



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

DATE: May 13, 2022

Dear Colleague:

This letter transmits the *2022 Guide for Compliance Attestation Engagements of Proprietary Schools Expending Higher Education Emergency Relief Fund Grants* (Guide). The Guide applies to and provides requirements and guidance for compliance attestation engagements of proprietary schools, as defined in Title 34 of the Code of Federal Regulations § 600.5, receiving Higher Education Emergency Relief Fund (HEERF) grants through the Coronavirus Aid, Relief, and Economic Security Act; the Coronavirus Response and Relief Supplemental Appropriations Act, 2021; the American Rescue Plan; or any future acts passed by Congress that include HEERF (collectively, HEERF grant programs).

The requirement for a HEERF compliance audit was communicated to schools through letters sent to all schools, dated [March 8, 2021](#) and [March 23, 2022](#). As a condition of the HEERF awards, a proprietary school must have a compliance audit conducted of its administration of the HEERF grant for any fiscal year during which the eligible school expends \$500,000 or more in total HEERF grant program funds, is on Federal Student Aid's Heightened Cash Monitoring 1 or 2 list in a fiscal year in which it expended any HEERF grant program funds, or has closed or is in the process of closing. The HEERF compliance audit must be conducted in accordance with Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, and the Guide. To satisfy the HEERF compliance audit requirement, the Guide requires an examination-level attestation engagement.

The Guide is effective for fiscal years beginning after June 30, 2021, and thereafter (with early implementation allowed and encouraged). This Guide supersedes:

- *Guide for Compliance Attestation Engagements of Proprietary Schools Expending Higher Education Emergency Relief Fund Grants* (March 2021)
- Dear CPA Letter CPA-21-06: Proprietary School Higher Education Emergency Relief Fund Compliance Engagement Example Practitioner's Reports Reflecting Changes for SSAE No. 21 (October 26, 2021)
- Dear CPA Letter CPA-22-01: Reporting Grant Award Numbers in Higher Education Emergency Relief Fund Compliance Attestation Engagement Report Packages (February 28, 2022)

Auditors should read through this new audit guide thoroughly to identify changes, but the following summary of major changes is included here for convenience:

- Added the requirement that closed schools or schools in the process of closing are required to have an audit
- Changed contact email for questions about compliance requirements
- Updated Sources of Governing Requirements and other guidance to provide currently available information

400 MARYLAND AVENUE, S.W., WASHINGTON, DC 20202-1510

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- Updated Activities Allowed or Unallowed to address ED’s final rule on student eligibility, grantees on route pay or stop pay status, and testing that the school prioritized grants to students with exceptional need
- Updated Allowable Costs and Cost Principles to clarify requirements related to minor remodeling
- Added testing of Cash Management compliance requirements
- Updated Period of Performance to add information about the automatic extension of the period of performance for certain grants
- Updated Procurement to address ED’s view on the competitive procurement flexibility
- Updated Reporting to the most current requirements and forms for annual and quarterly reporting

Report packages for the compliance attestation engagements conducted in accordance with the Guide must be submitted by the submission deadline for the school’s Title IV audit, as established by Title 34 of the Code of Federal Regulations § 668.23(a)(4).

The Guide is available at: <https://www2.ed.gov/about/offices/list/oig/nonfed/proprietary.html>.

We hope the Guide will assist you as you fulfill your responsibilities for HEERF compliance attestation engagements of proprietary schools. If you have any questions about the Guide, please contact the Non-Federal Audit team at [oignon-federalaudit@ed.gov](mailto:oignon-federalaudit@ed.gov).

Respectfully,

/s/

Bryon S. Gordon  
Assistant Inspector General for Audit