



**Department of Human Services
Online Directives Information System**

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EXTERNAL ENTITIES AUDIT STANDARDS AND SANCTIONS

The policy of the Department of Human Services (DHS) is to ensure that those non- federal entities which receive funds from the Department conform to the standards and requirements imposed by federal and state law and by the DHS Office of Procurement and Contracts. Sanctions are imposed on those entities that do not comply with the standards and/or audit requirements.

The Director of the DHS Internal Audits Unit is responsible for issuing and updating procedures to this policy.

Authority

O.C.G.A. §§ 50-20-1 through 50-20-8 as amended, 1998 Legislative Session Single Audit Act Amendments of 1996 (PL 104-156)

References

OMB Circular A-133
CFR Title 45, Part 74.60 et seq of CFR
CFR Title 7, Part 277.17 entitled "Audit Requirements"
Standards for Audit of Governmental Organizations, Programs, Activities and Functions

Applicability

This policy applies to all of the Department of Human Services.

Definitions

1. **Non-Federal Entity**: A state, local government, or a nonprofit organization.
2. **Sanctions**: Penalties imposed by the Department on those fund recipients who do not abide by their contract requirements for audit reports and fail to comply with state law regarding timeliness. Sanction may include: withholding of reimbursements, cancellation of contracts, recoupment of funds, and denial of further contracts with the Department for a period of 12 months.