

# Grant Accountability and Transparency Act

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## Audit Report Review

# Audit Requirements

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## 2 CFR 200.101 – Applicability

- ALL grants are subject to Subpart F - Audit Requirements

Grantee must procure or otherwise arrange for the audit per 2 CFR 200.509 *Auditor Selection*

Single Audit - grantees expending \$750,000 or more in federal awards (federal pass-through and direct federal funds) must have an audit conducted in accordance with 2 CFR 200.514 or 507

- For-profit grantees are required to have a Program Audit conducted in accordance with 2 CFR 200.507

# Audit Requirements – GAGAS and GAAS

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## Generally Accepted Government Audit Standards (GAGAS) Audit

- Required of grantees, including for-profits, not subject to a single audit that expend \$500,000 or more in state, direct federal and/or federal pass-through funds

## Generally Accepted Auditing Standards (GAAS) Audit

- Required of grantees, including for-profits, not subject to either a single audit or a GAGAS audit but expend \$300,000 or more in state, direct federal and/or federal pass-through funds

If an audit is required by any regulatory authority it must be submitted

- Publicly traded for-profit companies, LEAs, Municipalities that operate a public utility

If an audit is not required but is completed, it must be submitted

- Voluntary audits conducted as part of good financial management

# Audit Report Review Process Manual

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GATU, with the assistance of the Audit Workgroup, has drafted a manual detailing:

- Audit report review process,
- Audit requirements,
- Roles and responsibilities, and
- Step-by-step instructions

Training on the Audit Report Review Process Manual has been provided for state agency and grantees

The manual and webinars are on the GATA website:

[www.grants.Illinois.gov](http://www.grants.Illinois.gov)

# Grantee Portal – Audit Certification Form

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Reminder notification will be sent:

- Grantee FYE + 30 days
- Grantee FYE + 60 days

Once submitted, ARRMS will calculate due date for remaining steps

- Single Audit due date = grantee FYE + 9 months (or FAC Accepted date + 30 days)
- Financial Statement Audit due date = grantee FYE + 6 months
- CYEFR only submission = grantee FYE + 6 months
- If Audit Certification is not submitted by due date, financial statement audit due date is calculated

# Grantee Portal - CYEFR

## Step 2 - Consolidated Year-End Financial Report

The consolidated year-end financial report (CYEFR) is a breakout of all spending by program and expense category. Every dollar expended in your organization's fiscal year must be reflected in this report.

Consolidated Year-End Financial Report

Reminder notification through Grantee Portal 45 days prior to due date if Audit Certification Form has been submitted.

Must tie to the organization's total expenditures in the audited financial statements and SEFA (if applicable)

## Grantee Portal – CYEFR Expenditures

CYEFR has three sections:

- Expenditures of grant funding received from State (State and Federal pass-through funds) #1 below
- Expenditures of other grant funding received (direct federal, federal pass-through from other sources and other sources) #2 below
- Expenditures not related to grants (all sources) #3 below

# Grantee Portal – CYEFR Programs

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 by:
  - Clicking 'Add a Program' (#4 in screen shot below);
  - Using the drop down menu to select the State agency providing the funding (State and Federal pass through funds);
  - Using the drop down menu to select the CSFA # of the funding received; and
  - Identifying Program Limitations, Mandatory Match and Indirect Cost Rate

# Grantee Portal – CYEFR Prepopulated

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

Grantee Portal / Audit Reviews / Audit / CYEFR

Add a Program Certify & Submit

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

# Grantee Portal – Add a Program

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

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

Select the State Agency and the Program to add to this CYEFR. Then click the "Add Program" button below.

**State Agency:**

**State Program:**

# Grantee Portal – Program Details

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

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

Agency	Supreme Court (201)
Program	State Court Improvement Program (201-01-0471) <i>This program as added due to awards found in the CSFA. It cannot be removed.</i>
Program Limitations	<input type="radio"/> Yes <input checked="" type="radio"/> No Identify Limitations (required if Yes) <input type="text"/>
Mandatory Match %	<input type="radio"/> Yes <input checked="" type="radio"/> No Rate (required if Yes): <input type="text"/>
Indirect Cost Rate	<input type="text" value="0.00"/> %
Indirect Cost Rate Base	<input type="text"/>

# Grantee Portal – Entering Expenditures



- Select 'View' next to the appropriate CSFA program to enter the expenditures.
- Enter the expenditures for each CSFA # by correct line item in the correct "State", "Federal" (Federal pass-through) or "Match" column
- Improvement coming to the CYEFR – Remove line item State/Federal/Match and only report the breakout on the total amount

## Grantee Portal – Entering CSFA Program Expenditures by Line Item

Category	State Amount	Federal Amount	Match Amount	Total
Personal Services (Salaries and Wages)	1.00	2.00	3.00	6.00
Fringe Benefits	4.00	5.00	6.00	15.00
Travel	7.00	8.00	9.00	24.00
Equipment	10.00	11.00	12.00	33.00
Supplies	13.00	14.00	15.00	42.00
Contractual Services	16.00	17.00	18.00	51.00
Consultant (Professional Services)	19.00	20.00	21.00	60.00
Construction	22.00	23.00	24.00	69.00
Occupancy - Rent and Utilities	25.00	26.00	27.00	78.00
Research and Development	28.00	29.00	30.00	87.00
Telecommunications	31.00	32.00	33.00	96.00
Training and Education	34.00	35.00	36.00	105.00
Direct Administrative Costs	37.00	38.00	39.00	114.00
Miscellaneous Costs	40.00	41.00	42.00	123.00
<b>Total Direct Expenses</b>	<b>287.00</b>	<b>301.00</b>	<b>315.00</b>	<b>903.00</b>
Indirect Costs	43.00	44.00	45.00	132.00
<b>Total Expenses</b>	<b>330.00</b>	<b>345.00</b>	<b>360.00</b>	<b>1,035.00</b>

Cancel Save

# Grantee Portal – Other Grant Programs & Activities

<a href="#">View</a>	692-00-0470	Improving Teacher Quality State Grants	0	0	0
<a href="#">View</a>		Other grant programs and activities	0	0	0
<a href="#">View</a>		All other costs not allocated	0	0	0

- Enter the expenditures either by line other or lump sum in the correct “Direct Federal” or “Other” funding column
  - “Direct Federal” funding column should also include Federal pass-through funding received from sources other than a State of Illinois grant-making agency

## Grantee Portal – Other Grant Programs & Activities Expenditures

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

Grantee Portal / Audit Reviews / Audit / CYEFR / Program

[Cancel](#) [Save](#)

Program: Other grant programs and activities

Category	Direct Federal	Other Amount	Total
Personal Services (Salaries and Wages)	0.00	0.00	0.00
Fringe Benefits	0.00	0.00	0.00
Travel	0.00	0.00	0.00
Equipment	0.00	0.00	0.00
Supplies	0.00	0.00	0.00
Contractual Services	0.00	0.00	0.00
Consultant (Professional Services)	0.00	0.00	0.00
Construction	0.00	0.00	0.00
Occupancy - Rent and Utilities	0.00	0.00	0.00
Research and Development	0.00	0.00	0.00
Telecommunications	0.00	0.00	0.00
Training and Education	0.00	0.00	0.00
Direct Administrative Costs	0.00	0.00	0.00
Miscellaneous Costs	0.00	0.00	0.00
<b>Total Direct Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

[Cancel](#) [Save](#)



# Grantee Portal – All Other Costs Not Allocated

<a href="#">View</a>	Other grant programs and activities	0	0	0	0
<a href="#">View</a>	All other costs not allocated			0	0
Totals:		0	0	0	0

Enter the expenditures either by line other or lump sum in the “Other” funding column

## Grantee Portal – All Other Costs Not Allocated

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

Grantee Portal / Audit Reviews / Audit / CYFFB / Program

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Program:

Category	Other Amount
Personal Services (Salaries and Wages)	0.00
Fringe Benefits	0.00
Travel	0.00
Equipment	0.00
Supplies	0.00
Contractual Services	0.00
Consultant (Professional Services)	0.00
Construction	0.00
Occupancy - Rent and Utilities	0.00
Research and Development	0.00
Telecommunications	0.00
Training and Education	0.00
Direct Administrative Costs	0.00
Miscellaneous Costs	0.00
<b>Total Direct Expenses</b>	<b>0.00</b>

# Grantee Portal – Certify & Submit the CYEFR

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

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

[Add a Program](#) [Certify & Submit](#)

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

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

**GRANTEE CERTIFICATION (2 CFR 200.415)**

By signing and submitting this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the [related] expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

**Authorized Grantee Representative**

**Name:**  **Title:**

**Email:**  **Phone:**

# Grantee Portal – 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
<a href="#">View</a>	201-01-0471	State Court Improvement Program	123	456	789	1,368
<a href="#">View</a>	350-00-0012	Performance and Registration Information Systems Management	0	750,000	3,000	753,000
<a href="#">View</a>		Other grant programs and activities		500,123	0	500,123
<a href="#">View</a>		All other costs not allocated			321	321
Totals:			123	1,250,579	4,110	1,254,812

# Grantee Portal – Upload Audit Package

Submission of the CYEFR unlocks Step 3 – Upload File Requirements

## Step 3 - Upload File Requirements

Based on the audit certification form submitted, this organization is required to have a financial statement audit conducted in accordance with **Generally Accepted Government Auditing Standards (GAGAS)**. Upon completion of the audit the following files are required to be uploaded...

- Financial Statements (200.510(a)).
- Independent Auditor's Report (200.515).
- Consolidated Year-End Financial Report w/in Relation to Opinion.
- Audit Firm's Peer Review Letter.
- Summary Schedule of Prior Audit Findings (200.511(b)), if applicable.
- Corrective Action Plan (200.511(c)), if applicable.
- Management Letters and any other communications from the auditor required by AU325, if applicable.

Upload Requirements

Due: 12/30/2018



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## Grantee Portal – Upload Audit Package

**Illinois Grant Accountability and Transparency Act**  
**Grantee Portal - Audit Upload**

Grantee Portal / Audit Reviews / Audit / Upload

Save Only Save & Submit

**Disclaimer:** The file content requirements and the audit type shown are based on the Audit Certification Form previously submitted by this organization. Please consult your financial or CPA representative to make sure these are the correct requirements. If they are not, you must contact your State of Illinois cognizant agency to request the certification form be returned for editing.

When the files are selected, click the "Save & Submit" button.

**File Content Requirements for Financial Audit**

1. Financial Statements (200.510(a)).
2. Independent Auditor's Report (200.515).
3. Consolidated Year-End Financial Report w/in Relation to Opinion.
4. Peer Review Letter or Internal Inspection for 'off-years'.
5. Summary Schedule of Prior Audit Findings (200.511(b)), if applicable.
6. Corrective Action Plan (200.511(c)), if applicable.
7. Management Letters and any other communications from the auditor required by AU325, if applicable.

**File Type Requirements**

- Files must be PDF (Adobe Acrobat Portable Document Format).
- Files must not have a password and must be searchable, unlocked, and unencrypted.
- Files must be less than 30 MB in size.

Delete file	1-Financial Statement.pdf
Choose file	
Choose file	
Choose file	
Choose file	
Choose file	
Choose file	



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# Grantee Portal – State Data Collection Form

Upload of the Audit Package unlocks Step 4 – 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

# Grantee Portal – State Data Collection Form

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

Grantee Portal / Audit Reviews / Audit / Data Collection Form

Submit Edit

**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

Submit Edit

# Grantee Portal

Data Collection Form

**Step 5 - Management Decision Letter**

Once the audit review process is complete you will be able to view the Management Decision Letter here.

Once the Audit Report Review process has been completed by the State Agency(ies), a Management Decision Letter is posted to the Grantee Portal.

**Step 4 - Data Collection Form**

Submitted: 05/10/2018 Data Collection Form

**Step 5 - Management Decision Letter**

[Management Decision Letter.pdf](#)

Please review the Management Decision Letter. This audit review record will be archived within 21 calendar days.

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## Grantee Portal – State Agency Responsibilities

Reconcile the CYEFR for their agency

Accept/Reject Corrective Action Plan for findings that affect their agency's programs

Accept/Reject Corrective Action Plan for cross-cutting findings

- Findings that affect more than one State agency

State Cognizant Agency must issue the Management Decision Letter within 180 days of a complete audit package submission

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# CYEFER 'In Relation To' Opinion

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Audits of 12/31/18 and later FYE must include an 'In Relation To' opinion on the CYEFER

CYEFER must be completed in the Grantee Portal

- Use the PDF and Excel reports to provide to the auditors

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 report

# Substandard Audits

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Audit Report is reviewed for compliance with applicable auditing standards

- 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

# Common Errors/Issues

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Audit Firm not qualified to conduct audits

CYEFR submitted with no expenditures recorded

State/Federal pass through funding not properly identified in the CYEFR

Peer and External Quality Control Reviews of the Audit Firm not submitted or only the AICPA acceptance letter is provided

Auditors not provided with the CYEFR

Auditors not knowing the requirements of an 'In Relation To' opinion

State agencies still requiring grantee's to complete the CFR

# Implementation

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Grantees with fiscal year-end dates of 12/31/17 or later must use the Centralized Audit Report Review process

Grantees with fiscal year-end dates of 12/31/18 or later must include the 'in relation to' opinion for the CYEFR

Grantees should reach out to their cognizant agency for questions regarding the audit report review process. GATU can answer process questions, but state agencies must answer program specific questions (i.e. what is the state/federal split for my program, I can't find the CSFA number, what line items do I use to report the expenditures)

# GATA Challenges Continue

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- Lack of qualified staff for fiscal and administrative duties
  - Indirect Cost Rate Negotiation Approval
  - Fiscal and Administrative Risk Assessment interpretation and assignment and removal of specific conditions
  - Audit Report Review – approval and follow up of corrective action plans for fiscal and administrative requirements
  - Indirect Cost Rate Negotiation
  - Audit Report Review
  - Parent Child Relationships for both Audit Report Review Management System and the requirements for local government indirect cost rate negotiation

# Lessons Learned

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- Removal of the Sunset Provision has created significant buy in from agencies
- GATA Ripple Effect – first time in Illinois history of a centralized statewide purview of grant portfolio and grant management
- More dialog with Leadership in the grant making agencies
- Number one complaint – agency staff unaware of 2 CFR 200 and GATA requirements
- Ensure proper titles with the education and skill set necessary to perform the required fiscal and administrative grant functions
- Engage Internal Audit in the process
- Never ever implement a Statewide initiative for grant reform in the midst of the longest budget impasse in the history of the state



# GATA Question?

[omb.gata.gov](http://omb.gata.gov)



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It is GATA time.



## GATA is Good Government

Landmark legislation

Sets the bar for grant accountability

Sets the bar for grant transparency

Win-win for government and grantee community

Improves performance outcomes

Reduces risk of fraud, waste, and abuse

Saves State agencies and grantees hundreds of millions of dollars

*Successful agency oversight and successful grantees  
will result in a successful Illinois.*

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