

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

February 19, 2013

Honorable Alan Butkovitz
City Controller
Office of the Controller
City of Philadelphia
Room 1230, Municipal Services Building
Philadelphia, PA 19102

We have performed the procedures enumerated below, which were agreed to by the Post-Audit Division, City of Philadelphia, Office of the Controller (the Division), solely to assist you in evaluating management's assertion about the Division's compliance with Sections 6-400(c), 6-400(d), 6-401, 6-403, 6-404, and 12-210 (applicable sections) of the City of Philadelphia Home Rule Charter and the fourth general standard for governmental auditing during the years ended June 30, 2011 and 2010, included in its representation letter dated February 19, 2013. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Post-Audit Division, City of Philadelphia, Office of the Controller. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Procedures

We compared the Division's written policies and procedures for quality control to the applicable quality control standards issued by the American Institute of Certified Public Accountants (AICPA), as listed below:

- Independence
- Assigning personnel to engagements
- Consultation
- Supervision
- Hiring
- Professional Development
- Advancement
- Inspection

Findings

We noted that the Division's written policies and procedures for quality control conform with applicable quality control standards issued by the AICPA, as listed above.

Procedures

We compared policies and procedures of the Division for matters other than quality control included in the Division's manuals to the policies and procedures required by *Government Auditing Standards*, issued by the Controller General of the United States.

Findings

We noted that the Division's policies and procedures for non-quality control matters were comprehensive and appropriate.

Procedures

We reviewed selected working papers on selected engagements (City-wide, School District, and the City-wide and School District Single Audits) using the applicable checklists in the AICPA Peer Review Program Manual which specifies standards for peer reviews promulgated by the Peer Review Board of the AICPA.

Findings

None.

We were not engaged and did not conduct an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Post-Audit Division, City of Philadelphia, Office of the Controller and is not intended to be and should not be used by anyone other than this specified party.

Yours sincerely,

