
- g) Crime victim and witness programs (other than compensation).

The grant agreement outlines the purposes for which funds can be used. The Office of Justice Programs' Financial Guide and the grant agreement in effect at the time specify costs allowed or not allowed under this program.

Suggested Audit Procedures:

- a) Review Grant Award Agreement including all attachments.
- b) Test financial and related records to determine if the purposes for which funds were expended meet grant requirements.
- c) Test financial and related records to determine the appropriateness of costs.

PROGRAM 2 – COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT (CDVSA) GRANTS DEPARTMENT OF PUBLIC SAFETY

I. PROGRAM OBJECTIVES

The purpose of the Council on Domestic Violence and Sexual Assault (CDVSA) is to provide for planning and coordination of services to victims of domestic violence or sexual assault or to their families and to perpetrators of domestic violence and sexual assault and to provide for crisis intervention and prevention programs.

II. PROGRAM PROCEDURES

Grants for domestic violence, sexual assault, and batterers' intervention services are awarded every two years following a competitive application process. Awards are based upon established priorities and criteria determined by the CDVSA. Grants may be awarded to a city, borough, or other political subdivision of the State or a non-profit corporation.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF COSTS ALLOWED AND UNALLOWED -

Compliance Requirement: Costs allowed or unallowed under this program are determined by grant regulations 13 AAC 95 as well as grant award documents, including special conditions.

Suggested Audit Procedures:

- a) Review Department of Public Safety grant regulations 13 AAC 95 and grant award documents, including budget revisions if applicable, and
- b) Test financial related records to determine the appropriateness of costs per 13 AAC 95.

B. ELIGIBILITY -

The auditor is not expected to determine eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: The agency must provide and document matching expenditures equal to a minimum of 15% of the grant award for regular domestic violence and sexual assault grants, 20% of the VOCA and FVPSA awards and 25% for community based batterers' intervention programs. This match does not include State funds from any other source, but may include in-kind goods and volunteer services as defined in the grant award conditions.

Suggested Audit Procedure: Review expenditures from other than CDVSA grant(s) and other State sources as well as the use of donated goods and services to ensure that the required match has been met and is shown in financial statements.

PROGRAM 3 – VILLAGE PUBLIC SAFETY OFFICER PROGRAM

DEPARTMENT OF PUBLIC SAFETY

I. PROGRAM OBJECTIVES

The purpose of this program is to develop and support the Village Public Safety Officer (VPSO) Program in rural areas of Alaska, mainly where other law enforcement positions do not exist. VPSO's provide a broad range of public safety services, including but not limited to, law enforcement, emergency medical services, fire protection and prevention, water safety, and search and rescue.

II. PROGRAM PROCEDURES

Grants for VPSO's are awarded annually to nonprofit, regional Native corporations and units of local government based on a needs assessment by the Department.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirement: Grant monies must be used in accordance with the signed agreement.

Suggested Audit Procedure: Test to determine whether services, particularly personal services, as outlined in the grant agreement, are provided.

B. ELIGIBILITY -

The auditor is not expected to determine eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There are no matching requirements.

D. REPORTING REQUIREMENTS -

Compliance Requirement: Reporting requirements are contained in the grant agreement.

Suggested Audit Procedure: Test to determine whether the requirements set in the grant agreement are being met.

E. SPECIAL TESTS AND PROVISIONS -

There are no special tests or provisions.

PROGRAM 4 – CIVIL AIR PATROL (CAP)

DEPARTMENT OF PUBLIC SAFETY

I. PROGRAM OBJECTIVE

The purpose of this program is outlined under its corporate charter.

II. PROGRAM PROCEDURES

Under AS 18.60.146, the Department of Public Safety (DPS) administers funds appropriated by the Legislature for the Alaska Wing, Civil Air Patrol (CAP).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED -

Compliance Requirement:

- a) State funds must not be used to lobby the Legislature.
- b) Alaska Wing, CAP members must be charged a reasonable hourly rate, plus fuel costs, for proficiency flying.

Suggested Audit Procedure

- a) Test to ascertain whether expenditures were made from State funds to lobby the Alaska Legislature.
- b) Confirm reasonableness of proficiency flying hourly rates and fuel costs.

B. ELIGIBILITY -

The auditor is not expected to determine eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There are no matching requirements.

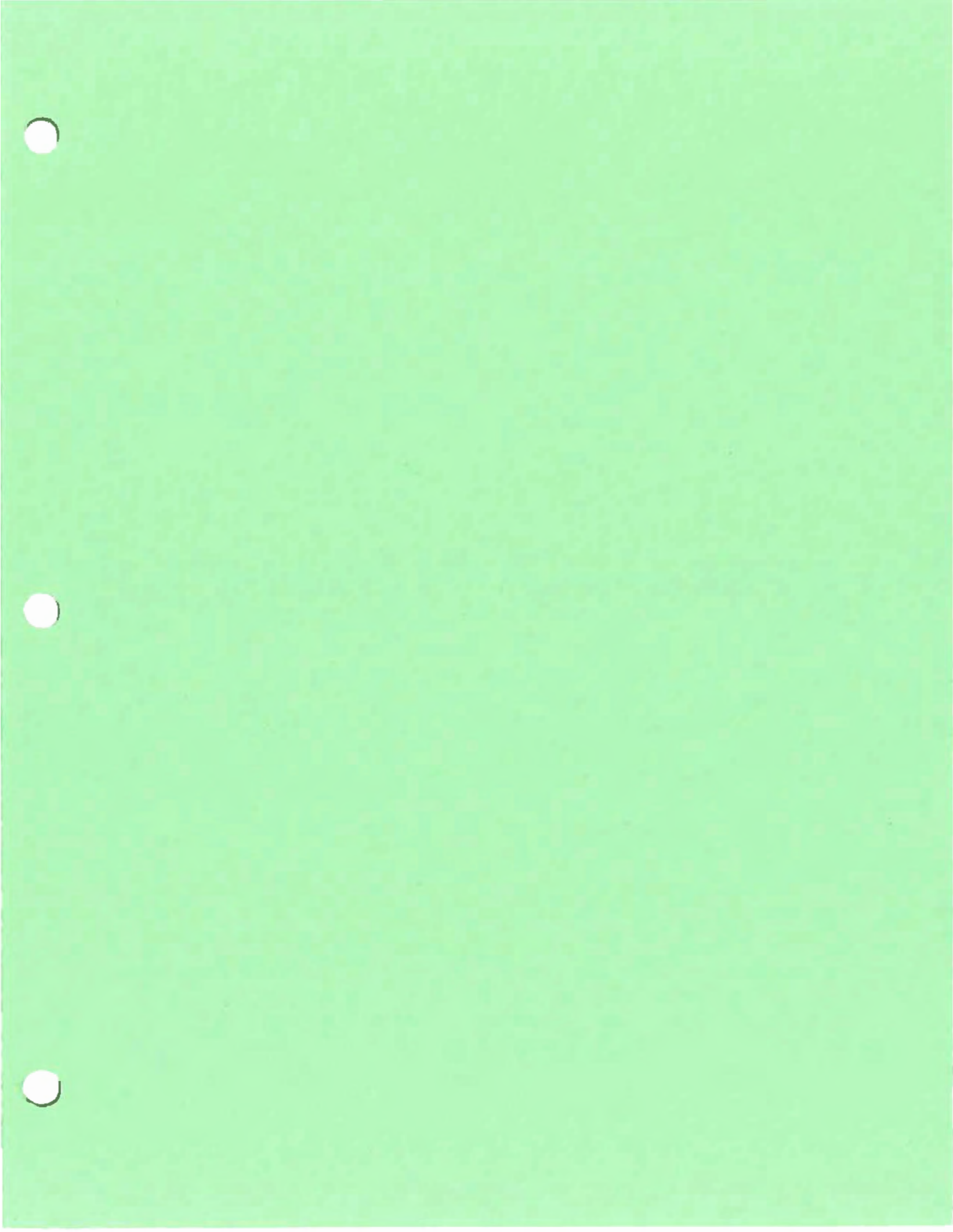
D. REPORTING REQUIREMENTS -

Compliance Requirement: The Alaska Wing, CAP must provide DPS with copies of all its other audits.

Suggested Audit Procedure: Copies of all other audits should be on file in DPS and reviewed for findings.

E. SPECIAL TESTS AND PROVISIONS -

Review corporate charter to verify state funds support program purposes.



STATE OF ALASKA

Index to Single Audit Compliance Supplements

Program Name	State Agency	Program Number	Last Revised
Adult Basic Education Program	DLWD	02	05/16
Alaska Oil and Gas Training Fund (AOGTF)	DLWD	09	05/16
Alaska Public Broadcasting Commission Grants	DOA	01	05/13
Alaska Regional Economic Assistance Program	DCCED	08	05/13
Alaska School for the Deaf	DEED	08	05/17
Alaska State Council on the Arts	DEED	07	05/07
Alaska Youth First (AYF) Program	DLWD	06	05/16
Alcohol Safety Action Program	DHSS	03	05/17
Basic Homeless Assistance Program (BHAP)	AHFC	05	05/16
Boarding Home Program	DEED	01	05/10
Capital Grant-In-Aid Program	DHSS	07	05/14
Capital Improvement Projects	DLWD	08	05/16
Capital Improvement Projects for School Districts	DEED	04	05/16
Capital Improvement Projects for School Districts Funded with State G.O. Bonds	DEED	15	05/16
Capital Project Matching Grants	DCCED	02	05/16
Children's Advocacy Centers	DHSS	16	05/17
Civil Air Patrol (CAP)	DPS	04	05/04
Community Assistance Program	DCCED	07	05/17
Community Development Disabilities Program	DHSS	04	05/12
Community Health Aide Training and Supervision	DHSS	05	05/14
Community Initiative Matching Grants	DHSS	20	05/14
Comprehensive Behavioral Health – Prevention and Early Intervention Programs	DHSS	01	05/16
Comprehensive Behavioral Health – Treatment and Recovery Programs	DHSS	02	05/17
Construction Academies Grant	DLWD	07	05/16
Council on Domestic Violence and Sexual Assault (CDVSA) Grants	DPS	02	05/08
Debt Retirement Program	DEED	02	04/15
Deleted (Transferred to DHSS, see DHSS supplement #22)	DLWD	01	05/17
District-Operated Residential Schools	DEED	16	05/16

STATE OF ALASKA

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Program Name	State Agency	Program Number	Last Revised
Rural Human Services Systems	DHSS	12	05/17
Rural Utility Business Advisor (RUBA) Program	DCCED	09	05/14
Salmon Enhancement Tax	DCCED	01	05/16
Senior Citizens Housing Development Program	AHFC	01	05/14
Senior Residential Services Program	DHSS	18	05/17
Shared Fisheries Tax Program	DCCED	06	05/07
Shared Taxes – Aviation Fuel	DOR	02	05/01
Shared Taxes – Commercial Passenger Vessel Excise Taxes	DOR	06	05/11
Shared Taxes – Cost Recovery Fisheries	DOR	07	05/14
Shared Taxes – Electric and Telephone Cooperatives	DOR	03	05/02
Shared Taxes – Fisheries Business Taxes	DOR	04	05/01
Shared Taxes – Fishery Resource Landing Taxes	DOR	05	05/01
Shared Taxes – Liquor License	DOR	01	05/02
Short Term Assistance and Referral (STAR) Program	DHSS	15	05/17
Special Needs Housing Grant Program	AHFC	06	05/16
State Grant Program	DNR	01	05/12
State Head Start Program	DEED	14	05/16
State Training and Employment Program (STEP)	DLWD	03	05/16
Supplemental Housing Development Grants Program	AHFC	02	05/17
Teacher, Health Professional and Public Safety Officials Grant	AHFC	07	04/15
Technical and Vocational Education Program (TVEP)	DLWD	05	05/16
Tobacco Prevention and Control Grant	DHSS	11	05/16
Trauma System	DHSS	21	05/13
Trust Authority Grant Program	AMHTA	01	05/12
Village Public Safety Officer Program	DPS	03	05/11
Village Safe Water Program	DEC	02	05/17
Weatherization Assistance for Low Income Persons	AHFC	03	05/17
Youth Courts/Community Panels	DHSS	19	05/16
Youth in Detention Program	DEED	13	05/17