

**FEDERAL COMPLIANCE AUDIT
RISK ASSESSMENT PROGRAM**

Client _____

Audit Period _____

This program is designed to assist the auditor in making and documenting the risk analysis process required by OMB Circular A-133. It assumes that the definition of a Type A program is \$300,000 (total federal awards expended are less than \$10 million dollars. If federal awards exceed \$10,000,000, make appropriate adjustments). It is designed for auditors who are familiar with Circular A-133 and related authoritative material.

	NA	YES	NO	Reference, Comments
DETERMINATION OF LOW-RISK AUDITEE				
1. Has an annual single audit in accordance with OMB Circular A-133 been performed for each of the last two years? (<i>Attach copies of the prior two year's Summaries of Findings and Questioned Costs</i>)				
2. For each year, was the opinion on the financial statements and schedule of expenditures of federal awards unqualified?				
3. For each year, there were no material weaknesses in internal controls ?				
4. For each year and for each Type A program there were:				
a. No material internal control weaknesses identified?				
b. No material noncompliance with program requirements?				
c. No known or likely questioned costs that exceeded 5% of the program's total expenditures?				
5. If the answers to questions 1-4 are yes, the client qualifies as a low risk auditee and the major programs included in the audit need only cover 25% of total federal awards expended. Does the client so qualify?				

SUMMARY OF RESULTS OF MAJOR PROGRAM DETERMINATION - Based on the assessment of risk on the following pages, the following programs have been selected as major programs. Selected programs should be at least 50% of total federal awards expended (25% for low-risk auditees).

TOTAL FEDERAL PROGRAM EXPENDITURES _____ 100%

MAJOR PROGRAMS:

Name of Program or Cluster	CFDA No.	Amount	%

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Name of Type A Program _____
or Cluster and CFDA No. _____

RISK ASSESSMENT FOR TYPE A PROGRAMS - YES answers generally indicate that the program does not qualify as low risk.

	NA	YES	NO	Reference, Comments
1. Has this program not been audited as a major program in one of the last two years? (If it has not been audited as a major program in one of the last two years, it does not qualify as a low-risk program and further risk assessment is not necessary.)				
2. Was the last compliance opinion other than an unqualified report?				
3. In the last audit as a major program, were there any audit findings related to:				
a. Reportable internal control conditions?				
b. Material noncompliance?				
c. Known or likely questioned costs of \$10,000 or more?				
d. Known fraud?				
4. Has there been oversight monitoring of the program that disclosed any significant problems since the last audit?				
5. Is the nature of the program such that it is inherently considered a high risk program? (Explain your answer.)				
6. Are there new regulations affecting the program?				
7. Is the program being terminated?				
8. Have there been any changes in the control systems for the program that increase risk?				
9. Have there been any changes in personnel who administer or account for the program that increase risk?				
10. Are there any other factors that indicate that the program may be a high risk program? (If yes, explain your answer.)				
Based on the above and other considerations in Circular A-133, is the program considered low risk?				

Explain below or prepare a memorandum supporting your conclusion and reference to corroborating information as appropriate.

**FEDERAL COMPLIANCE AUDIT
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Name of Type B Program _____
or Cluster and CFDA No. _____

RISK ASSESSMENT FOR TYPE B PROGRAMS - YES answers generally indicate the program is a potentially high risk program.

	NA	YES	NO	Reference, Comments
1. Did the follow-up of prior audit findings indicate any problems?				
2. Has there been oversight monitoring of the program that disclosed significant problems since the last audit?				
3. Is the nature of the program such that it is inherently considered a high risk program? (Explain your answer.)				
4. Is it a new program or has there been a significant changes in the last year?				
5. Are there new regulations affecting the program?				
6. Is the program being terminated?				
7. Do any of the following factors increase risk:				
a. Is there any indication that management does not understand or is not inclined to comply with program requirements?				
b. Do the personnel accounting for or administering the program lack experience and/or training?				
c. Have there been any changes in personnel accounting for or administering the program?				
d. Have there been changes in the program's control systems?				
c. Is the program administered under multiple control systems?				
d. If there are there significant subrecipients, does the subrecipient monitoring system appear to be <u>less</u> than complete and comprehensive?				
e. If the program relies on computer processing, is the computer system new, complex, difficult to understand, or significantly changed since the last audit?				
8. Are there any other factors that indicate that the program may be a high risk program? (If yes, explain your answer.)				
Based on the above and other considerations in Circular A-133, is the program considered high risk?				

Explain below or prepare a memorandum supporting your conclusion and reference to corroborating information as appropriate.
