

Timely Submissions of Audits:

To avoid a Late Presumptive Failure (LPF) score of zero and a Substandard Financial Public Housing Assessment System (PHAS) designation, we encourage Public Housing Agencies (PHA) to submit their Audited Financial Submission as soon as the audit fieldwork is completed and the audit report has been issued by the Independent Public Accountant (IPA). We have noticed that some LPF scores of zero and PHAS Substandard Financial designations commonly occur as a result of a PHA's failure to complete the Financial Assessment Subsystem (FASS) Audited Submission procedures by the submission due date, nine months after the PHA's fiscal year end (FYE). Specifically, many of the IPA Audit Reports are completed and issued to the PHA well before the nine month due date. In this case, we encourage early submission of the audited submission for the following reasons:

- Allows both the PHA and PIH-REAC time to resolve contentious issues and;
- Reduces the possibility of a PHA being Late Presumptively Failed due to submission of an unacceptable audit.

OMB Circular A-133 section .320 states that the audit should be submitted within the *earlier* of 30 days after receipt of the auditor's report(s) or nine months after the end of the audit period. Though the PHAS regulation and the Uniform Financial Reporting Standards Rule (UFRS) gives PHA's up to nine months after the end of the audit period to submit their audit(s) to PIH-REAC, housing authorities are strongly encouraged to submit before the nine month deadline.

If you have any questions, please contact your FASS-PH Analyst or Assessment Manager.