

ILLINOIS DEPARTMENT OF HUMAN SERVICES SAMPLE
“IN RELATION TO” OPINIONS ON CONSOLIDATED
FINANCIAL REPORT SCHEDULES OF PROGRAM
COSTS AND PROGRAM REVENUE SUBMITTED
WITH ANNUAL AUDITED FINANCIAL STATEMENTS

Example 1: Extra paragraph added to the auditor’s opinion on the basic financial statements

We have audited the accompanying Statement of Financial Position of (provider name) and the related Statement of Activities, Statement of Functional Expenses, and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of management of (provider name). Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of (provider name) and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of (provider name) taken as a whole. The supplementary information following page xx including the “Schedules of Program Costs and Program Revenue of the Consolidated Financial Report” is presented for purposes of additional analysis as required by the Illinois Department of Human Services and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements referred to above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Example 2: Separate report on supplementary information

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The “Schedules of Program Costs and Program Revenue” in the accompanying Consolidated Financial Report are presented for purposes of additional analysis, as required by the Illinois Department of Human Services, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

[Instructions are on the reverse side of this page]

INSTRUCTIONS

Providers paid \$150,000 or more by the State of Illinois during State Fiscal Year 2014, are required to submit audited financial statements along with an independent certified public accountant's "in relation to" opinion on the Schedules of Program Costs and Program Revenue of the Consolidated Financial Report (CFR).

The manner and extent to which the independent certified public accountant performs particular procedures to support the "in relation to" opinion are determined by the independent certified public accountant using his or her professional judgment, but those procedures must include at least the following:

Obtaining DHS' instructions for preparing the CFR Schedules of Program Costs and Program Revenue and comparing the classifications used therein to those allowed by the instructions.

Agreeing the total expense amounts detailed in the CFR Schedule of Program Costs and the total revenue amounts detailed in the CFR Schedule of Program Revenue to the provider's audited GAAP-based financial statements.

Reviewing the methodology used to allocate costs among programs for reasonableness and recalculating the allocations for all programs funded by DHS to ensure that the methodology was consistently followed. Agreeing allocated amounts to the general ledger and applicable payroll records.

Comparing the CFR Schedules of Program Costs and Program Revenue to that of the prior year and inquiring of the provider's management regarding material changes and inconsistencies.

Mathematically checking all footings and cross footings on the CFR Schedules of Program Costs and Program Revenue.

The independent certified public accountant may elect to add a paragraph to the opinion on the basic financial statements, as illustrated in Example 1, or to issue a separate report on the supplementary information, as illustrated in Example 2.