CITY OF PHILADELPHIA
DEPARTMENT OF BEHAVIORAL HEALTH AND MENTAL RETARDATION SERVICES

M E M O R A N D U M

April 27, 2006

TO : Executive Directors of all Agencies Participating in the Philadelphia Behavioral Heal/Mental Retardation Program

Fiscal Directors of all Agencies Participating in the Philadelphia Behavioral Health/Mental Retardation Program

FROM : Michael J. Covone, Deputy Director
Department of Behavioral Health and Mental Retardation Services

SUBJECT: **FY 06 AUDIT SUBMISSION DEADLINE**

This memo is to remind you that according to the Philadelphia Subrecipient Audit Guide all DBH/MRS audits are due one hundred twenty (120) days after the end of your Fiscal Year. For those agencies with a fiscal year ending June 30th, **five (5) copies of the audit reports are due October 30, 2006**. If this deadline cannot be met, in accordance with the City's Subrecipient Audit Guide (Sec 104.06), the Independent Public Accountant must submit, on their letterhead, the request for an extension. **In that letter the auditor must explain the reason for the delay and the projected date of the audit submission.**

Failure to submit the audit report by the deadline and not requesting an extension will jeopardize your agency's consideration for any retained revenue allowance and reimbursement for budget overages. Failure to submit the audit may also jeopardize your quarterly advance payment. Furthermore, Sec 104.07 of the Subrecipient Audit Guide states, that the City may impose sanctions when an audit is not submitted timely, and an extension request has not been approved.

Audit requirements for Federal, PA Department of Public Welfare, and City funding are on the attached schedule. For funding sources not included on the DBH/MRS Audit Requirements Schedule, please refer to the contract or award letter for these funds. Agencies that are required to submit an A-133 or yellow book audit report must include **an audited Program Activity Invoice Summary**. Agencies that are not required to submit an A-133 or yellow book audit must submit corporate financial statements that include contract schedules (**audited Program Activity Invoice Summary**) in order to verify expenditures invoiced. For additional information on audit requirements please see the following web site. (www.phila.gov/city dept/finance dept/online reports/budget& finance matters/fy2005 subrecipient audit/sec 6300page31) The auditor can use the FY05 audit guide until the FY06 is ready.

I must insist upon the cooperation of your staff and audit firm in giving our reports the appropriate priority that they deserve.

In addition, in order to fulfill our monitoring responsibilities, we need to have a formal record of the audit firm that will perform your FY 2006 audit. By June 30, 2006 please complete the attached form and send it with a copy of your auditors' most recent peer review letter via email to MARC.WEXLER@PHILA.GOV, fax to 215.685.5348 or by mail to:

Mr. Fred Gauss, Contract Audit Supervisor
Dept. of Public Health Audit Unit
1101 Market Street 10th Floor
Philadelphia PA 19107-2981

When the Audit Reports are completed, please mail them to Mr. Fred Gauss at the above address.

Please contact Fred Gauss at 215.685.5310 or Marc Wexler at 215.685.5313 with any audit questions.

cc: Louis Sannutti, Joe Toner, Fred Gauss, Fiscal Analyst

File/g/2006 auditreq/memo.word