

PROGRAM 4 – COMMUNITY DEVELOPMENTAL DISABILITIES PROGRAM DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVE

The Community Developmental Disabilities Program is administered by the Division of Senior and Disabilities Services. Through this program a wide array of community-based supports and services are provided to individuals with developmental disabilities and their families. Typical services include, but are not limited to: respite care, supported employment, case management, day habilitation, and a variety of residential alternatives.

Services are driven by three central goals established in AS 47.80.110 to (1) maximize the potential of people with developmental disabilities and their families to participate in the cultural, social, and economic life in their community; (2) empower people with developmental disabilities and their families to determine individualized services needed in order to maximize their independence; and (3) provide individualized community based services.

II. PROGRAM PROCEDURES

To be eligible to receive services, a recipient must meet the eligibility criteria as defined by AS 47.80.900. It is the role of the DD Program Staff to make eligibility determinations, approve service plans, and assure compliance with grant reporting requirements.

Community Developmental Disabilities Grants (CDDG) are awarded to nonprofit organizations statewide to provide developmental disabilities community services and supports. Services are delivered in local communities throughout the state by these nonprofit grantee agencies and some services may be provided under the fee for service agreements provided in 7 AAC 81. CDD grantees must meet the provider certification requirements in 7 AAC 43.1090.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Grant funds under this program are used to assist nonprofit agencies in their attempt to integrate developmentally disabled persons into normal patterns of everyday life. These funds are used to support personnel, travel, supplies, equipment, facility expense and other cost categories necessary to sustain services as identified in the approved grant budget, special conditions, and program services specifications.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant.

**PROGRAM 4 – COMMUNITY DEVELOPMENTAL
DISABILITIES PROGRAM
DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

Review the following documents:

- a) Final Grant Agreement (GA) including all conditions;
- b) Grant revisions and related transmittal letters;
- c) Licenses, certifications, approvals status of private nonprofit corporation if applicable;
- d) Budget documents including final revised budget and budget narrative; and
- e) A copy of the most recent Request for Proposal(s)

2. **Compliance Requirement:** Costs allowed or disallowed under this program are determined by grant regulations 7 AAC 78.160 and approved budget documents and special conditions of the grants.

Suggested Audit Procedures:

- a) Review Department of Health and Social Services' grant regulations 7 AAC 78 and budget documents;
- b) Test financial and related records to determine the appropriateness of costs per 7 AAC 78; and
- c) Determine whether expenditures are within the budget limits prescribed by 7 AAC 78.260(f)(1).

B. ELIGIBILITY -

1. **Compliance Requirement:** The grantee must be a nonprofit agency or political subdivision meeting the requirements of 7 AAC 78.030. The auditor is not expected to make tests to verify the eligibility of clients served.

Suggested Audit Procedures: Review articles of incorporation or other appropriate documentation, licenses, certifications and approvals to determine status of agency.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENT -

There is no matching or level of effort requirements.

D. REPORTING REQUIREMENTS -

1. **Compliance Requirement:** The grantee must submit for approval a quarterly expenditure report in order to be advanced funds for the succeeding quarter.

Suggested Audit Procedures: Confirm that:

- a) Reports are being filed timely;
- b) Reported revenues and expenditures agree with the agency's general ledger; and
- c) Expenditures are within the budget limits or grant provisions.

**PROGRAM 4 – COMMUNITY DEVELOPMENTAL
DISABILITIES PROGRAM
DEPARTMENT OF HEALTH AND SOCIAL SERVICES**

2. **Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

- a) Reviews grant regulation 7 AAC 78.230.
- b) Review audit report for compliance with the above.

3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the state as payable to the state. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

- a) Determine whether or not the agency has any outstanding liability to the state.
- b) Reviews grant regulation 7 AAC 78.230.
- c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

1. **Compliance Requirement:** The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures:

- a) Obtain copy of program site review; and
- b) Determine if recommendations in the site review are being implemented.