

<b>Region 9 AAA</b>	<b>Local Policy #</b>	<b>22</b>
<b>Policy</b>	<b>Name: Provider Fiscal Assessment Policy</b>	
<b>Original Policy Date:</b>	<b>May 2018</b>	
<b>Review/Revise Date:</b>		

**Policy:**

It is the policy of Region 9 Area Agency on Aging (AAA) to conduct a formal on-site fiscal performance assessment in accordance with the Michigan Aging and Adult Services Agency Standards, Generally Accepted Accounting Principles (GAAP) and the AAA Local Policies; however, an exception may be made for low-risk providers. Low risk providers must have a minimum of one on-site fiscal assessment during the AAA’s multi-year area plan cycle under which the provider is funded. A low risk provider is defined as a provider who does not trigger any of the risk factors listed below.

This policy is applicable to AAA grant-funded providers and does not apply to MI Choice contract providers.

**Purpose:**

To streamline the assessment process while ensuring that service programs for older persons are being operated in accordance with service contracts, in compliance with State and Federal standards/regulations, and that the intended benefits are being realized by older persons.

**Procedure:**

1. All Providers will be reviewed for risk factors that determine the need for an on-site fiscal Assessment. The Risk Factors are as follows:
  - a. New Director and/or Fiscal Officer
  - b. Significant Findings/questioned costs from the provider’s single audit(s)
  - c. Financial Services Report inadequate, inaccurate, or consistently late
  - d. Policy board controversy on fiscal, regional or legal issues
  - e. Vendors/providers not being paid
  - f. Taxes paid late or not at all, and are currently unresolved
  - g. Unresolved and/or significant fiscal assessment findings in the previous assessment
  - h. Change in Accounting system
  
2. If one or more of the above items have occurred, an on-site fiscal assessment may be conducted for that provider.
  
3. For those providers that do not trigger any of the risk factors above, Region 9 Area Agency on Aging will ensure that one on-site fiscal assessment during the multi-year area plan cycle is conducted.