**Section 440.220 Clarification**

a) Auditing of Grantees. The scope of any compliance audit conducted by the Auditor General of a State agency that made grants during the audit period will include testing to determine whether the audited agency is auditing the grantees of funds granted by the audited agency for compliance with the terms of the grants and other applicable laws, regulations, and rules and whether the frequency and quality of such audits is generally adequate.

b) Self Auditing of Grants. The scope of any compliance audit conducted by the Auditor General of a State agency that received grants during the audit period will include testing to determine whether the audited agency is reviewing grants received by the agency to determine that the grant funds are being used in accordance with grant requirements and applicable state and federal laws, regulations and rules, and whether the frequency and quality of such reviews is generally adequate.

(Source: Amended at 30 Ill. Reg. 2280, effective February 20, 2006)