

	<p style="text-align: center;">Department of Human Services Online Directives Information System</p>	<p style="text-align: right;">Index: Revised: Next Review:</p>	<p style="text-align: right;">POL1902 03/01/2022 03/01/2024</p>
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SUBJECT: EXTERNAL ENTITIES AUDIT STANDARDS AND SANCTIONS

POLICY:

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 (OPC). Sanctions are imposed on those entities that do not comply with the standards and/or audit requirements.

The Office of Inspector General Internal Audit (OIG-IA) Unit is responsible for issuing and updating procedures to implement this policy, when necessary.

A. Authority

- 2 CFR part 200 Uniform Guidance
- O.C.G.A. § 50-20-1 through 50-20-8 et seq.
- 7 CFR part 277.17 Audit Requirements
- 45 CFR part 75 Uniform Administrative Requirements

B. References

- Code of Federal Regulations [2 CFR 200](#)
- Code of Federal Regulations [45 CFR 75](#)

C. Applicability

This policy is applicable to all divisions and offices of DHS.

D. Definitions

Non-Federal Entity: A state, local government or a nonprofit organization.

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.

E. Responsibilities

1. The Office of Inspector General Internal Audit (OIG-IA) Director is responsible for oversight of POL1902.

F. History

Replaces POL1902, last reviewed 02/17/2020

G. Evaluation

The OIG-IA will evaluate this policy a continuous basis by:

1. Completing reviews/audits on applicable divisions/programs and subrecipient contractors.
2. Passing any audit(s) with no findings.