



COMMONWEALTH OF VIRGINIA
DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES

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Commissioner

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MEMORANDUM

TO: Executive Directors
Area Agencies on Aging

FROM: Tim Catherman

DATE: October 10, 2012

SUBJECT: Policy Update – Audit Due Date

Section 10.4 of the FY'13 Area Plan Contract on Audit due date has been modified. For the current year it reads,

For all Area Agencies on Aging (AAAs), the current year audit or agency-wide financial review shall be submitted to the State Agency no later than December 15 of each year. If, for reasons not within the control of the Area Agency, this report cannot be submitted by this time, the Area Agency shall make a written request for an extension of time. A justifiable extension for an audit or agency-wide financial review may be granted. **The request for an extension must be received by December 15.** Submission of an audit or review report beyond the granted extension or an audit report that does not meet specific state and federal requirements may result in withholding of payments until the audit or independently reviewed financial statements is received and found to be consistent with all requirements.

Prior year language allowed only one 30 day extension. The new language allows more flexibility. DARS-VDA encourages agencies to comply with the December 15 deadline. However, if that timeframe does not seem possible please submit a request prior to December 15 stating when the audit will be completed.

When making the request please be aware of the following:

- The [Federal Audit Clearinghouse](#) normal due date is to submit the audit within 30 days after receipt of the report or 9 months after the end of the fiscal year.

- DARS-VDA must receive the audit, review the report, examine the financial statements, and verify schedules A, B, and C. If there are discrepancies between our records and the report, DARS-VDA may ask for the audit to be corrected. This process takes time, often months. As stated in the contract above and the DARS-VDA regulations, payment may be withheld until the audit is received and found to be consistent with all requirements.
- Finally good accounting practices should ensure the agency's records are closed shortly after the year-end and the records provided to the auditor.

If you need to request an extension, please send your request to Marica Monroe at Marica.Monroe@dars.virginia.gov with a copy to Solomon Girmay at Solomon.Girmay@dars.virginia.gov prior December 15.