



State of Utah

GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

DEPARTMENT OF HUMAN SERVICES

ANN SILVERBERG WILLIAMSON  
Executive Director

DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH

DOUG THOMAS  
Director



Date

XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX

Re: Division of Substance Abuse and Mental Health Auditor Request

Dear XXXXXX:

In anticipation of the Center’s annual audit, the Division of Substance Abuse and Mental Health requests that the independent auditors examine specific items in the course of their fieldwork. As provided in the contract, Part IV Section C 1 c (3): Allow *DHS/DSAMH to prescribe specific items to be addressed by the Local Authority and/or its subcontractor’s audit based on particular needs and concerns...*, the Division requests that the specific areas listed on page 3 of this letter be addressed during the course of this audit. At the conclusion of the audit, please instruct the auditors to provide the Division of Substance Abuse and Mental Health with the following:

- Copies of Federal and State compliance audits
- The management letter
- A written report of their work in these areas and suggested recommendations

Please also submit a signed certification of audit review to the Division once the audit is completed as required by statute (UCA 62A-15-110). The applicable forms (*Certification of Audit Review by Local Authority* and *Certification of Audit Review by County*) can be found at [dsamh.utah.gov/ct.htm](http://dsamh.utah.gov/ct.htm).

Thank you,

Chad Carter  
Auditor IV  
Department of Human Services  
Division of Substance Abuse and Mental Health

As allowed by the contract, the Division of Substance Abuse and Mental Health requests that the following specific items be identified, tested, and reported directly to the Division.

Cost Allowability:

Part IV of the contract outlines cost accounting principles and financial reporting. The determination of cost allowability is defined by Federal and Department of Human Services Cost Principles found at [http://www.hsofo.utah.gov/files/cost\\_principles/DHS%20Cost%20Principles.pdf](http://www.hsofo.utah.gov/files/cost_principles/DHS%20Cost%20Principles.pdf). It is the desire of the Division to receive an acceptable level of confidence that costs reported in the financial statements are allowable under these cost accounting principles.

Executive Compensation:

Determine if policies/internal controls have been established that require review and approval of compensation for officers and directors. Determine if the director and officer salaries have been officially approved by the entity's governing board as documented in board minutes.

Policies and Procedures:

Are the organization's accounting policies sufficiently worded to cover appropriate accounting issues? Are there effective procedures in place to ensure that they follow these accounting policies?

Prior Audit Findings:

Please follow up and report the present status of any findings from the prior independent auditor's report.