

POLICY MANUAL

2. FINANCIAL MANAGEMENT

2.04. Audit of Local Agencies

A. POLICY OVERVIEW:

PA WIC shall require audits of local agencies in accordance with 2 CFR part 200, subpart F, and appendix XI, Compliance Supplement, and USDA implementing regulations 2 CFR parts 400 and 415. Additionally, audits shall be in accordance with applicable Commonwealth of Pennsylvania, Governor's Office, Management Directives; namely, Management Directive 325.09 Amended – Processing Subrecipient Single Audits of Federal Pass-Through Funds. Specific audit requirements for local agencies receiving WIC funding are dependent upon the nature of the local agency's organization. The local agency has the responsibility for determining if it is: (a) a governmental entity; (b) a non-governmental, nonprofit entity; (c) a nonprofit hospital not affiliated with either a governmental or an institution of higher education; or (d) a for profit entity.

B. POLICY:

1. Each local agency is responsible for obtaining the necessary audit. The local agency is responsible for obtaining the services of an independent Certified Public Accountant, the Department of Health's Comptroller's Office, the Department of Auditor General's Office, or other qualified independent governmental auditor. Federal regulations preclude public accountants licensed in the Commonwealth of Pennsylvania from performing audits of Federal financial assistance.
2. Local agency audits completed in adherence to 2 CFR 200, Subpart F shall encompass the fiscal year of the organization of that local agency and shall be performed on an annual basis. Audits of local agencies that are nonprofit hospitals not affiliated with either a governmental entity or an institution of higher education shall be completed on WIC contract year basis (October 1 through September 30).
3. Local agency audits completed in adherence to 2 CFR 200, Subpart F shall be submitted within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday or Federal holiday, the reporting package is due the next business day.
4. Audit reporting packages shall be submitted to the Federal Audit Clearinghouse. The FAC confirmation of receipt, the certified copy of the data collection form, and the checklist must be submitted electronically in a single Portable Document Format (PDF file to ["mailto:RA-BOASingleAudit@pa.gov"](mailto:RA-BOASingleAudit@pa.gov)).
5. Costs for the WIC portion of organization-wide audits may be included as part of each agency's contract with the State Agency. The cost to the WIC Program shall be prorated on the basis of WIC dollars audited versus organization total dollars audited.

If you have any questions or concerns about this policy, please contact the Chief Accountant at the State Agency.

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Reference(s):

1. WIC Regulation: 7 CFR 246.20.
2. 2 CFR part 200, subpart F, and appendix XI, Compliance Supplement; 2 CFR parts 400 and 415
3. Governor's Office, Management Directive 325.09 Amended

Policy Status:

1. This policy supersedes P&P 2.04, dated June 15, 2017.
2. This P&P supersedes P&P 2.04, dated February 16, 2016.