



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

DATE: April 09, 2020

Dear Colleague:

This letter transmits the *Guide for Financial Statement Audits and Compliance Attestation Engagements of Guaranty Agency Servicers Administering the Federal Family Education Loan Program* (Guide). This Guide supersedes the March 2000 edition of the Audit Guide, *Audits of Guaranty Agency Servicers Participating in the Federal Family Education Loan (FFEL) Program*, and the related 2006 amendment. The Guide is effective for fiscal years ending on or after December 31, 2020. Early implementation is not permitted. The Guide is also available on our website at the following Internet address: [OIG Non-Federal Audit website](#).

A servicer that contracts with a guaranty agency to administer any aspect of the guaranty agency's programs must at least annually have an audit of its financial statements (34 C.F.R. § 668.23(d)(4)) and a compliance audit of the servicer's administration of the FFEL program loan portfolio (34 C.F.R. § 682.416(e)). A servicer is required to have a compliance audit unless (1) the servicer contracts with only one guaranty agency, and (2) the audit of that guaranty agency's FFEL programs involves every aspect of the servicer's administration of those FFEL programs (34 C.F.R. § 682.416(e)(1)).

The guidance and requirements in this Guide apply to the financial statement audits and compliance attestation engagements of all guaranty agency servicers, except those servicers that are exempt under 34 C.F.R. § 682.416(e)(1), as described above, and those servicers that are State, local, or nonprofit organizations subject to single audits in accordance with Subpart F—Audit Requirements of Title 2 of the C.F.R., Chapter II, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, provided that the single audit covers the portfolios of the guaranty agencies the servicer has contracted with.

Please note that, in order to make this Guide available to the audit community with sufficient time prior to its effective date, this Guide is being published without illustrative financial statement audit reports. The Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) recently made changes to the financial statement audit reporting requirements, and those changes are effective for audits of financial statements for periods ending on or after December 15, 2020. At the time of this Guide's publication, the AICPA had not published illustrative reports to incorporate changes resulting from the standards update and the 2018 revision of *Government Auditing Standards*. Once those illustrative reports are published, we will replace the version of the Guide available on our website with one that contains our own illustrative financial statement audit reports.

We hope this guide will assist you as you fulfill your responsibilities for audits and compliance attestation engagements of guaranty agency servicers. If you have any questions about this guide, please contact the Non-Federal Audit team at oignon-federalaudit@ed.gov.

Respectfully,

/s/

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