

# **GUIDE FOR DESK REVIEWS OF OMB CIRCULAR A-133 AUDIT REPORTS**



**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 individual audit being reviewed, and cite them in any pertinent documentation and 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 abbreviations used to refer to 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 the AICPA, Numbers 1 to 117, as of December 2009
CFDA:	Catalog of Federal Domestic Assistance
DR:	Desk Review
FAC:	Federal Audit Clearinghouse
GAAS:	Generally Accepted Auditing Standards
GAGAS:	Generally Accepted Government Auditing Standards
GAS:	Government Auditing Standards (July 2007 Revision)
OCBOA:	Other Comprehensive Basis of Accounting
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)

# Introduction

## Objectives

The objectives of this desk review guide are to:

- (1) determine whether audit reports for audits performed under OMB Circular A-133 (hereafter referred to as “A-133”) are acceptable under the reporting requirements of A-133;
- (2) identify any quality issues that may warrant follow-up audit work and/or revisions to the audit report;
- (3) identify audits for potential Quality Control Reviews (QCR); and
- (4) identify issues that may require management attention.

This guide is not intended to be all inclusive of the procedures used to assess the quality of the report. Reviewers should use professional judgment in developing a review approach by adding or deleting procedures as appropriate.

## Applicability and Use

This guide is effective for desk reviews of A-133 audit reporting packages (as defined at A-133.320[c]) for fiscal years ended on or after June 15, 2010. It is intended as a stand-alone document to support the results of the desk review. A desk review should also be performed whenever a QCR is performed. When this guide is used as part of a QCR, reviewers should refer to the “Guide for Quality Control Reviews of OMB Circular A-133 Audits” for further guidance.

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), Generally Accepted Government Auditing Standards (GAGAS), and the 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

The guide is generally organized by reporting standards and elements of an A-133 audit.

Questions DR-1 through DR-11 relate to the information reported in an A-133 audit, and have been designed to show “Yes” or “N/A” (not applicable) answers as favorable responses. Unfavorable (“No”) responses should be explained in the notes. Significant quality deficiencies should be brought forward to the Overall Conclusions section and cross-referenced to the reporting package.

Questions DR-12 through DR-23 are designed for analysis of information contained in the reporting packages. A “Yes” answer for questions DR-12 through DR-17 and a “No” answer for questions DR-18 through DR-23 does not indicate a deficiency, but may indicate the need for follow-up and should be fully explained in the notes. Significant quality issues should be

brought forward to the Overall Conclusion section.

Reviewers may also wish to complete the "Major Program Determination" worksheet as part of Question DR-21. The worksheet will allow reviewers to ascertain whether the auditors appropriately selected major programs during the audit.

Question DR-24 applies to "program-specific" audits.

## GENERAL INFORMATION

G-1. Auditee: \_\_\_\_\_

G-2. Audit Period: \_\_\_\_\_

G-3. Auditor or Audit Organization (including location): \_\_\_\_\_

\_\_\_\_\_

G-4. Date of Report: \_\_\_\_\_

G-5. The “Initial Received Date” or the “FAC Accepted Date” (when available) for the report from the Federal Audit Clearinghouse website\* (for use in answering question DR-23): \_\_\_\_\_

G-6. Date of Management Letter (if applicable): \_\_\_\_\_

G-7. Federal Funding Agencies with Direct Expenditures: \_\_\_\_\_

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G-8. Contacts (Indicate personnel contacted, contact information, the reasons contacted, and the results):

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\*Reviewers should use the “Status of Submissions – Completed Entity Search” option on the Clearinghouse website (search option #1).

## OVERALL CONCLUSIONS

C-1. Based on our review, the auditor’s report(s), including the Schedule of Findings and Questioned Costs, is (check as applicable):

- Acceptable** Report contains no quality issues or only minor quality issues that do not require corrective action for the audit under review.
- Acceptable with Deficiencies** Report contains quality deficiencies that should be brought to the attention of the auditor (and auditee, where appropriate) for correction in future audits.
- Technically Deficient** Report contains quality deficiencies that may affect the reliability of the audit report, and which must be corrected in the audit report under review.
- Unacceptable** Report contains quality deficiencies that require the auditor to conduct additional audit work to support the opinions in the report under review.

*Note: When the overall conclusion is “technically deficient” or “unacceptable” and additional work is necessary to support the opinions in the report, auditors should be advised to follow AU 390 and AU 801.43 with respect to reissuance of the audit report.*

C-2. Based on our review, the auditee’s Schedule of Expenditures of Federal Awards, corrective action plan, and summary status of prior audit findings appropriately present the elements required by A-133. In addition, Form SF-SAC accurately reflects the results of the audit (check as applicable):

<b>Section</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
Schedule of Expenditures of Federal Awards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corrective Action Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Summary Status of Prior Audit Findings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Form SF-SAC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C-3. Describe any quality deficiencies that were identified during the review (with reference to applicable DR question) and the reviewer’s recommendations.

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## OVERALL CONCLUSIONS (Continued)

C-4. If applicable, describe any reasons why a quality control review should be considered.

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C-5. There are \_\_ or are not \_\_ issues (e.g., audit quality issues, findings, management letter observations) that should be brought to the attention of program management. (Describe these issues.)

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Preparer/Title: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewer /Title: \_\_\_\_\_

Date: \_\_\_\_\_

Review Item		Applicable Criteria	Yes	No	N/A	Report Ref.
<b>QUALIFICATIONS AND INDEPENDENCE</b>						
DR-1	Is the report free of indications that the auditor is not independent or is not qualified to perform the audit? <i>[Note: Reviewers may wish to answer this question after completion of the checklist. If a question arises concerning the licensing of a public accountant, State licensing authorities should be able to provide the necessary information.]</i>	GAS 3.02-.30; AU 210.01-.05; AU 220.01-.07				
<b>REPORTING</b>						
<b>Opinion on the Financial Statements and Schedule of Expenditures of Federal Awards</b>						
DR-2	Do the financial statements reflect the financial position, results of operations or changes in net assets, and, where appropriate, the cash flows of the entity for the fiscal year audited, or was the auditor's report appropriately modified?	A-133 .310(a)				
DR-3	Does the Independent Auditor's Report contain the following required elements:	A-133 .505(a); AU 508.08, AU 551.06, AU 623.05				
DR-3a	A statement that the financial statements identified in the opinion were audited?	AU 508.08(b)				
DR-3b	A statement that the audit was conducted in accordance with GAAS and with applicable GAGAS?	GAS 5.05; AU.508.08(d)				
DR-3c	If the financial statements are intended to be presented in accordance with another comprehensive basis of accounting, was the auditor's report appropriately modified, and did the reviewer determine that the basis of accounting was a permitted OCBOA?	AU 623.04, .05(d)				

Review Item			Applicable Criteria	Yes	No	N/A	Report Ref.
	DR-3d	An opinion (or disclaimer of opinion) on the financial statements?	AU 508 .08(h)				
	DR-3e	A reference to the separate report on internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters prepared in accordance with GAGAS?	GAS 5.09				
	DR-3f	A description of the accompanying supplementary information (SEFA)?	AU 551.06(b)				
	DR-3g	An opinion (or disclaimer of opinion) on whether the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole?	AU 551.06(d)				
	DR-3h	The manual or printed signature of the auditor's firm?	AU 508.08(i)				
	DR-3i	The date of the audit report?	AU 508.08(j)				
<b>Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with GAGAS</b>							
DR-4	Do(es) the report(s) on compliance and internal control over financial reporting contain the following required elements:		A-133.505				
	DR-4a	A statement that the audit was conducted in accordance with GAAS and with applicable GAGAS?	GAS 5.05				
	DR-4b	A statement that in planning and performing the audit, the auditor considered the auditee's internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the effectiveness of internal control over financial reporting?	AU 325.22				

Review Item			Applicable Criteria	Yes	No	N/A	Report Ref.
DR-4c	A definition of deficiency in internal control over financial reporting and material weakness?	AU 325.22; AAG-SLA 4.28(d)					
DR-4d	If applicable, a statement that significant deficiencies were noted and the definition of significant deficiency?	AU 325.22					
DR-4e	If significant deficiencies were noted, a description of the significant deficiencies or a reference to the schedule of findings and questioned costs and a statement whether the auditor believes any of the significant deficiencies described in the report are material weaknesses and, if so, identifies which one(s)?	AAG-SLA 4.28(f), (h)					
DR-4f	If no significant deficiencies were noted, a statement that the auditor's consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses and a statement that no material weaknesses were noted?	AAG-SLA 4.28(h)					
DR-4g	A statement that, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, the auditor performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which would have a direct and material effect on the determination of financial statement amounts?	AAG-SLA 4.28(i)					
DR-4h	A statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under GAGAS and, if they are, describes the instances of noncompliance or refers to the schedule of findings and questioned costs?	AAG-SLA 4.28(k)					
DR-4i	If applicable, a statement that additional matters were communicated to the auditee in a management letter?	AAG-SLA 4.28(l)					

Review Item			Applicable Criteria	Yes	No	N/A	Report Ref.
	DR-4j	The manual or printed signature of the auditor's firm?	AAG-SLA 4.28(n)				
	DR-4k	The date of the report?	AAG-SLA 4.28(o)				
<b>Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133</b>							
DR-5	Do(es) the report(s) on compliance and internal control over major programs contain the following required elements:		A-133.505				
	DR-5a	A statement that the auditor has audited the compliance of the auditee with the types of compliance requirements described in the <i>OMB Circular A-133 Compliance Supplement</i> that are applicable to each of its major programs?	AAG-SLA 13.23(a)				
	DR-5b	A statement that the audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), applicable GAGAS, and A-133?	A-133.500(a); AU 801.30(g)				
	DR-5c	If instances of noncompliance are noted that result in an opinion modification, a reference to a description of the related findings in the accompanying schedule of findings and questioned costs, including reference number(s) of the finding(s), identification of the type(s) of compliance requirements, and the related major program(s)?	A-133 .505(c); AU 801.30(l); AAG-SLA 13.23(i)				
	DR-5d	An opinion (or disclaimer of opinion) on whether the auditee complied, in all material respects, with the types of compliance requirements that apply to each of the major programs?	A-133 .505(c); AU 801.30(k)				
	DR-5e	If applicable, a statement that instances of noncompliance that are required to be reported in accordance with A-133 were disclosed? If so, reference to the schedule of findings and questioned costs in which they are described is required?	A-133 .505(c); AU 801.30(m)				

Review Item			Applicable Criteria	Yes	No	N/A	Report Ref.
DR-5f	A statement that in planning and performing the audit, the auditor considered the auditee's internal control over compliance with requirements that could have a direct and material effect on a major Federal program, to determine the auditing procedures for expressing an opinion on compliance and to test and report on internal control over compliance in accordance with A-133?	AU 801.31(b); AAG-SLA 13.23(m)					
DR-5g	A definition of deficiency in internal control over compliance and material weakness?	AU 801.31(e); AAG-SLA 13.23(n)					
DR-5h	A description of any identified material weaknesses or a reference to an accompanying schedule containing such a description?	AU 801.31(f)					
DR-5i	If applicable, a reference that significant deficiencies were noted, a definition of significant deficiency, and a reference to a description of the significant deficiencies noted in the accompanying schedule of findings and questioned costs, including the reference number of the finding(s)?	AU 801.31(g); AAG-SLA 13.23(o)					
DR-5j	If there are no significant deficiencies, a statement that no material weaknesses were noted?	AU 801.31(h)					
DR-5k	The manual or printed signature of the auditor's firm?	AU 801.30(o)					
DR-5l	The date of the report?	AU 801.30(p)					
<b>Schedule of Expenditures of Federal Awards (SEFA)</b> <i>[Note: The SEFA is the responsibility of the auditee.]</i>							
DR-6	Does the report contain a SEFA that:						
DR-6a	Lists individual Federal programs by Federal agency and, for a cluster of programs (as defined in A-133.105), lists individual Federal programs within the cluster?	A-133 .310(b)(1)					

Review Item			Applicable Criteria	Yes	No	N/A	Report Ref.
DR-6b	Includes, for Federal awards received as a subrecipient, the name of the pass-through entity and the identifying number assigned by the pass-through entity?	A-133 .310(b)(2)					
DR-6c	Provides the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA number is not available?	A-133 .310(b)(3)					
DR-6d	Includes notes that describe the significant accounting policies used in preparing the schedule?	A-133 .310(b)(4)					
DR-6e	Includes, to the extent practical, the total amount provided to subrecipients by each Federal program?	A-133 .310(b)(5)					
DR-6f	If applicable, includes the value of Federal awards expended in the form of noncash assistance, the amount of insurance in effect during the year, and loans and loan guarantee programs outstanding at year-end?	A-133 .310(b)(6)					
<b>Schedule of Findings and Questioned Costs</b>							
DR-7	Does the schedule of findings and questioned costs include a summary of audit results section containing the following elements, and are these elements accurately reported based on the contents of the audit reporting package:						
<i>Section 1 – Summary of Auditor’s Results</i>							
DR-7a	Type of opinion(s) issued on the auditee’s financial statements?	A-133.505 (d)(1)(i)					
DR-7b	A statement that identifies whether the audit disclosed any significant deficiencies or material weaknesses in internal control over financial reporting?	A-133.505 (d)(1)(ii)					
DR-7c	A statement that identifies whether the audit disclosed any noncompliance that is material to the auditee’s financial statements?	A-133.505 (d)(1)(iii)					

Review Item			Applicable Criteria	Yes	No	N/A	Report Ref.
DR-7d	Type of opinion(s) issued on the auditee's compliance with major programs?	A-133.505 (d)(1)(v)					
DR-7e	A statement that identifies whether the audit disclosed any significant deficiencies or material weaknesses in internal controls over major programs?	A-133.505 (d)(1)(iv)					
DR-7f	A statement that identifies whether the audit disclosed any audit findings which the auditor is required to report under A-133.510(a)?	A-133.505 (d)(1)(vi)					
DR-7g	Identification of the auditee's major programs?	A-133.505 (d)(1)(vii)					
DR-7h	Dollar threshold used to distinguish between Type A and Type B programs?	A-133.505 (d)(1)(viii)					
DR-7i	A statement that identifies whether the auditee qualified as a low-risk auditee?	A-133.505 (d)(1)(ix)					
<i>Section 2 – Findings related to the financial statements</i>							
DR-7j	Findings relating to the financial statements which are required to be reported in accordance with GAGAS? If so, were the elements of the findings presented in accordance with GAGAS?	A-133.505 (d)(ii); GAS 5.10-.17, .21-.22					
<i>Section 3 – Findings and questioned costs for Federal awards</i>							
DR-7k	Are internal control deficiencies, instances of noncompliance, questioned costs, or suspected fraud which relate to the same issue presented as one audit finding?	A-133.505 (d)(3)(i)					
DR-7l	Are audit findings which relate to both the financial statements and Federal awards reported in both the financial statement and Federal award sections of the schedule? [Note: At least one section must contain all of the information identified in DR-8.]	A-133.505 (d)(3)(ii)					

Review Item		Applicable Criteria	Yes	No	N/A	Report Ref.
<b>Presentation of the Audit Findings</b>						
DR-8	Are the Federal findings presented in sufficient detail with the following information:					
DR-8b	The criteria or specific requirement upon which the audit finding is based, including the statutory, regulatory, or other citation?	A-133 .510(b)(2); GAS 4.15				
DR-8c	The condition found, including facts that support the deficiency identified in the audit finding?	A-133 .510(b)(3); GAS 4.16				
DR-8d	The identification of questioned costs by CFDA number and applicable award/contract number, and how the questioned costs were computed?	A-133 .510(b)(4); GAS 4.18				
DR-8e	Information to provide proper perspective for judging the prevalence and consequences of the audit findings?	A-133 .510(b)(5); GAS 5.22				
DR-8f	The possible asserted effect to provide sufficient information to the auditee and Federal agency, or pass-through entity in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action?	A-133 .510(b)(6); GAS 4.17-.18				
DR-8g	Recommendations to prevent future occurrences of the deficiency identified in the audit finding?	A-133 .510(b)(7); GAS 5.21				
DR-8h	Views of responsible officials of the auditee?	A-133 .510(b)(8); GAS 5.32, 5.37-.38				
DR-8i	A reference number for each finding?	A-133 .510(c)				

Review Item		Applicable Criteria	Yes	No	N/A	Report Ref.
<b>Corrective Action Plan</b> <i>[Note: The corrective action plan is the responsibility of the auditee.]</i>						
DR-9	Does the corrective action plan include the following for each finding:					
	DR-9a Corrective action or reasons that corrective action is not required?	A-133 .315(c)				
	DR-9b Anticipated completion date(s) for corrective action?	A-133 .315(c)				
	DR-9c The auditee contact person(s) responsible for corrective action?	A-133 .315(c)				
<b>Summary Schedule of Prior Audit Findings</b> <i>[Note: Preparation of the schedule (DR-10) is the responsibility of the auditee; evaluation of the schedule (DR-11) is the responsibility of the auditor.]</i>						
DR-10	If applicable, does the report contain a summary schedule of prior audit findings?	A-133 .315(b)				
DR-11	If applicable, does the report contain a current year finding addressing a material misrepresentation of the summary schedule of prior year findings?	A-133 .500(e), .510(a)(7)				
<b>Analysis of Information</b>  <i>[Questions DR-12 through DR-25 are designed for analysis of information contained in the reporting packages. A “Yes” answer for questions DR-12 through DR-17 and a “No” answer for questions DR-18 through DR-25 does not indicate a deficiency, but may indicate the need for follow-up and should be fully explained in the notes. Significant quality issues should be brought forward to the Overall Conclusion section.]</i>						
DR-12	If the reports indicate the existence of a separate management letter, was a copy obtained?	GAS 5.09; A-133 .320(f)				
DR-13	Does the management letter identify conditions, not reported in the audit report, which met the reporting requirements identified in A-133 .510(a)? If yes, consider if the condition(s) need to be forwarded to program management for follow-up action.	A-133 .510(a)				

Review Item		Applicable Criteria	Yes	No	N/A	Report Ref.
DR-14	Do(es) the report(s) contain indications of fraudulent or illegal acts or other sensitive matters affecting Federal awards?	GAS 4.27-.28, 5.15-.17				
DR-15	Do the financial statements and/or the notes to the financial statements or SEFA indicate any conditions that negatively affect Federal awards or that should be reported to Federal officials?					
DR-16	Are any of the opinions other than unqualified? <i>[Note: If yes and further actions are required, reviewers should explain at question C-5].</i>					
DR-17	Does the summary schedule of prior audit findings indicate any issues, including recurring prior year findings which remain uncorrected, affecting the current period that need to be brought to the attention of program managers?					
DR-18	Do(es) the report(s) reflect that the auditors considered noncompliance, both individually and when aggregated, in determining their opinion(s) on compliance with major programs?	AAG-SLA 10.08-.09				
DR-19	Do(es) the report(s) reflect the proper determination of low-risk auditee status? <i>[Note: Reviewer should answer this based on a review of the audit reporting packages for each of the preceding 2 audit periods.]</i>	A-133.530; Compliance Supplement App. VII				
DR-20	Did the auditors properly calculate the Type A/B threshold for determination of major programs?	A-133 .520(b)				
DR-21	Did the auditors properly identify the major programs? <i>[Note: All awards within a single CFDA number should be grouped as one program.]</i>	A-133 .520(e), .105				
DR-22	Based on the information contained in the audit report, did the auditee and auditor properly complete the Data Collection Form (SF-SAC)?	A-133 .320(b)(3), .500(f)				
DR-23	Using the date identified in question G-5, did the auditee submit the Data Collection Form (SF-SAC) and the reporting package on time?	A-133 .320(a)				

Review Item		Applicable Criteria	Yes	No	N/A	Report Ref.
<b>PROGRAM-SPECIFIC AUDIT</b>						
DR-24	If the auditor did not use a program-specific guide because one was not available or not current, were the following issued for the program and found to be acceptable by the reviewer:					
	DR-24a	Opinion (or disclaimer of opinion) on whether the financial statements of the Federal program are presented fairly in all material respects in conformity with stated accounting principles?	A-133.235 (b)(4)(i)			
	DR-24b	Report on internal control related to the Federal program, which describes the scope of the testing of internal controls and the results of the tests?	A-133.235 (b)(4)(ii)			
	DR-24c	Report on compliance, including an opinion (or disclaimer of opinion) as to whether the auditee complied with laws, regulations, and the provisions of contracts or grants that could have a direct and material effect on the Federal program?	A-133.235 (b)(4)(iii)			
	DR-24d	Schedule of findings and questioned costs for the federal program, which includes a summary of auditor's results relative to the audit of the federal program?	A-133.235 (b)(4)(iv)			
	DR-24e	Corrective action plan?	A-133.235 (b)(2)			



## Major Program Determination Worksheet

### *Instructions for Completing Major Program Determination Worksheet*

The purpose of this worksheet is to determine whether the auditors properly identified the major programs and to support the answers to Desk Review questions #DR-21, DR-22, and DR-23. If the Schedule of Expenditures of Federal Awards (SEFA) and/or notes to the SEFA include Federal programs with loans and loan guarantees as identified in A-133.205((b) through (d)), complete step (1). Including loans should not result in the exclusion of other programs as Type A programs (A-133.520(b)(3)).

**OMB issues advisories as necessary for unique circumstances, such as ARRA and large-scale natural disasters. Appendix VII of the Compliance Supplement defines “large” loans and loan guarantee programs and clusters. Reviewers should ensure that the guidance in Appendix VII of the Compliance Supplement in effect for the year under review is incorporated into the major program determination.**

#### **Step 1. Determine the impact of large loans on major program determination.**

- Determine whether large Federal loan and loan guarantee programs and clusters are included in the SEFA or in the notes to the SEFA. (If so, the “safe harbor” calculation detailed in Appendix VII of the OMB Compliance Supplement applies.)
- Record the total Federal expenditures reported in the SEFA including large loan and loan guarantee programs and clusters on line (A) column (F).
- Record the amount of large loan and loan guarantee programs as defined in Appendix VII of the OMB Compliance Supplement on line (B) column (F).
- Delete line (B) from line (A) to arrive at the total Federal Awards to be used in the “safe harbor” Type A threshold calculations.
- Enter the difference on line (C) column (F).

#### **Step 2. Determine the Type A/B Threshold (if there are no large loan or loan guarantee programs and clusters).**

- Calculate the Type A threshold by applying the criteria in A-133.520(b) to the Total Federal awards with large loan and loan guarantee programs and clusters recorded on line (A) column (F).
- Record the threshold for Type A programs on line (D) column (F).
- Type A programs are those programs with expenditures that exceed the Type A threshold.
- List the Type A programs and clusters on line (K) and related expenditures in column (F).

#### **Step 3. Determine the Type A/B Threshold (if there are large loan or loan guarantee programs and clusters).**

- Calculate the Type A threshold on the Federal expenditures excluding the large loan and loan guarantee programs or clusters by applying the criteria in A-133.520(b) to the amount recorded on line (C) column (F).
- Record the threshold calculated without large loan and loan guarantee programs and clusters on line (E) column (F).
- The large loan and loan guarantee programs are Type A programs.

- Type A programs are those programs with expenditures that exceed the Type A threshold calculated WITHOUT the large loan and loan guarantee program expenditures.
- List the Type A programs and clusters on line (K) and the related expenditures in column (F).

**Step 4. Record the auditors' identification of major programs.**

- Identify the major programs listed in the Summary of Auditor's Results by placing an (X) in line (K) column (H) and recording the Federal expenditures reported in the SEFA on the corresponding line in line (K) column (G).
- List the Type B major programs on line (L) and the related expenditures in column (G).

**Step 5. Determine whether Type A programs were identified as major programs in either of the last two audit periods.**

- Complete line (K) columns (I) and (J) by placing an "X" in the columns for each of the programs that were identified as major programs the Summary of Audit Results for the prior two periods.

**Step 6. Sum lines (K) and (L) column G and enter the result on line (M).**

**Step 7. Record the auditors' determination of low-risk auditee status from the Summary of Auditors' Results on line (N).**

**Step 8. Based on your answer to Step 7, enter the percentage of coverage applicable to the total (25% for low-risk auditee and 50% for non-low-risk auditee) on line (P).**

**Step 9. Determine whether the auditors met the required percentage of coverage.**

- Divide the total expenditures of programs audited as major (M) by the total Federal expenditures (including large loan and loan guarantee programs and clusters) recorded on line (A) column (F).
- Record the percentage of coverage audited on line (Q).
- Compare line (Q) to the required percentage coverage (line (P)) and document an exception in the notes section if the required percentage of coverage is not met.

**Step 10. Conclusions.**

- Complete conclusion questions (1) through (6) below. Document exception answers and disposition of potential review findings.

<b>MAJOR PROGRAM DETERMINATION</b>		<b>(F)</b>	<b>(G)</b>	<b>(H)</b>	<b>(I)</b>	<b>(J)</b>
				<b>Major Programs *</b>		
		<b>Total</b>	<b>Major</b>	<b>20__</b>	<b>20__</b>	<b>20__</b>
<b>(A)</b>	Total Federal Expenditures (with large loan and loan guarantee programs and clusters)					
<b>(B)</b>	Delete: Large loan and loan guarantee programs and clusters					
<b>(C)</b>	Total Federal Expenditures (without large loan and loan guarantee programs and clusters)					
<b>(D)</b>	Threshold for Type A (calculated with large loan and loan guarantee programs and clusters)					
<b>(E)</b>	Threshold for Type A (calculated without large loan and loan guarantee programs and clusters)					
<b>(K) Type A Programs for FY 20__</b>						
<b>(L) Type B Programs for FY 20__</b>						
Total Programs Audited as Major			<b>(M)</b>			
Considered a Low Risk Auditee?				<b>(N)</b>		
Percentage of Coverage Required				<b>(P)</b>		
Percentage of Coverage Audited				<b>(Q)</b>		
* Major programs are marked with an "X".						
<b>CONCLUSIONS</b>						
(1)	The Type A threshold in the report [was/was not] correct.					
(2)	All high-risk Type A programs [were/were not] identified as major programs in year under review.					
(3)	The percentage of coverage [was/was not] met.					
(4)	Compare the Type A threshold amount recorded in the audit report to those calculated and recorded at lines D and E. Investigate any discrepancies and discuss impact on the overall audit plan in the notes section to this worksheet.					
(5)	For each of the Type A programs identified in steps 1 through 10, apply the low risk criteria identified in A-133.520(c) and document your conclusions for any exceptions.					
(6)	Did the auditors take into account guidance provided by OMB in Appendix VII of the Compliance Supplement when determining the major programs?					