

## ATTACHMENT R – ANNUAL AUDIT REPORT REQUIREMENTS (REVISED)

### ANNUAL AUDIT REPORT REQUIREMENTS

The audit submitted must be expanded to include procedures that give assurances of program integrity, compliance with applicable laws and regulations, and the propriety of use of funds. It must contain all of the following:

- Statement that the Generally Accepted Accounting Principles and the Generally Accepted Auditing Standards established by the American Institute of Certified Public Accountants was followed.
- External Independent Auditor’s Opinion Statement on Financial Statements.
- Report on Compliance and Internal Control.
- Comments on Prior Audit findings and completion of Corrective Actions, if applicable.
- Financial Statements
  1. Classified Balance Sheet(s) (Statements of Financial Position);
  2. Statement of Revenues and Expenses (Statements of Activities);
  3. Statement of Cash Flow;
  4. Statement of Functional Expenses
    - a. Program
    - b. Support
  5. Notes to the Financial Statements
- Schedules
  1. Schedule of cash receipts and disbursements for all identified programs;
  2. Schedule of comparison of budgeted expenses to actual expenses;
  3. Schedule of computation of rate determination for actual cost of care per month;
  4. Schedule of comparison of payment rate to actual rate from 3 herein; and
  5. Schedule of determination of overpayment and underpayment per service function.

For Contractors having more than one contract with SSA, discrete Financial Statements and Other Schedules must be provided for each contract, i.e., there must be an audit of each entity as well as a separate accounting for each SSA- funded program. Contractor having contracts with other units of DHS or other Executive Departments of the State of Maryland, other States, Federal sources, etc., must list each source of revenue, amount of contract, services provided, etc., separately.

The annual audit report of the Contractor’s financial records must be submitted from an independent certified public accountant to the Social Services Administration, 311 W. Saratoga Street, 5th Floor, Baltimore, MD 21201, Attn: Audit Coordinator, and the Office of the Inspector General, 1525 N. Calvert Street, 7<sup>th</sup> Floor, Baltimore, MD 21201, in the format specified by December 2<sup>nd</sup> of each year. Submission of this report to another party does not fulfill this requirement.