**Section 230.361 Purpose of Audits**

The purpose of audits shall be to determine the effectiveness of the financial management systems and internal procedures established to meet the terms of awards and to determine whether grantees and contractors are in conformance, as applicable, with significant compliance requirements (Office of Management and Budget (OMB) publications "Compliance Supplement for Single Audits for State and Local Governments" (September 1990, no later editions or amendments included)) and "Compliance Supplement for Audits of Institutions of Higher Learning and Other Nonprofit Institutions" (October 1991, no later editions or amendments included) that can have a material effect upon programs. The audit report is also used to ascertain the amount of unearned Federal or State funds (unspent funds) at the end of the grant.

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