

GATA Audit Requirements

The audit requirements adopted by GATA include the adoption of the federal audit requirements (2 CFR 200.501), audit requirements for grantees and subrecipients that do not meet the federal audit requirements and audit requirements for “For Profit” subrecipients.

Audit Types

- a) Awardees, excluding for-profits, that expend \$750,000 or more during the non-federal entity's fiscal year in federal awards (federal pass-through and direct federal funds) must have a single audit conducted in accordance with UR section 200.514. Awardees meeting certain requirements may elect to have a program-specific audit conducted in accordance with UR section 200.507.
- b) Awardees that expend less than \$750,000 during the non-federal entity's fiscal year in federal awards (federal pass-through and direct federal funds) from all sources are exempt from federal audit requirements for that year. These non-federal entities are not subject to the single audit requirements.
- c) Awardees that expend less than \$750,000 in direct federal and federal pass-through funds from all sources are subject to the following audit requirements:
 - 1) Awardees that expend \$500,000 or more in State-issued awards, singularly or in any combination and are not subject to the single audit:
 - A) Must have a financial statement audit conducted in accordance with GAGAS; and
 - B) If deemed to be high risk based on the grantee's overall risk profile (obtained from the Financial and Administrative Risk Assessment, the Merit Review, or the Programmatic Risk Assessment mandated by UR section 200.331):
 - i) Must have an audit conducted in accordance with GAGAS; and
 - ii) Are required to undergo either an on-site review conducted by the State Cognizant Agency or an agreed-upon procedures engagement, paid for and arranged by the pass-through entity or pass-through entities in accordance with UR section 200.425.
 - 2) Awardees that do not meet the requirements in subsection (c)(1) but expend \$300,000 or more in State-issued awards, singularly or in any combination, from a State awarding agency, during the awardee's fiscal year must have a financial statement audit conducted in accordance with GAAS.
 - 3) If the grantee is a Local Education Agency (as defined in 34 CFR 77.1), it must have a financial statement audit conducted in accordance with GAGAS, as

required by 23 Ill. Admin. Code 100.110, regardless of the dollar amount of expenditures of federal pass-through and State-Issued Awards from a State awarding agency.

- 4) If the grantee does not meet the requirements in subsections (a) and (c)(1) through (c)(3) but is required to have a financial statement audit conducted based on other regulatory requirements, it must submit those audits for review.
- d) For-profit Awardees. The pass-through entities are responsible for ensuring awardee compliance with established requirements. Methods to ensure compliance for State-issued awards to for-profit subrecipients may include pre-award audits, monitoring during the agreement period of performance, and post-award audits. See also UR section 200.331 (Requirements for Pass-through Entities).
- 1) For-profit Awardees Audit Requirements. For-profit awardees who expend \$750,000 or more in federal pass-through funds from a State awarding agency during the awardee's fiscal year must have a program-specific audit conducted in accordance with UR section 200.507 (Program-specific Audits).
 - A) State awarding agencies must provide the awardee the program-specific audit guide, when available.
 - B) If a program-specific guide is not available, the auditor and auditee have the same responsibilities for the program as they would have for a major program in a single audit.
 - 2) For-profit awardees who expend less than \$750,000 in federal pass-through funds from a State awarding agency during the awardee's fiscal year must follow the audit requirements in subsections (c)(1) through (c)(4).
- e) Awardees who do not meet the requirements in subsection (c) or (d) but have audits conducted based on other regulatory requirements must submit those audits for review.

Submission Requirements

- f) Single Audit and Program Specific Audit Report Submission. Single audits conducted in accordance with this Section, including any program or regulatory audit requirements, must be completed and the reporting package described in subsection (g) must be submitted by the awardee to the Federal Audit Clearinghouse, as required by UR section 200.512 and the Grantee Portal, within the earlier of 30 calendar days after receipt of the auditor's reports or 9 months after the end of the awardee's audit period. If the due date falls on a Saturday, Sunday or State/federal holiday, the reporting package is due the next business day.

- g) Financial Statement Audits conducted in accordance with this Section must be completed and the reporting package described in subsection (h) must be submitted by the awardee using the Grantee Portal within the earlier of 30 calendar days after receipt of the auditor's reports or 6 months after the end of the awardee's audit period. If the due date falls on a Saturday, Sunday or State/federal holiday, the reporting package is due the next business day.
- h) Reporting package submissions must include:
- 1) For Single Audit and Program Specific Audit submissions:
 - A) All items identified in UR section 200.512(c);
 - B) Management letters issued by the auditors, and their respective corrective action plans if significant deficiencies or material weaknesses are identified; and
 - C) Consolidated Year-end Financial Report with an "in relation to opinion".
 - D) A copy of the results of the most recent peer review of the audit firm.
 - 2) For Financial Statement Audit submissions:
 - A) Financial Statements;
 - B) Summary schedule of Prior Audit Findings, when applicable;
 - C) Auditor's report;
 - D) Corrective Action Plan (when Audit Report identifies findings);
 - E) Management letters issued by the auditors, and their respective corrective action plans if significant deficiencies or material weaknesses are identified; and
 - F) Consolidated Year-end Financial Report with an "in relation to opinion";
 - G) A copy of the results of the most recent peer review of the audit firm.
 - 3) Awardees that are not required to have an audit conducted must submit a Consolidated Year-end Financial Report using the Grantee Portal.

PLEASE REFER TO THE FULL [Audit Report Review Process Manual](#) FOR ADDITIONAL INFORMATION