# **External Audit Process**

The Bureau of Services to the Blind and Visually Impaired will contract for an audit to be conducted every other year for each vending facility with gross revenues of $150,000 or more. The Contractor will be associated with the State only for the purposes and to the extent specified in the contract.

# **External Audit Procedure for Policy**

1. Prior to the end of each state fiscal year, the Management Analyst III (MAIII) will

Establish an audit schedule for the subsequent year. The Operators listed on the schedule will be determined by an examination of special reviews and/or by a

review of the previous twelve months Profit and Loss Statements submitted to the Bureau (State Licensing Agency) or other special review documents.

1. The MAIII will contract the auditors to facilitate completion of audits according to

the audit schedule.

3. Audit reports will be given to the Operator and Program Chief, and one copy will be filed in the Operator’s Permanent File.

4. Recommendations made in the audit will be evaluated for development of an action plan by the Program Chief. The Program Chief and Operator will develop the action plan. The Program Chief will monitor and evaluate this plan for compliance as determined appropriate, but no less than quarterly.

5. All audit findings will be reviewed for identification of training needs and incorporated into the annual training plan by the Program Chief.

**Required Reports**

1. The Auditor’s report on the financial statements showing total expenditures and revenues for the facility.

2. The Auditor’s report on the study and evaluation of internal control, operational control, and financial control systems designed and implemented to provide reasonable assurance that the facility is being managed in compliance with applicable laws and regulations.

3. The Auditor’s compliance report containing:

* A statement of positive assurance with respect to those items tested for compliance with laws, rules and regulations pertaining to the BEN program and other items which could have a material effect on financial reports.
* A statement of negative assurance on those items not tested.
* A summary of all instances of noncompliance.

4. The Auditor’s report on the facility operations, the adequacy of the Operator’s control and any recommendation to improve the operation of the facility.

5. The Auditor’s working papers shall be retained by the Auditor for at least three (3) years and shall be available for SLA (bureau) examination. The SLA will pay for the costs of the audits from set-aside funds.