**Section 230.363 Distribution of the Cost of a Unified Audit**

a) In a circumstance where a grantee, contractor and its subgrantees and subcontractors desire to retain an auditor to perform an audit of its own books and that of all or part of its subgrantees and subcontractors, the audit is called a unified audit. The cost of the unified audit may be apportioned: to the grantee's and contractor's administrative cost; or to the grantee's and contractor's administrative cost and that of each subgrantee and subcontractor in proportion to the workload of the auditor.

b) A grantee and contractor who negotiate to have a unified audit performed must ensure compliance with the conditions contained in the Department's audit procedures.

1) The grantee and contractor must obtain from each subgrantee and subcontractor willing to participate in the unified audit written authorization for the grantee and contractor to act as each subgrantee's and subcontractor's agent in securing an independent auditor to perform the audits on each subgrantee's and subcontractor's respective records.

2) Before commencement of the unified audit, each subgrantee and subcontractor willing to participate in the unified audit must enter into an agreement which sets forth the subgrantee's and subcontractor's acceptance of the independent auditor and ensuing audit report. Subgrantees and subcontractors shall have the option of:

A) Entering into a separate audit engagement agreement with the independent auditor; or

B) Signing the audit engagement agreement among the grantee, contractor and the independent auditor.

(Source: Amended at 18 Ill. Reg. 14072, effective September 1, 1994)