



# DEPARTMENT OF AUDITS AND ACCOUNTS

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Members of the Board of Regents of the  
University System of Georgia and  
Dr. G. P. "Bud" Peterson, President  
Georgia Institute of Technology

## REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITOR'S REPORT

Ladies and Gentlemen:

#### **Report on Compliance for Each Major Federal Program**

We have audited the compliance of the Georgia Institute of Technology (Institute) with regard to two compliance requirements that relate to (1) equipment and real property management and (2) procurement and suspension and debarment. These two compliance requirements are described in the *OMB Compliance Supplement* that could have a direct and material effect on the Institute's major federal programs for the year ended June 30, 2018. Our audit of these two compliance requirements was applied solely to two major federal programs administered by the Institute, the Research and Development Cluster and the Gaining Early Awareness and Readiness for Undergraduate Programs (CFDA 84.334).

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance related to the two compliance requirements listed above for the Institute's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance related to the two compliance requirements listed above for the major federal programs. However, our audit does not provide a legal determination of the Institute's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Institute complied, in all material respects, with the two compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2018. As discussed in the first paragraph, our audit opinion applies only to the Research and Development Cluster and the Gaining Early Awareness and Readiness for Undergraduate Programs (CFDA 84.334) awards.

### **Report on Internal Control over Compliance**

Management of the Institute is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Institute's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Additionally, as noted in the first paragraph, audit procedures were limited to specific requirements for the identified major federal programs only. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Greg S. Griffin  
State Auditor