

ATTACHMENT A

AUDIT CLAUSE E

SUBRECIPIENT / CONTRACTOR AUDITS EXCEPTIONS

AUDIT CLAUSE E – CONTRACTOR

The Commonwealth of Pennsylvania, Department of Human Services (DHS), other state agencies, and federal agencies, or their authorized representatives, may perform financial and performance audits. If an audit of this contract is to be performed, the contractor will be given advance notice.

The contractor shall maintain books, records, and documents that support the services provided, that the fees earned are in accordance with the contract, and that the contractor has complied with contract terms and conditions. The contractor shall make available, upon reasonable notice, at the office of the contractor, during normal business hours, for the term of this contract and the retention period set forth in this Audit Clause, any of the books, records, and documents for inspection, audit, or reproduction by any state or federal agency or its authorized representative.

Except when a longer period is stated in the contract, the contractor shall preserve all books, records, and documents related to this contract for a period of time that is the greater of five years from the contract expiration date, until all questioned costs or activities have been resolved to the satisfaction of DHS, or as required by applicable federal laws and regulations. If this contract is completely or partially terminated, contractor shall preserve the records relating to the work terminated and make available for a period of five years from the date of any resulting final settlement.

The contractor shall retain and shall make available or provide to DHS at DHS's option those records that relate to litigation or the settlement of claims arising out of performance or expenditures under this contract, until such litigation, claim, or exceptions have reached final disposition.

Except for documentary evidence delivered pursuant to litigation or the settlement of claims arising out of the performance of this contract, the contractor may retain records as required by this Audit Clause using photographs, microphotographs, or other acceptable reproductions of such records, after the expiration of two years following the last day of the month of reimbursement to the contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by DHS.