

GUIDE FOR QUALITY CONTROL REVIEWS OF OMB CIRCULAR A-133 AUDITS



**Council of Inspectors General on
Integrity & Efficiency (CIGIE)**

2010 Edition

References and Acronyms

References included are current as of the date of publication of this Guide. The reviewer should identify and use the requirements and standards in effect for the audit being reviewed, and cite them in any pertinent documentation or communications. The reviewer should also be familiar with and have available the Office of Management and Budget (OMB) Circular A-133 Compliance Supplement in effect for the period audited. Below are the abbreviations used to reference the requirements and standards referenced as applicable criteria in this guide, as well as some acronyms commonly found in OMB Circular A-133 reports:

A-133:	OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” as revised by Federal Register Notice on June 26, 2007
AAG-SLA:	“AICPA Audit Guide - <i>Government Auditing Standards</i> and Circular A-133 Audits,” with conforming changes as of October 1, 2009
AICPA:	American Institute of Certified Public Accountants
AU:	Codification of Statements on Auditing Standards, promulgated by AICPA, Numbers 1 to 117, as of December 2009
CFDA:	Catalog of Federal Domestic Assistance
DR:	Desk Review
GAAS:	Generally Accepted Auditing Standards
GAGAS:	Generally Accepted Government Auditing Standards
GAS:	Government Auditing Standards (July 2007 Revision)
OMB:	Office of Management and Budget
QCR:	Quality Control Review
SEFA:	Schedule of Expenditures of Federal Awards
SF-SAC:	Standard Form - Single Audit Collection (also known as the Data Collection Form)
W/P Ref.:	Working Paper Reference

Table of Contents

References and Acronyms	i
Table of Contents	ii
Introduction.....	1
General Information.....	3
Overall Conclusions.....	5
Review of General Requirements	7
Review of Specific A-133 Requirements	11
Review of the Report on Internal Control over Financial Reporting and Compliance and Other Matters in a Financial Statement Audit	16
Attachment 1	
Review of Major Program Internal Control and Compliance Requirements....	18
Attachment 1A	
Summary of Reviewer’s Assessment of Internal Control and Compliance Requirements – Tool..	23

Introduction

Objectives

The objectives of this quality control review (QCR) guide are to:

- (1) determine whether the audit was conducted in accordance with applicable standards, which include Generally Accepted Government Auditing Standards (GAGAS) and Generally Accepted Auditing Standards (GAAS), and meets the requirements of Office of Management and Budget (OMB) Circular A-133;
- (2) identify any follow-up work needed to support the opinions contained in the audit report; and,
- (3) identify issues that may require Federal program management attention.

The QCRs performed with this guide may provide evidence of the reliability of the OMB Circular A-133 (hereafter referred to as “A-133”) audits for auditors of Federal agency financial statements, such as those required by the Chief Financial Officers (CFO) Act, and others.

Applicability and Use

This guide is effective for QCRs of A-133 audits performed for audit periods ending on or after June 15, 2010. It is intended that this guide serve as the minimum documentation to support the QCR.

Agencies may modify or supplement this guide to meet their needs. The guide is arranged in sections so that the reviewer may select the parts/sections of the guide to meet their QCR objectives, in accordance with their agency’s policies and procedures.

This guide can also be used when joint reviews are performed. Joint reviews are those QCRs performed with the assistance of staff from several agencies. A member of the lead agency should assume the “Team Leader” position and overall responsibility for the QCR. The reasons for procedure/step changes should be documented in the notes section of the QCR guide.

This guide is designed for use by reviewers who are knowledgeable about A-133 audit requirements. Reviewers using this guide should have access to and be familiar with the contents of A-133 (including the Compliance Supplement), GAGAS, and the American Institute of Certified Public Accountants (AICPA) Audit Guide “*Government Auditing Standards and Circular A-133 Audits*” (AAG-SLA). Reviewers should update the guide to reflect any subsequent changes to the auditing standards and AAG-SLA.

Guide Format and Instructions

This guide is generally organized by audit standards and elements of an A-133 audit, focusing on the portions of the A-133 audit that are of most interest to Federal officials.

The initial step of any QCR is to perform a desk review of the audit report, using the desk review guide (CIGIE Guide for Desk Reviews of A-133 Audit Reports). Based upon an evaluation of the desk review results, reviewers should adapt the QCR guide to address any specific areas of concern.

The guide is arranged by the following sections.

1. Introduction
2. General Information
3. Overall Conclusions
4. Review of General Requirements (GR)
5. Review of Specific A-133 Requirements (RS)
6. Review of the Report on Internal Control over Financial Reporting and Compliance and Other Matters in a Financial Statement Audit (FS)
7. Review of Major Program Internal Control and Compliance Requirements Attachment 1 (AT1)
8. Summary of Reviewer's Assessment of Internal Control and Compliance Requirements –Tool Attachment 1-A [this tool is provided to support the answers to questions 2a, 5a, 5b, 5c, 5d, and 11 in Attachment 1 for the individual compliance requirements]

At the start of the QCR, reviewers should discuss the scope of the review with their management (and the Team Leader if performing a joint review) to determine whether modifications to this guide are necessary. When the audit covers multiple major programs, the QCR plan should include a review of audit documentation for a sufficient number of major programs to support the overall conclusions about the quality of the single audit.

"Yes" answers mean the reviewer did not identify quality deficiencies with the auditor's related work. "No" answers must be fully explained and cross referenced to the QCR documentation that supports and/or explains the quality deficiency. The reviewer should include a comment explaining the "N/A" answers if the reason would not be apparent to a supervisor or a person not participating in the QCR.

Evaluation of QCR Results

When reaching specific and overall conclusions on the quality of the audit, the reviewer should exercise professional judgment and document the basis for their final conclusions. A "No" answer, by itself, does not indicate that the audit does not meet standards.

General Information

G-1. Auditee: _____

G-2. Audit period covered by A-133 audit: _____

G-3. Auditor/audit organization (including primary auditor contact and location): _____

G-4. Date of A-133 audit report: _____

G-5. Results of desk review: _____

Potential deficiencies identified in Desk Review (if applicable): _____

G-6. Primary QCR team contact person name: _____

Telephone number: _____ Email address: _____

G-7. Date of management letter (if applicable): _____

G-8. Federal cognizant or oversight agency: _____
 (Attach a copy of the Schedule of Expenditures of Federal Awards [SEFA].)

G-9. Information on the major programs included in audit:

CFDA NO.	CFDA Name	Total Federal Expenditures	Federal Agency	Reviewed as a part of the QCR (Y/N)

G-10. Dates of QCR Review: From: _____ To: _____

G-11. QCR team members:

Name	Agency / Role in QCR	Contact Information

Overall Conclusions

Summary Evaluation of Each QCR Section			
QCR Section	Identify Section or Questions Not Reviewed in QCR	Conclusion (Acceptable, Acceptable with Deficiencies, Technically Deficient, Unacceptable)	Reviewer Reference
Desk Review (DR):			
General Requirements (GR):			
Specific A-133 Requirements (RS):			
Financial Statements (FS):			
Summary of Attachment 1 (ATT1):			
--Major Program A- CFDA # _____			
--Major Program B- CFDA # _____			
--Major Program C- CFDA # _____			
--Major Program D- CFDA # _____			
--Major Program E- CFDA # _____			
--Major Program F- CFDA # _____			
Overall QCR Evaluation Summary			
C-1. The auditor's overall work is:			
<input type="checkbox"/>	Acceptable	Audit documentation contains no quality deficiencies or only minor quality deficiencies that do not require corrective action for the audit under review.	
<input type="checkbox"/>	Acceptable with Deficiencies	Audit documentation contains quality deficiencies that should be brought to the attention of the auditor (and auditee, as appropriate) for correction in future audits.	
<input type="checkbox"/>	Technically Deficient	Audit documentation contains quality deficiencies that affect the reliability of the audit results and require correction for the audit under review. Except for the deficiencies identified, the documentation appears to support the opinions contained in the audit under review.	
<input type="checkbox"/>	Unacceptable	Audit documentation does not support the opinions contained in the audit under review. The quality deficiencies will necessitate that the auditor conduct substantial additional audit work to support the opinions contained in the audit under review.	
<i>Note: When the overall evaluation is “technically deficient” or “unacceptable” and additional audit work is necessary to support the opinions contained in the audit, auditors should be advised to follow AU 390 and AU 801.43 with respect to reissuance of the audit report.</i>			

C-2. Did the audit evidence identify any condition/issue that should have been, but was not, reported as a finding? ___Yes ___No If yes, describe the condition. *[Note: Reviewers should consider notifying the agency/department management officials of the unreported conditions.]*

C-3. Describe any follow-up actions necessary:

Preparer Signature/Title

Date

Reviewer Signature/Title

Date

Review of General Requirements

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref.
General Standards						
<p style="text-align: center;"><i>[Note: Unfavorable (“No”) answers to GR-1 through GR-6 are indications of potential high risk areas related to the audit under review and should be fully explained in the notes section].</i></p>						
Auditor Qualifications						
GR-1	Did those responsible for planning, directing, conducting, and reporting on the audit meet the GAGAS continuing professional education requirements?	GAS 3.46-.49				
Independence						
GR-2	Was the audit documentation free of indications that the auditor or audit organization lacked independence? If a potential impairment was identified, did the audit documentation support that the impairment was resolved in accordance with GAGAS?	GAS 3.02-.30; AU 220.01-.07				
Professional Judgment/Due Professional Care						
GR-3	Did the audit documentation support that the auditor used professional judgment in planning and performing the audit and in reporting the results? <i>[Note: Reviewers should answer this question within the context of the scope of their review and based on the results of the QCR.]</i>	GAS 3.31-.39				

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref.
GR-4	If there were scope limitations identified in the audit documentation, did the auditor properly disclose all limitations, restrictions, or impairments in the auditor's report?	GAS 1.12; AU 508.22-.26, .29-.32, AU 801.34				
Quality Control						
GR-5	Did the audit organization have a peer review within the last 3 years? Obtain a copy of the most recent peer review report and letter of comments (if applicable). <i>[Note: Document the impact of the peer review results on the QCR planning process.]</i>	GAS 3.50(b)				
GR-6	If the audit organization did not have a peer review performed within the past 3 years, were the GAGAS compliance statements in the A-133 audit report modified accordingly?	GAS 3.50(b)(foot note 35)				
Fieldwork Standards						
GR-7	Did the audit documentation (including the audit program) support that the audit was adequately planned, performed, and supervised? <i>[Note: Reviewers should answer this question after completing all of the other steps in this guide.]</i>	GAS 4.19-4.20; AU 311; AU 318.77; AU 801.28				
GR-8	Does the audit documentation include the identification of engagement team member(s) who performed the audit work and the dates performed?	AU 339.18(a)				
GR-9	Does the audit documentation contain evidence of supervisory review before report issuance?	GAS 4.20; AU 339.18(b), .23				
GR-10	Is there evidence in the audit documentation that the auditor appropriately considered and applied relevant criteria as part of the planning, testing, and reporting?	A-133 .500; GAS 4.03(a), 4.15				

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref.
GR-11	Did the audit documentation provide sufficient support/evidence that the auditors planned and performed procedures to detect material misstatements and/or noncompliance caused by fraud? Did the documentation include:	GAS 4.27-4.28; AU 316; AU 333; AU 801.17, .26				
	GR-11a	A discussion among the audit personnel regarding the risks of material misstatement due to fraud?				
	GR-11b	Inquiries of management and others within the entity to obtain their views about the risks of fraud and how they were addressed, and/or their knowledge of any fraud or suspected fraud affecting the entity?				
	GR-11c	Consider whether one or more fraud risk factors exist?				
GR-12	If evidence of possible fraud or illegal acts was found, did the audit documentation support that the auditor:	GAS 4.27-4.28, 5.15-5.22; AU 316, 317, 801.17				
	GR-12a	Obtained audit evidence to determine whether material fraud or illegal acts occurred and, if so, their impact on the financial statements and on the Federal programs?				
	GR-12b	Reported relevant information in accordance with the requirements of GAGAS and A-133?				
GR-13	If the work of an internal auditor was used, did the audit documentation support that GAAS were followed?	AU 311.34 (App. 2), AU 322.01				
GR-14	If part(s) of the audit was performed by other independent auditors, were GAAS followed regarding reliance on the other auditors' work?	AU 543				

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref.
GR-15	Were written management representations obtained concerning financial statements and Federal awards?	AU 333.05-.06; AU 801.23-.24; AAG-SLA 10.65				
GR-16	Did the audit documentation support the auditor's evaluation and assessment of management representations?	AU 333.02-.04				
GR-17	Did the audit documentation support that the required audit procedures concerning litigation, claims, and assessments were performed?	GAS 4.11; AU 337.05-.09				
GR-18	Based upon the overall review results, was the audit documentation prepared in sufficient detail to provide a clear understanding of the work performed (including the nature, timing, extent, and results of audit procedures), the audit evidence obtained and its source, and the conclusions reached for the following audit components:	GAS 4.19; AU 339.03, .10, .20-.21; AU 801.39-.42				
	GR-18a	Audit of the financial statements?				
	GR-18b	Audit of major Federal programs?				

Review of Specific A-133 Requirements

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref
Planning						
Auditee Risk						
RS-1	Did the audit documentation support the auditor's "low-risk auditee" determination?	A-133.530; Compliance Supplement App. VII				
Schedule of Expenditures of Federal Awards						
RS-2	Did the auditor plan and perform procedures to determine that the SEFA is presented fairly in all material respects in relation to the auditee's financial statements taken as a whole?	A-133 .500(b)				
RS-3	Does the audit documentation support that the auditor:	AAG-SLA Chapter 7				
RS-3a	Considered the audit requirements applicable to the SEFA for both the financial statement audit and the Federal program audit?	A-133.300; AAG-SLA 7.05-.08				
RS-3b	Determined whether the auditee was able to reconcile amounts presented in the SEFA to amounts in the financial statements?	A-133 .300(a), .300(d); AU 339.10(d)				
RS-3c	Determined whether the recipient included all Federal programs and related expenditures (including noncash awards) in the SEFA?	A-133 .300(a)				
RS-3d	Determined whether the Federal programs were properly presented in the SEFA, including the appropriate level of detail for program clusters, pass-through awards, and the value of noncash awards?	A-133 .310(b)				

Review Item			Applicable Criteria	Yes	No	N/A	W/P Ref
	RS-3e	Considered whether a significant deficiency or material weakness exists if the auditee was unable to identify Federal expenditures separately and/or the SEFA was not adequately prepared?	A-133 .310(b), .510(a)(1); GAS 5.12				
	RS-3f	Determined whether the auditee included notes to the SEFA that properly disclosed the basis of accounting and the significant accounting policies used in preparing the SEFA?	A-133 .310(b)(4)				
Determination of Major Programs							
<p><i>[Note: The reviewer should answer the following questions incorporating the results from the desk review questions DR -19, DR-20, and DR - 21. The “Major Program Determination Worksheet” tool is provided as an attachment to the desk review guide.]</i></p>							
	RS-4	If the auditors identified low-risk Type A programs, does the audit documentation support that the identification is in accordance with A-133 requirements?	A-133 .520, .510(a); Compliance Supplement App. VII				
	RS-5	If the auditors used a risk-based approach to determine the major programs, does the audit documentation support that the major programs were selected in accordance with A-133 requirements? At a minimum, did the auditor audit all of the following as major programs:					
	RS-5a	All Type A programs not identified as low risk?	A-133 .520(e)(1); Compliance Supplement App. VII				

Review Item			Applicable Criteria	Yes	No	N/A	W/P Ref
	RS-5b	Required High-Risk Type B programs, identified through either of the two options provided in A-133?	A-133 .520 (e)(2)(i)(A); A-133 .520 (e)(2)(i)(B); Compliance Supplement App. VII				
	RS-5c	Programs that are requested by a Federal agency or pass-through entity to be audited as major?	A-133 .215(c)				
	RS-5d	Such additional programs as may be necessary to comply with the percentage of coverage rule?	A-133 .520(f)				
RS-6	If the auditors identified low-risk Type A programs, did the audit documentation support the auditor's performance of required Type B program risk assessments?		A-133 .520 (d)(e)(g), A-133 .525; Compliance Supplement App. VII				
RS-7	If the auditors deviated from the risk-based approach for selecting major programs, was the election for the deviation consistent with A-133?		A-133 .520(i)				
RS-8	Does the audit documentation support that the auditor performed procedures to assess the reasonableness of the summary schedule of prior audit findings?		A-133 .500(e)				

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref
Reporting						
RS-9	Based on the audit work performed, did the Schedule of Findings and Questioned Costs include all (1) documented instances of significant deficiencies or material weaknesses, (2) all instances of fraud and illegal acts unless inconsequential, and (3) violations of provisions and contracts or grant agreements and abuse that could have a material effect on the financial statements or the major program?	A-133 .505(d)(2); GAS 5.10-.17				
RS-10	Did the auditor report all significant deficiencies, material weaknesses, instances of material noncompliance, circumstances that resulted in an other than unqualified opinion on compliance (unless otherwise reported), known fraud affecting a Federal award (unless otherwise reported), and known questioned costs greater than \$10,000 (or the amount of known questioned costs when the amount of likely questioned costs are greater than \$10,000) that could have a direct and material effect on compliance with the requirements of each major program?	A-133 .510(a)				
RS-11	Does the audit documentation support an assessment of whether control deficiencies (either individually or in combination) rose to the level of significant deficiencies, and/or that significant deficiencies (either individually or in combination) rose to the level of material weaknesses?	GAS 5.12; AU 325.08; AU 339.14				
RS-12	If exceptions identified in the audit documentation were not reported, does the audit documentation support the basis for the auditor's conclusion ("proper disposition of exceptions")?	AU 325.08; AU 339.14				
RS-13	Did the auditor report all instances in which the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit finding?	A-133 .510(a)(7)				

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref
Summary of Attachment 1 Results						
Complete an Attachment 1 for each major program reviewed. The following questions capture the overall summary of results relating to major programs for which Attachment 1 was completed. <i>[Note: All programs reviewed in the QCR (as identified in question G-9) should be accounted for in either RS-14 or RS-15.]</i>						
RS-14	Identify the major programs for which the auditor performed and documented work that was determined to be “acceptable” or “acceptable with deficiencies” (met OMB, GAGAS, and GAAS requirements):					
	A					
	B					
	C					
	D					
	E					
	F					
RS-15	Identify the major programs for which the work performed and documented was determined to be “technically deficient” or “unacceptable” (did not meet OMB Circular A-133, GAGAS, and GAAS requirements):					
	A					
	B					
	C					
	D					
	E					
	F					

Review of the Report on Internal Control over Financial Reporting and Compliance and Other Matters in a Financial Statement Audit

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref
Risk Assessment Procedures						
<p>Questions FS-1 through FS-2 may be answered for either the entity as a whole or for any specific account balance or assertion considered material to the financial statements and that is of concern to the reviewer.</p> <p>Account Balance/Assertion Reviewed:</p> <p>_____</p> <p>_____</p> <p>_____</p>						
FS-1	Did the auditor gain a sufficient understanding of the entity and its environment, including internal control, to assess the risk of a material misstatement of the financial statements (whether due to error or fraud), and to design the nature, timing, and extent of further audit procedures?	GAS 4.03(b); AU 314				
FS-2	Does the audit documentation support that the nature, timing, and extent of audit procedures are consistent with the auditor's assessment of risk? <i>[Note: If the auditors did not test internal controls because the risk was assessed at maximum, see question FS-3.]</i>	AU 314.103; AU 318.07-.08				
Identification and Evaluation of Audit Findings						
FS-3	If the auditor assessed control risk at maximum because the controls were missing or the design of controls was not capable of preventing, detecting, or correcting material misstatements, did the auditor document the evaluation and disposition of control deficiencies for reporting purposes?	AU 325.08-.12				

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref
FS-4	If the auditor identified control deficiencies or instances of noncompliance, did the audit documentation:	GAS 3.38, 5.10-.14; AU 339.14				
	FS-4a	Support that the auditor reported all significant deficiencies, material weaknesses, and instances of noncompliance that could have a direct and material effect on the financial statements?				
	FS-4b	Support the determination as to whether control deficiencies either individually or in combination were a significant deficiency or a material weakness?				
Communication of Audit Findings						
FS-5	Did the auditor communicate significant deficiencies or material weaknesses in writing to management and those charged with governance, including those significant deficiencies or material weaknesses communicated in previous audits that remain uncorrected?	GAS 5.10-.14; AU 325.17, .22				
FS-6	If the auditor's procedures disclose instances or indications of illegal acts related to the financial statements, did the auditor inform those charged with governance of the details of the illegal acts?	GAS 5.15; AU 317.17				
FS-7	Were all significant deficiencies and material weaknesses appropriately reported in the Schedule of Findings and Questioned Costs?	A-133 .505(d)(2), .510; GAS 5.10-.17				

Review of Major Program Internal Control and Compliance Requirements

Major Program CFDA Name: _____

CFDA Number: _____

Note: Reviewers may choose to use the tool provided at Attachment 1-A to support their answers to questions 2a, 5a, 5b, 5c, 5d, and 11 as they apply to the individual compliance requirements for this major program.

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref.
Considerations Related to Audit of Major Program						
AT1-1	Does the audit documentation support that the auditor determined the compliance requirements in effect for the period under audit and modified the audit procedures accordingly?	A-133 .500(d)(3)				
AT1-2	Does the audit documentation support that in designing the audit plan and developing an opinion on major program compliance:					
	AT1-2a The auditor determined materiality in relation to the individual major program?	AU 801.13, .41; AAG-SLA 6.29, 10.08				
	AT1-2b The basis for the auditor’s determination of direct and material compliance requirements was reasonable?	AU 801.14, .17; A-133 .500(d); AAG-SLA 10.14				
	AT1-2c The auditor considered noncompliance, both individually and when aggregated, in determining the overall opinion on compliance?	AU 801.28-.29; AAG-SLA 6.32, 10.09				
AT1-3	Does the audit documentation adequately support the work performed and the conclusions reached applicable to the major program?	GAS 4.19-.20; AU 339.10-.12; AU 801.28				

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref.
Sampling - Major Program (Internal Control and Compliance)						
AT1-4	Does the audit documentation support that the samples selected were appropriate to meet the audit objectives of the individual compliance requirements tested? Specifically, does the audit documentation support that the auditor:					
	AT1-4a	Selected a sample that is representative of the population and of appropriate size to obtain sufficient and appropriate audit evidence?				
	AT1-4b	Considered the specific characteristics of the individual transactions in the sample?				
	AT1-4c	Performed the planned sampling procedures and evaluated the results, or if the sampling plan was not followed, any deviations from that plan were documented and reasonable?				
	AT1-4d	Complied with the standards applicable to samples designed for dual purpose testing, if dual purpose testing was used?				
Internal Control						
AT1-5	For those compliance requirements that the auditor determined to be direct and material to the major program, does the audit documentation support that the auditor:					
	AT1-5a	Gained a sufficient understanding of the entity and the program, including the design and implementation of internal controls, to assess the risk of a material noncompliance?				

Review Item			Applicable Criteria	Yes	No	N/A	W/P Ref.
	AT1-5b	Identified "key controls" ¹ based on the documented understanding of internal control over the major program?	A-133 .500 (c)(2)(i); AU 314.122				
	AT1-5c	Planned the tests of key controls to (1) support a low assessed level of control risk for the assertions (audit objectives) relevant to each direct and material compliance requirement and (2) allow the auditor to reach a conclusion on the effectiveness of internal control for preventing or detecting noncompliance?	A-133 .500 (c)(2)(i); AU 318.23-49				
	AT1-5d	Performed the planned testing of internal control?	A-133 .500 (c)(2)(ii)				
	AT1-5e	Based on the results of procedures performed related to internal control, assessed the risk of material noncompliance and provided the basis for the assessment?	AU 318.77; AU 801.40				
AT1-6		If the auditor omitted testing of controls for any direct and material compliance requirement because the auditor concluded that internal controls over compliance were not implemented or were not likely to be effective, do the report and audit documentation include the following:	A-133 .500(c)(3)				
	AT1-6a	A significant deficiency or material weakness as part of the audit findings?					
	AT1-6b	An assessment of control risk at maximum and a consideration of whether additional compliance tests were required?					

¹ Key controls are those controls (as discussed in AU 314.106) that are relevant to the direct and material compliance requirement in preventing, detecting, and correcting material misstatements (or instances of noncompliance) and specific relevant assertions, and on which the auditor intends to rely.

Review Item		Applicable Criteria	Yes	No	N/A	W/P Ref.
AT1-7	Did the auditor report all significant deficiencies and material weaknesses that are identified in the audit documentation?	A-133 .510(a); AU 325.17				
AT1-8	Does the audit documentation support an assessment of whether control deficiencies (either individually or in combination) rose to the level of significant deficiencies, and/or that significant deficiencies (either individually or in combination) rose to the level of material weaknesses, in relation to the compliance requirement for the major program?	GAS 5.12; AU 325.08; AU 339.14				
AT1-9	If exceptions identified in the audit documentation were not reported, does the audit documentation support the basis for the auditor's conclusion ("proper disposition of exceptions")?	AU 325.08; AU 339.14				
AT1-10	In the judgment of the reviewer, were the nature and extent of the documented tests of controls sufficient to enable the auditor to reach a conclusion on the effectiveness of internal control for preventing or detecting noncompliance relevant to the material compliance requirements for the major program?					
AT1-11	In the judgment of the reviewer, does the Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control over Compliance accurately reflect the results of the internal control work for this major program?					
Compliance Testing						
AT1-12	For those compliance requirements that the auditor determined to be direct and material to the major program, does the audit documentation support that the auditor:	A-133 .500(d)				

Review Item			Applicable Criteria	Yes	No	N/A	W/P Ref.
	AT1-12a	Planned compliance testing sufficient to meet the audit objectives identified in the Compliance Supplement?	GAS 4.03; AU 801.21				
	AT1-12b	Performed tests of transactions and other audit procedures necessary to determine compliance with the requirements?	AU 801.40				
	AT1-12c	The evaluation and disposition of exceptions identified in the compliance testing?	AU 801.28, .40				
AT1-13	In the judgment of the reviewer, were the nature and extent of the documented tests of compliance sufficient to enable the auditor to determine whether the auditee complied with the direct and material compliance requirements for the major program?						
AT1-14	Did the auditor report all instances of material noncompliance, circumstances that result in an other than unqualified opinion on compliance (unless otherwise reported), known fraud affecting a Federal award (unless otherwise reported), and known questioned costs greater than \$10,000 (or the amount of known questioned costs when the amount of likely questioned costs are greater than \$10,000) that could have a direct and material effect on compliance with the requirements of the major program?		A-133 .510(a)				
AT1-15	In the judgment of the reviewer, did the auditor render an appropriate opinion for the major program in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control over Compliance?						

Attachment 1A

Summary of Reviewer’s Assessment of Internal Control and Compliance Requirements – Tool

Major Program Name: _____

CFDA NO: _____

Requirement		Question 2a			Question 5a		Questions 5b through 5d			Question 12	
		Assessment of “Direct and Material”			Understanding of Internal Controls		Planning and Testing of Internal Controls			Performed and Documented Compliance Testing	
		DM, NDM, or NA	W/P Ref	Reason-able	Y/N	W/P Ref	Plann-ed Y/N	Perform-ed Y/N	W/P Ref	Perform-ed Y/N	W/P Ref
A	Activities Allowed or Unallowed										
B	Allowable Costs and Cost Principles										
C	Cash Management										
D	Davis Bacon										
E	Eligibility										
F	Equipment and Real Property										
G	Matching										
	Level of Effort										
	Earmarking										
H	Period of Availability										
I	Procurement										
	Suspension and Debarment										
J	Program Income										
K	Real Property Acquisition and Relocation Assistance										
L	Reporting										
M	Subrecipient Monitoring										
N	Special Tests and Provisions										

DM = Compliance requirement direct and material to the program

NDM = Compliance requirement not direct and material to the program

N/A = Not applicable to the program, either based on Compliance Supplement matrix or auditor’s assessment.

Reasonable = Does the audit documentation support the auditor's assessment of the compliance requirement (Yes or No)?