

DHHS Directive Number II-15

Title: Delegation of Authority to Make Final Departmental Decisions on Local Program Audit Appeals
Effective Date: November 3, 2008
Revision History: January 1, 2002
Authority: G.S. 143B-10, G.S. 143B-139.1, 10 NCAC 1B.0400

Purpose

The purpose of this directive is to delegate, clarify, and specifically confirm certain authorities of the Secretary of the North Carolina Department of Health and Human Services (NC DHHS) to an Audit Review Committee for audit appeals for state and federal funds allocated to local grantees and providers. This committee shall report to the Secretary through the Director of the Committee.

The department is responsible for resolution of findings and recommendations reported in audits and other administrative reviews of local grantees and provider compliance within state administrative procedures and federal regulations governing the administration of state and federal program funds administered by the department. An audit of a particular grantee or provider results from a formal request from department personnel, on the basis of random selection, or when a previous audit indicated significant fiscal and/or legal compliance exceptions. The term audit includes annual audits performed under OMB Circulars A-87, A-133, A-21, A-102, A-110, the Local Government Budget and Fiscal Control Act (G.S. 159.34) and other audits or administrative reviews performed by authorized state and federal agencies. If the local grantee or provider disagrees with the findings of an audit or administrative review, an administrative appeal may be requested.

Delegation of Authority

The committee shall have the authority to make the final decision on behalf of the Secretary of the DHHS for audit appeals for state and federal funds allocated to local grantees and providers.

1. The committee shall consist of the Director of the Office of General Counsel (“Director”) or her/his designee and two (2) other persons appointed by the Secretary from operating divisions of the department which are not involved in

- the local program audit. The director or another person designated by the Director shall serve as chair of the audit review committee.
2. The Director shall receive all correspondence concerning the audit review hearing, schedule the hearing and carry out all necessary tasks to conduct the hearing.
 3. The Division of Budget and Analysis is responsible for providing copies of audit reports and any correspondence relevant to the audit appeal.
 4. As needed, the Secretary may institute more than one (1) audit review committee at a given time. The committee members of any additional audit review committees shall be consistent with the requirements of this directive.

This delegation of authority shall not deprive the Secretary from performing, in lieu of the audit review committee, any of the acts set forth above. This delegation of authority may be amended or withdrawn by the Secretary at any time and without notice. This delegation of authority shall not apply to any actions, which by law, state policy or NC Governor's Executive Order, may only be executed by the Secretary.

APPROVED

Dempsey Benton, Secretary
Department of Health and Human Services