

ILLINOIS DEPARTMENT OF CHILDREN AND FAMILY SERVICES

INSTRUCTIONS FOR ON AGREED-UPON PROCEDURES AUDIT

INSTRUCTIONS

Agreed Upon Procedures Audit: If vendor expends less than \$750,000 in Federal Awards during its fiscal year and is **not** subject to the audit requirements below (Section 15.2(b) of Article XV of Part 1 of Grant Agreement), but receives between \$150,000 and \$300,000 in Federal and State Grant Awards combined, excluding any Fixed Rate Grant Agreement Awards, vendor must have an Agreed-Upon Procedures (AUP) audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).

Section 15.2(b) of Article XV of Part 1 of Grant Agreement- Audit Requirements:

- Financial Statement Audit: Entities expending less than \$300,000, but the total revenue it receives is in excess of \$300,000 in Federal and State Awards combined, must have a financial statement audit conducted in accordance with Generally Accepted Auditing Standards(GAAS);
- Financial Statement Audit: Entities expending \$300,000 or more in Federal and State awards combined must have a financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).
- Single Audits: Not for Profit Entity expending \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined) during its fiscal year, it must have a single audit conducted.
- For Profit Entities: A For-Profit entity that expends \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined) during its fiscal year is required to have a Program-specific audit conducted in accordance with 2 CFR 200.507.

Suggested wording for the "Report on Agreed-Upon Procedures" appears on the next page. The wording may be modified, but the report **must** provide the indicated assurances. The report must be signed by the auditor or an authorized representative of the audit firm.

Any questions regarding the Agreed-Upon Procedures can be directed to the Office of Financial Review at (708)210-3734.

**ILLINOIS DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SAMPLE REPORT ON AGREED-UPON PROCEDURES
TO REVIEW GRANT REPORT**

Office of Budget & Finance
Illinois Department of Children and Family Services
406 East Monroe, Station 440
Springfield, Illinois 62701

We have performed the procedures enumerated below, which were agreed to by management of (*provider name and F.E.I.N. #*) and the Manager, Office of Contract Administration, Illinois Department of Children and Family Services (DCFS). These procedures were performed solely to assist DCFS in evaluating the accompanying Consolidated Year-End Financial Report of (*provider name*) for the year ended June 30, xxxx. This agreed-upon procedures engagement was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). The sufficiency of these procedures is solely DCFS responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose. The Agreed-Upon Procedures include:

- We have obtained and reviewed:
 - The Grant Accountability and Transparency Act guidelines and the Uniform Grant Budget submitted by the Grantee and included in the Grant Agreement
 - Part 200 of the Code of Federal Regulations (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)
 - the ledgers used for recording Direct Program Expenses and Indirect Costs against these instructions and guidelines to determine whether costs were reasonably related to the cost of delivering the program services and properly classified as direct or indirect costs.

Any exceptions have been noted.

- We have tested a minimum of 25 or 25% of all transactions verifying the activity is allowed.
- We have verified that the Method of Allocation for Indirect Costs was the method used in the completion of the Grant Report.
- We have compared the Detailed List of Unallowable Costs to determine if they were properly classified. Any exceptions have been noted.
- We have mathematically checked all rows and columns on the entire Consolidated Year-End Financial Report (see attached annual CYEFR).
- We are not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the Report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is designed for the use of the management of (*provider name*), its Board of Directors and DCFS, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purpose. However, this report is a matter of public record and its distribution is not limited.

Signature

Date

Audit Firm