

EXHIBIT D

AUDIT REQUIREMENTS

The County contracts with various organizations to carry out programs mandated by the Federal and State governments or sponsored by the Board of Supervisors. Under the Single Audit Act Amendments of 1996 (31 U.S.C.A. §§ 7501-7507) and Board policy, the County has the responsibility to determine whether organizations receiving funds through the County have spent them in accordance with applicable laws, regulations, contract terms, and grant agreements. To this end, effective with the first fiscal year beginning on and after December 26, 2014, the following are required.

I. AUDIT REQUIREMENTS

A. Funds from Federal Sources:

1. Non-Federal entities which are determined to be subrecipients by the supervising department according to 2 CFR § 200.330 and which expend annual Federal awards in the amount specified in 2 CFR § 200.501 are required to have a single audit performed in accordance with 2 CFR § 200.514.
2. When a non-Federal entity expends annual Federal awards in the amount specified in 2 CFR § 200.501(a) under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or terms and conditions of the Federal award do not require a financial statement audit of the auditee, the non-Federal entity may elect to have a program-specific audit conducted in accordance with 2 CFR § 200.507 (Program Specific Audits).
3. Non-Federal entities which expend annual Federal awards less than the amount specified in 2 CFR § 200.501(d) are exempt from the single audit requirements for that year except that the County may require a limited-scope audit in accordance with 2 CFR § 200.503(c) .

B. Funds from All Sources:

Non-Federal entities which expend annual funds from any source (Federal, State, County, etc.) through the County in an amount of:

1. \$100,000 or more must have a financial audit in accordance with the U.S. Comptroller General's Generally Accepted Government Auditing Standards (GAGAS) covering all County programs.
2. Less than \$100,000 are exempt from these audit requirements except as otherwise noted in the contract.

Non-Federal entities that are required to have or choose to do a single audit in accordance with 2 CFR Subpart F, Audit Requirements are not required to have a financial audit in the same year. However, Non-Federal entities that are required to have a financial audit may also be required to have a limited-scope audit in the same year.

C. General Requirements for All Audits:

1. All audits must be conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States (GAGAS).
2. All audits must be conducted annually, except for biennial audits authorized by 2 CFR § 200.504 and where specifically allowed otherwise by laws, regulations, or County policy.
3. The audit report must contain a separate schedule that identifies all funds received from or passed through the County that is covered by the audit. County programs must be identified by contract number, contract amount, contract period, and amount expended during the fiscal year by funding source. An exhibit number must be included when applicable.
4. If a funding source has more stringent and specific audit requirements, these requirements must prevail over those described above.

II. AUDIT REPORTS

A. For Single Audits

1. Within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period, the auditee must electronically submit to the Federal Audit Clearinghouse (FAC) the data collection form described in 2 CFR § 200.512(b) and the reporting package described in 2 CFR § 200.512(c). The auditee and auditors must ensure that the reporting package does not include protected personally identifiable information. The FAC will make the reporting package and the data collection form available on a web site and all Federal agencies, pass-through entities and others interested in a reporting package and data collection form must obtain it by accessing the FAC. As required by 2 CFR § 200.512(a)(2), unless restricted by Federal statutes or regulations, the auditee must make copies available for public inspection.
2. A notice of the audit report issuance along with two copies of the management letter with its corresponding response should be sent to the County supervising department within ten calendar days after it is submitted to the FAC. The County supervising department is responsible for forwarding a copy of the audit report, management letter, and corresponding responses to the County Auditor within one week of receipt.

B. For Audits other than Single Audits

At least two copies of the audit report package, including all attachments and any management letter with its corresponding response, should be sent to the County supervising department within six months after the end of the audit year, or other time frame as specified by the department. The County supervising department is responsible for forwarding a copy of the audit report package to the County Auditor within one week of receipt.

III. AUDIT RESOLUTION

Within 30 days of issuance of the audit report, the entity must submit to its County supervising department a corrective action plan consistent with 2 CFR § 200.511(c) to address each audit finding included in the current year auditor's report. Questioned costs and disallowed costs must be resolved according to procedures established by the County in the Contract Administration Manual. The County supervising department will follow up on the implementation of the corrective action plan as it pertains to County programs.

IV. ADDITIONAL AUDIT WORK

The County, the State, or Federal agencies may conduct additional audits or reviews to carry out their regulatory responsibilities. To the extent possible, these audits and reviews will rely on the audit work already performed under the audit requirements listed above.