

Audit Engagement Submission Requirements for Subrecipients Fiscal Year 2021

For Subrecipients that expended \$750,000 or more of total federal funds from **all** federal departments during its fiscal or calendar year that ended between July 1, 2020 and June 30, 2021.

It is Mandatory to Submit ALL FOUR (4) Documents below **By Deadline – Monday, August 30, 2021.**

1. **Notice of Engagement - Subrecipient Audit Notification of Engagement of Independent Auditor.**
2. **Audit Engagement Letter (must be signed by both Agency and Auditor) -** If your Agency's 2021 audit is part of a multiple year audit engagement, submit a copy of the applicable multiple year audit engagement letter.

The **Audit Engagement Letter must include the following two (2) clauses:**

- i. The audit scope must make reference to being performed in accordance with the City of Philadelphia Subrecipient Audit Guide.
 - ii. The audit engagement letter must have a clause that permits access to work papers by representatives of DHCD or its designees and/or to pass through agencies.
3. **Peer Review** (most recent) of your Agency's auditor.
4. **Cover letter** (See Notes 1 and 2 below for specific requirements).

NOTE 1. Cover Letter must answer the following two (2) questions:

A. Whether your Agency used or would use any source of Federal funds passed through DHCD to pay for its 2021 audit?

- If your Agency did or will use Federal funds passed through DHCD for its 2021 audit – See NOTE 2 below.
- If your Agency did not or will not use Federal funds passed through DHCD for its 2021 audit – include a statement in your cover letter stating that “Agency did not (or will not) use Federal funds passed through DHCD to pay for its 2021 audit.”

B. Whether your Agency, for its 2021 audit, is in the second or other identified subsequent year of a specified multiple-year Audit Engagement?

NOTE 2. If any source of Federal funds would be used to pay for your Agency's 2021 audit, you must follow the Independent Public Accountant Selection Process and its submission requirements (see “Documenting how you paid for your audit” in the Auditing section of the DHCD website).

Submit the above four (4) documents **by Deadline – Monday, August 30, 2021,** either **electronically to: DHCD.Auditing@phila.gov**

or by mail to:

DHCD Audit Unit
Attn: Brent Carter
1234 Market Street, 17th Floor
Philadelphia, PA 19107