
RESOURCE SUPPORT PROGRAM

State Authorization: Senate Bill 352, Section 11.59 (Session Law (SL) 1998)

**N. C. Department of Health and Human Services
Office of Education Services**

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N. C. DHHS Confirmation Reports:

SFY 2009 audit confirmation reports for payments made to Counties, Area Programs, Boards of Education, Councils of Government, District Health Departments, DCD State Level Contractors and HRSA Bioterrorism Grant Subrecipients will be available by around late August to early September at the following we address: <http://www.dhhs.state.nc.us/control/>. At this site, page down to “Letters/reports/forms for ALL Agencies” and click on “Audit Confirmation Reports (State Fiscal Year 2008-2009)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2007-2009)”.

The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the Supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

I. PROGRAM OBJECTIVES

- 1) To provide an education and training program for parents of hearing-impaired children (birth to 21 years of age) and the professionals who serve them throughout North Carolina. In addition, support services, i.e., peer support and counseling, are provided to the parents of hearing-impaired children.
- 2) To provide training to pediatric/family practice medical residents and practicing physicians, nurses and other care providers regarding early identification and educational options.
- 3) To provide continuing training and evaluation utilizing local audiologists throughout the state regarding hearing screening, referral sources and educational options.
- 4) To provide information to the general public, parents and professionals through the use of public service announcements, written materials, and other materials.
- 5) To provide balanced and objective information regarding all communication modalities and educational placement options to parents with children (birth to 21 years of age) who are

deaf or hard of hearing. Provide resource and referral information and emotional support to parents with children who are deaf or hard of hearing.

- 6) To work in conjunction with State agencies and professional organizations in promoting the establishment of infant hearing screening programs in conjunction with local audiologists and hospitals throughout the State to promote early identification of hearing loss.
- 7) To assist parents and parent groups involved with children with hearing loss in the development and coordination of their own activities on behalf of their children.
- 8) To serve as ombudsman in Individualized Education Plan/Individualized Family Service Plan (IEP/IFSP) negotiations when such service is requested by parents, a Local Education Agency (LEA), or a School for the Deaf. In addition, to provide information and support to parents regarding educational rights and procedures.
- 9) To update, revise and/or produce up to four videotapes (as appropriate and as may be practicable within budget restraints and outside funding) targeting the general public, deaf and hard of hearing children, their parents and the professionals who serve them.

II. PROGRAM PROCEDURES

These funds are budgeted in the Family Resource Center Program and are monitored by the Contract Administrator who is located in the Office of Education Services. These funds are to be used only to provide education, training, advocacy, and emotional support to families who have children identified with hearing loss; or to provide consultation and training to professionals who work with these families. The Contractor maintains an accurate list of all services and a written summary of each service. Payment is made monthly based on an estimate of expenses for the coming month. The contractor provides, within 15 days past the end of each quarter, a detailed quarterly report which provides a full accounting that identifies all advances and expenditures.

III. COMPLIANCE REQUIREMENTS

1. Activities Allowed or Unallowed

The contractor must provide services as indicated in program objectives above. In addition, the contractor is to facilitate at least monthly contacts of an informal nature to share information regarding services rendered with the Contract Administrator. The attendance of the contractor is also required in one staff meeting quarterly with the Office of Education Services (OES) Program Specialist for the purpose of sharing information regarding services and advocacy for hearing-impaired individuals.

Suggested Audit Procedures – Determine that the allowability of costs provisions of or limitations in the program agreement, program regulations, or program statute exists.

2. Allowable Costs/Cost Principles

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201. Funds may be expended only for those items specified in the budget that are generally attached to the contract or may be included in a letter of request attached to the budget.

Suggested Audit Procedures – Review the grantee’s budget as approved by the OES, including subsequent amendments (if any). Determine that funds were expended only for those items budgeted.

3. Cash Management

When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested. Any funds which may be paid to the Contractor in excess of actual expenditures shall be refunded to the OES as soon as possible, but under no circumstances longer than 45 days after the end of each fiscal year or after the contract is terminated.

Suggested Audit Procedures – Where applicable, select a sample of reimbursement requests and trace to supporting documentation showing that the costs for which reimbursement was requested were paid prior to the date of the reimbursement request.

4. Conflict of Interest

The 1993 General Assembly enacted legislation (Chapter 321, Sec. 16, 1993 Session Law, G.S. 143-6.1; repealed effective 7/1/2005 and replaced by G.S. 143-6.2) requiring each private not-for-profit entity, as a prerequisite to the receipt of funding from the State, to formally adopt a policy which addresses conflicts of interest that might arise involving the entity’s management, employees, and/or board members.

Suggested Audit Procedures – Ascertain that the grantee has a notarized conflict of interest policy on file.

5. Eligibility

The grantee will provide services as indicated above if they are deemed eligible for services by virtue of being:

- a) a family with one or more children identified with hearing loss between the ages of birth and 21; or
- b) a professional or organization providing services to families with deaf or hard of hearing children.

Suggested Audit Procedures - Determine that services were rendered to eligible clients.

6. Equipment and Real Property Management

The grantee will maintain proper records for equipment, maintain adequate safeguards, and maintain the equipment. Any equipment purchased under this contract shall be used for the purposes stated within the contract. Should the contract be terminated for any reason prior to the contract end date and/or when the project is completed, such equipment shall be returned to OES or transferred to the new contract provider.

Suggested Audit Procedures – Ascertain that the grantee has maintained proper records for equipment, maintained adequate safeguards, and maintained the equipment. Verify that any equipment purchased under this contract remains on-site and in use until such time that the contract is either terminated or the contract period has ended with current provider.

8. Period of Availability of State Funds

The grantee may use State funds during the biennium for which they were appropriated (NOTE: Please refer to the contract document).

Suggested Audit Procedure

- a) Review the award documents pertaining to the program and determine any award-specific requirements related to the period of availability and document the availability period.
- b) Test a sample of transactions that were recorded during the period of availability and verify that the underlying obligations occurred during the period of availability.

12. Reporting

- a) These are State funds appropriated by the NC General Assembly. As such, any nongovernmental grantee receiving State funds is responsible for complying with the audit/reporting requirements of NCGS 143C-6-23.
- b) Annual and Quarterly Project Reports – These reports include a narrative from each staff member describing the type of services and activities they have conducted during the report time frame. Also there is a statistical part that lists the number of new families reached, the number of follow-ups, number of family and professional contacts and the type of information the persons were needing, and the number of IEP meetings and evaluations performed.

Suggested Audit Procedures – Review applicable laws, regulations, and the provisions of contract or grant agreements pertaining to the program for reporting requirements. Determine the types and frequency of required reports. Obtain and review State awarding (or pass-through entity awarding, in the case of a subrecipient) instructions for completing the reports. Obtain a copy of the contract to determine the frequency and any required deliverables.

- a. For financial reports, ascertain the accounting basis used in reporting the data (cash or accrual). Ensure that all state financial reporting requirements of NCGS 143C-6-23 have been met.
- b. For performance and special reports, determine the criteria and methodology used in compiling and reporting data. We review the monthly invoices and the contract outcomes.