**Section 230.365 Audit Report**

a) The audit report shall state that the audit was made in accordance with the provisions of Office of Management and Budget (OMB) Circular A-128 or Office of Management and Budget (OMB) Circular A-133 as applicable and in accordance with those applicable citations in Section 230.360(a) of this Part and shall include at least the following:

1) Financial Report(s)

A) General purpose or basic financial statements (Financial Statements); and

B) Schedule of Federal awards (with auditor's opinion in relation to Financial Statements).

2) Internal Control Report(s)

A) Entity-wide internal control matters based on the auditor's understanding of internal control structure and the assessment of control risk, made as part of the financial statement audit.

B) Internal controls designed to provide reasonable assurance of compliance with laws and regulations applicable to awards.

3) Compliance Report(s)

A) Compliance which may be material to financial statements;

B) Opinion on compliance with laws and regulations applicable to each major Federal program. This requirement is met with the following 3 reports:

i) Report on compliance with general requirements. (Opinion disclaimer with positive and negative assurance); and

ii) Opinion on compliance with specific requirements applicable to each major program. (Opinion to include financial reports and claims for advances and reimbursements; and amounts claimed or used for matching, in accordance with allowable costs or cost principles); and

iii) Compliance with requirements tested for non-major programs. (Opinion disclaimer with positive and negative assurance, applicable only when non-major programs are tested.)

4) Other Report(s) (if applicable)

A) Schedule of findings and questioned costs, if not included in the internal control or compliance reports;

B) Management letter or letter of representation;

C) Separate communication of non-material findings; and

D) Report of illegal act(s).

b) A copy of the audit must be submitted to the Department within 30 calendar days after completion (due date established in the audit engagement agreement) but no later than 6 months after the end of the fiscal year audited.

c) If any deficiencies or recommendations are included in the audit report, the grantee and contractor must describe corrective action to be taken. The Department will subsequently monitor the grantee and contractor to verify that appropriate actions are being taken to fulfill audit recommendations.

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