**ATTACHMENT I – ANNUAL AUDIT REPORT REQUIREMENTS**

**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.
* Opinion Statement on Financial Statements.
* Report on Compliance.
* Comments on Prior Audit findings and completion of Corrective Actions, if applicable.
* Financial Statements

1. Balance Sheet,

2. Statement of Revenue and Expense, and

3. Functional Distribution of Expenses

a. Basic Care

b. Special Education

c. Management and General

Other Schedules

1. Identification of the specific sources of funds received;

2. Comparison of budgeted expenses to actual expenses;

3. Computation of rate determination for actual cost of care per month;

4. Comparison of payment rate to actual rate from 3; and

5. 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, Office of Budget and Central Services, 25 Charles Street, 11th Floor, Baltimore, MD 21201, Attn: SSA Administrative Specialist and the Office of the Inspector General, 100 S. Charles Street, Room 1608, Baltimore, MD 21201 in the format specified by December 2, 20XX Submission of this report to another party does not fulfill this requirement.