

100825 Financial Statements and Audits

(a)

Single agency-wide audits shall be conducted in accordance with Office of Management and Budget (OMB) Circular A-128 or OMB Circular A-133, which are hereby incorporated by reference, as specified in (a)(1), (a)(2) and (a)(3) of this section along with other applicable Federal laws or regulations which may be adopted. (1) OMB Circular A-128 shall be used when the contractor is a state or local government or an Indian tribe as defined in the Circular. (2) OMB Circular A-133 shall be used when the contractor is a nonprofit agency or an institution of higher education as defined in the Circular. (3) Should a question arise regarding an entity's status as either a public or private nonprofit, the Department shall request and accept a decision from the State Controller's Office as to which OMB Circular should be used.

(1)

OMB Circular A-128 shall be used when the contractor is a state or local government or an Indian tribe as defined in the Circular.

(2)

OMB Circular A-133 shall be used when the contractor is a nonprofit agency or an institution of higher education as defined in the Circular.

(3)

Should a question arise regarding an entity's status as either a public or private

nonprofit, the Department shall request and accept a decision from the State Controller's Office as to which OMB Circular should be used.

(b)

Audited financial statements shall be prepared in accordance with generally accepted accounting principles; generally accepted government auditing standards; those audit standards that apply to financial and compliance audits set forth in the Government Auditing Standards, 1988 Revision, issued by the General Accounting Office, which is hereby incorporated by reference; along with any other applicable State and Federal guidelines. Additionally, the audit shall show receipt and expenditure of DEO funds separately by program component and contract award.

(c)

Entities governed by OMB Circular A-128 shall submit to the State Controller's Office, Division of Audits, two (2) copies of the required audit report within one (1) year of the expiration of the contractor's fiscal year.

(d)

Entities governed by OMB Circular A-133 shall submit to DEO two (2) copies of the required audit report within ninety (90) calendar days of the expiration of the contractor's fiscal year. Under extenuating circumstances and upon written request by the contractor, DEO may grant an extension of time for submittal of the audit report.

(e)

Where services or funds under this Chapter are provided to, for, or by a wholly-owned or -controlled subsidiary of a contractor, the contractor shall provide assurances that an audit will be performed of the subsidiary organization in accordance with this Chapter. The required audit report shall be made available to

DEO upon request.