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DIVISION OF PUBLIC AND BEHAVIORAL HEALTH

BUREAU OF BEHAVIORAL HEALTH WELLNESS AND PREVENTION

Management Oversight Team

Management Memorandum 16-003

**DATE:** June 15, 2016

**TO:** Current and Eligible Subrecipients, Contractors and State Agencies

**FROM:** Kevin Quint, Bureau Chief *kmq*

**SUBJECT:** Response to Frequently Asked Questions Regarding the Subrecipient Audit Policies and Requirements

1. **Question:** In determining the total of federal and state awards, do you mean for all programs or just the Bureau of Behavioral Health Wellness and Prevention (Bureau)?

**BHPT Response:**

For the purposes of determining which audit requirement your organization is required to meet for federal regulatory and program specific compliance, your organization must consider all federal and state grant funding expended in the fiscal year from any source.

- a. **Single Audit methodology:** requires a total accounting of all federal funds expended by your organization to establish a single audit requirement. This includes all federal funded direct and indirect subgrants paid to/or passed through your organization.
- b. **Limited Scope Audit methodology:** requires a total accounting of all federal and state funds expended by you organization to establish the limited scope audit requirement. This includes all federal and state funded direct and indirect subgrants paid to/or passed through your organization.

- c. **Year-End Financial Report:** requires a total accounting of all federal and state funds expended by your organization to establish the Year-End Financial Report requirement. This includes all federal and state funded direct and indirect subgrants paid to/or passed through your organization.
2. **Question:** In the requirements for a Limited Scope Audit, it discusses only BHPT funds, but then also references financial statements to be audited in accordance with under generally accepted auditing standards (GAGAS)? Would the limited scope audit relate to all funding or just the BHPT funds?

**BHPT Response:**

Under the limited scope requirement, the scope of the audit would be limited to just BHPT funded sub-grants, such as the SAPT Block Grant, CMHS Block grant, PFS, PATH, CABHI and State general funded grants.

3. **Question:** If an organization exceeds the \$750,000 state and federal threshold for funding and has an annual audit of its complete organizational financial statements, would that audit suffice for the annual requirement as long as the source of funds are disclosed?

**BHPT Response:**

If the organization chooses to select an annual single audit of its complete organization in place of a limited scope audit this would meet the BHPT requirements.

4. **Question:** Would that audit need to be performed under GAGAS?

**BHPT Response:**

Yes, it is the expectation that all Certified Public Accountant (CPA) conducted audits are conducted/performed in accordance with the GAGAS in accordance with federal regulations.

If you have any questions please do not hesitate to contact the Management Oversight Team directly at (775) 684-2220, [MOT MM@health.NV.GOV](mailto:MOT_MM@health.NV.GOV) or visit the Management Oversight Team webpage at <http://dpbh.nv.gov/Programs/ClinicalSAPTA/dta/Partners/MOT/>.