

Area Agency on Aging District 7, Inc.  
**OLDER AMERICANS ACT PROGRAMS**  
**Policy and Procedures**

**Division:** Planning & Program Development

**Policy Name:** Unit of Service Audits

**Policy #:** OAA-013

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**Created:** 10/15/1997

**Revised:** 07/25/2012

**Policy Purpose:** To establish procedures for Unit of Service audits for all OAA Title III services.

**Policy Procedures:**

1. Yearly unit of service audits will be conducted for providers of OAA Title III services. The audits will be completed prior to April 15.
2. Per ODA requirements, a minimum of 50% of providers will be audited each year. Providers to be audited will be selected as follows:
  - A. All providers that receive \$50,000 or more in funds will be audited every year.
  - B. Any provider audited the previous year that had a plan of correction will be audited the subsequent year.
  - C. Any provider "exempted" the previous year will be audited the subsequent year.
  - D. A provider can be "exempted" for the yearly audit if they received an audit the year before that did not contain a plan of action.
  - E. Every provider must be audited at least every-other year.
  - F. If a provider will no longer be providing services in the future, a final audit will be conducted, even if they were audited the year before with no plan of correction.
3. After receipt of final Sub-Recipient Financial Forms in February, providers will be notified and the visit will be scheduled. The organization will be sent a standard letter detailing the date and time of the audit, along with a list of items that must be available for the AAA7 staff members to review.
4. The review will consist of the following:
  - A. One month of records for each service will be reviewed to confirm that the delivery records match the amount the organization invoiced for that month. If there is a margin of error of 5% or more, another month will be chosen and reviewed. If the second month also shows a margin of error of 5% or more, the entire year will be reviewed.

- B. Consumer files will be randomly chosen, per service, to review for all required documentation.
  - C. The organization's General Ledger, and all pertinent supporting documents, will be reviewed and documented to confirm the final Sub-Recipient Quarterly Financial Report. Copies of the information reviewed will be obtained to place in the audit file at AAA7.
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- 5. Copies of all service delivery records for the month(s) reviewed will be obtained from the provider to place in the audit file at AAA7.
  - 6. A letter will be sent to the organization recapping activities conducted and any issues discussed during the Exit Interview.
  - 7. All items used, obtained and created during the unit audit activity will be filed in the provider's Unit Service Audit for that year.