

GATA – Ensuring Efficiency and Effectiveness

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Overview

Audit Report Review Process

Parent/child audit submissions

Grant award reconciliations

Peer reviews

Sub-standard audits

Audit Report Review Process

Centralize Audit Report Review Process – Objectives

- Remove duplication by awarding agencies and grantees that receive grants from multiple agencies
- Use state agency collaboration to accept corrective action plans (CAP) for audit findings
- Reduce grantee CAP rewrites when multiple agencies must accept the plan

Centralize Audit Report Review Process – Objectives

- Ensure audits are conducted in accordance with respective auditing standards, allowing awarding agencies to place greater reliance on the audit results as part of overall monitoring requirements
- Provide technical assistance on audit requirements, interpretation of audit results and proper corrective action to avoid repeat audit findings
- Take proper action when a substandard audit has been conducted
- Automate the Audit Report Review process

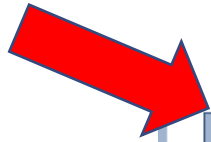
Audit Submission Due Dates

- Single Audits
 - Submitted to Federal Audit Clearinghouse (FAC) within 30 days after receipt of the auditor's report(s) but no later than nine (9) months after the grantee's fiscal year end
 - Additional submission requirements (CYEFR, Peer Review, Management Communication letters) submitted to the GATA Grantee Portal immediately after the FAC submission
 - Entities subject to audit by the Illinois Office of the Auditor General (OAG) must submit to the GATA Grantee Portal within 30 days after receipt of the auditor's report(s)

Audit Submission Due Dates

- Financial Statement Audits (including CYEFR, Peer Review, Management Communication letters)
 - Submitted to the GATA Grantee Portal within 30 days after receipt of the auditor's report(s) but no later than six (6) months after the grantee's fiscal year end
 - Entities subject to audit by the OAG must submit to the GATA Grantee Portal within 30 days after receipt of the auditor's report(s)

State Data Collection Form



Step 4 - Data Collection Form

The data collection form gathers information about the audit. It is used to search, filter and route the audit through the review process. It is due immediately after the audit package upload.

Data Collection Form

- Single Audits and Program Audits
 - Auto populated and submitted with data from FAC Data Collection Form
- GAGAS and GAAS Audits
 - Grantee must complete

State Data Collection Form

**Illinois Grant Accountability and Transparency Act
Grantee Portal - Data Collection Form**

[Grantee Portal](#) / [Audit Reviews](#) / [Audit](#) / Data Collection Form

CPA Firm Information	
CPA Firm Name	
CPA FEIN	
CPA Address	Address 1: Address 2: City: State: IL Zip: 62706
CPA Contact	Name: Title: Email: Phone:
Date Signed By CPA	
Multiple CPAs	No

Grantee Information	
Enter the FEIN numbers of the organizations covered by this audit	
Enter the DUNS numbers of the organizations covered by this audit	

Audit Package Information

Was this audit prepared in accordance with generally accepted accounting principles (GAAP)?
Yes

What was the auditor's opinion on the financial statements?
Unmodified opinion;

Is a "going concern" emphasis-of-matter paragraph included in the audit report?
No

Is a significant deficiency in internal control disclosed?
No

Is a material weakness in internal control disclosed?
No

Is a material weakness or significant deficiency disclosed in the Management Letter (AU325)?
No



Parent/Child Relationships

Parent/Child Relationships

Local Governments

- Central department responsible for the overall financial reporting of the local government
- Various offices or departments operate independently

Large Organizations

- Large Hospitals
- Nonprofits with multiple locations

Parent/Child Grantee Portal Registrations

Each Department/Division Registers and

- ▶ Must have a unique DUNS number
 - Must be active in SAM.gov
- May have different FEINs
 - FEIN must match DUNS number in SAM.gov
 - One FEIN can be associated to multiple DUNS numbers
 - Must identify Parent registration
- Must complete a Fiscal and Administrative Internal Control Questionnaire
- Must complete an Indirect Cost Rate election
 - Must have a Central Services Cost Allocation Plan

Parent/Child Audit Requirements

- Per federal requirements, all grants are subject to audit
 - Illinois adopted federal requirements for State funded grants
 - Organizations may not meet threshold requirements to have audit conducted, certification is required
- All department/divisions of the organization can be covered by:
 - One audit
 - Multiple audits
- GATA registration does not dictate the audit coverage
 - Generally, audit coverage dictates GATA registration
 - Also, Indirect Cost Rates for local governments

CYEFR Reconciliation

CYEFR – Three Sections

- Expenditures of grant funding received from State (State and Federal pass-through funds)
 - CYEFR is pre-populated with program data from the CSFA
 - If a program is not pre-populated, grantee must add the program
- Expenditures of other grant funding received (direct federal, federal pass-through from other sources and other sources)
- Expenditures not related to grants (all sources)

CYEFR Prepopulated

**Illinois Grant Accountability and Transparency Act
Grantee Portal - Audit Consolidated Year-End Financial Report**

[Grantee Portal](#) / [Audit Reviews](#) / [Audit](#) / [CYEFR](#)

	CSFA #	Program Name	\$ State	\$ Federal	\$ Other	\$ Total
<input type="button" value="View"/>	201-01-0471	State Court Improvement Program	0	0		0
<input type="button" value="View"/>	444-00-0206	Child Support Enforcement	0	0		0
<input type="button" value="View"/>	692-00-0470	Improving Teacher Quality State Grants	0	0		0
<input type="button" value="View"/>		Other grant programs and activities		0	0	0
<input type="button" value="View"/>		All other costs not allocated			0	0
Totals:			0	0	0	0

CYEFR Reports

Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

[Grantee Portal](#) / [Audit Reviews](#) / [Audit](#) / CYEFR

The CYEFR has been submitted. If changes are needed, contact your state cognizant agency.

[PDF Report](#) [Excel Report](#)

	CSFA #	Program Name	\$ State	\$ Federal	\$ Other	\$ Total
View	201-01-0471	State Court Improvement Program	123	456	789	1,368
View	350-00-0012	Performance and Registration Information Systems Management	0	750,000	3,000	753,000
View		Other grant programs and activities		500,123	0	500,123
View		All other costs not allocated			321	321
Totals:			123	1,250,579	4,110	1,254,812

Reconciliation of the CYEFR

- Each state agency must reconcile the CYEFR expenditures to their agency's records
- Reconciliation should be based on:
 - The grantee's fiscal year
 - The grantee's basis of accounting
- Issues with the reconciliation process include:
 - Incorrect reporting of federal and state dollars
 - All grants not reported by grantee
 - State agency data is decentralized

CYEFER 'In Relation To' Opinion

- Audits of 12/31/18 and later FYE must include an 'In Relation To' opinion on the CYEFER
 - Exception for entities subject to audit by the OAG
- AU Section 551 – Supplementary Information in Relation to the Financial Statements as a Whole
 - Provides guidance to the auditors for proper preparation of an 'In Relation To' opinion
 - Opinion can be an explanatory paragraph following the opinion paragraph in the auditor's report or can be a separate
- CYEFER must be completed in the Grantee Portal
 - Use the PDF and Excel reports

Peer Review

Peer Review Requirements

- 2 CFR 200.509 (a)
 - ...the non-federal entity (auditee) must request a copy of the audit organization's peer review report which the auditor is required to provide under GAGAS...
- GATA extended that requirement to all audits
- Peer review must be conducted every three years
 - Submitted to the AICPA Peer Review Alliance within six months after period of review ends
- Firms or Sole Practitioners conducting their first audit
 - Notify IDPFR within 30 days of accepting the engagement
 - Enroll in the AICPA Peer Review program prior to the report date of the initial engagement
 - Undergo a peer review within 18 months after the end of the period covered by the engagement

Peer Review Issues

- No peer review conducted
 - Enrolled Agents
 - New to conducting audits and unaware of requirements
- Peer review not current
 - Retiring in a couple of years and only doing a few audits each year, but no new clients
 - Waiting on the acceptance letter from IL CPA Peer Review Alliance
- GATU requires proof of compliance with peer review requirements
 - Not just a statement from the auditor that they are in compliance

Substandard Audits

Substandard Audits

- Audit Report is reviewed for compliance with applicable auditing standards
- Determinations on the review are:
 - Pass
 - Pass with Deficiencies
 - Fail
- Pass with Deficiencies and Fail determinations are reviewed by the Audit Committee
 - Audit Committee members must be licensed CPAs with experience in conducting Single Audits and/or GAGAS audits
- Audit Committee will determine the appropriate follow-up action
 - Workpaper review of the audit firm
 - Reporting to IL CPA Society, IL Department of Financial and Professional Regulations

Questions?

OMB.GATA@Illinois.gov