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**MEMORANDUM**

**DATE:** August 14, 2017  
**TO:** Executive Directors and Fiscal Officers  
Preventive Service Contract Agencies  
**FROM:** David Brandwein, Chief Operating Officer  
**SUBJECT:** Child Welfare Audit Instructions and Updates



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**Designation of Funding**

Agencies that receive preventive service funds are designated as contactors. Please see below for your funding designation:

**Federal Subrecipient**

- Head Start
- Community Development Block Grant (CDBG)

**Contractor**

- NYS Child Care Block Grant (Child Care)
- Foster Care
- Preventive Services

If your agency expends more than \$750,000 in federal subrecipient funds, you must still file a single audit. However, do not include any funds designated as contractor in your single audit report.

**Due Dates**

For agencies on a fiscal year schedule, the due date for submission of FY 2017 year-end audited financial statements is January 31, 2018, and for agencies on a calendar year, the due date for CY 2017 year-end audited financial statements is July 31, 2018. All audits submitted after the due dates will be considered late.

## **Late Audits**

- Extensions will not be granted.
- Late audit submissions will affect the agency's fiscal performance evaluation.
- If an agency has missed the deadline for audit submission, the agency must provide a letter signed by the CFO or CEO providing an explanation for missing the deadline and an estimated date of audit submission.
- An agency who fails to meet their due date is required to submit a Corrective Action Plan (CAP) to ACS providing a strategy for ensuring timely submission for the following year.

## **Digital Audit Documentation Policy**

Certified Public Accountants (CPAs) hired by City agencies, or auditors authorized by City agencies to conduct audits of human service contracts, must collect documents during the audit planning exclusively through the HHS Accelerator document vault.

The document vault may also be used to transfer additional documents needed by the CPA or authorized auditor during the course of the audit. The recommendation excludes audit sample documents that would be reviewed on site by the auditors. For a complete list of documents, please see ACS's preventive audit instructions at: <http://www1.nyc.gov/site/acs/about/child-welfare-providers.page>

## **Performance Based**

Up to 10% of funding is not distributed by ACS until the contractor reaches performance targets for the following programs:

- General Preventive (GP)
- Family Treatment Rehabilitation (FTR)

The audits will be based on the final approved budgets for GP and FTR contractors.

## **Accelerator Financials**

Contractors that are paid in Accelerator Financials (AF) are now required to invoice audit closeout amounts due to their agency, through AF.

When submitting your invoice via AF:

1. Scan and attach the following documents to each audit closeout amount invoiced:
  - a) Final closeout [due from ACS] letter
  - b) Final closeout report
2. Submit each invoice separately for each contract.

Payment requests submitted without documentation as described above will not be processed. For programs without contracts in AF, your closeout payment process will not change for Fiscal Year 2016.

## **Submission of Financial Statements**

Child Welfare contractors must submit their year-end audited financial statements and schedules to Child Welfare Audit Director Jenny Nakas via e-mail at [Jenny.Nakas@acs.nyc.gov](mailto:Jenny.Nakas@acs.nyc.gov) and a hard copy to:

Administration for Children's Services  
Division of Financial Services, Audit and Banking  
150 William Street, 10thFl.  
New York, NY 10038  
Attn: Marcia Gilliard, Assistant Commissioner

If you have any questions about these instructions, please contact Jenny Nakas at (212) 442-1619 or at [Jenny.Nakas@acs.nyc.gov](mailto:Jenny.Nakas@acs.nyc.gov)

Thank you for your cooperation.

CC: M. Gilliard, J. Nakas, P. Lapierre, Audit Liaisons