

**UNIFORM GUIDE FOR INITIAL REVIEW
OF A-133 AUDIT REPORTS**



**President's Council on Integrity & Efficiency
1999 Edition**

INTRODUCTION

Objectives and Purpose

The objectives of the initial review are to (1) ensure that audit reports meet applicable reporting standards and Office of Management and Budget (OMB) Circular A-133 reporting requirements, (2) identify any follow-up audit work needed, (3) identify audits for potential quality control reviews, and (4) identify issues that may require management attention. The purpose of this guide is to help ensure that the scope of the initial review is sufficient to fulfill these objectives and to ensure consistent reviews.

Applicability and Use

This guide, intended for use in performing initial reviews of A-133 audit reports, is designed, to the extent possible, to be all that is necessary to support the results of the initial review. An initial review should be performed whenever a Quality Control Review is performed. This guide addresses only significant A-133 reporting requirements; agencies may wish to supplement the guide, if necessary, to better meet the specific needs of their individual programs. The reviewer may refer to Statement of Position (SOP) 98-3 and A-133 for the complete listing of reporting requirements. Because it is anticipated that agencies may conduct less detailed reviews of reports for which they have general oversight responsibility, this guide is not intended for reviews of those reports. However, it may be used for such reports if desired.

Description

The checklist provided in this guide is generally organized by reporting standards and elements of an A-133 audit. Questions 1 through 11 relate to a single audit. Question 12 is for a program-specific audit. Questions 1 through 12, which should all be addressed, have been designed to show "Yes" or "N/A" (not applicable) answers as favorable responses. A "No" answer to questions 1 through 8 and 12(a-d) indicates an auditor deficiency, and a "No" answer to questions 9 through 11 and 12(e) indicates an auditee deficiency. All unfavorable responses must be fully explained and cross-referenced to the reporting package. (Favorable responses do not need to be cross-referenced.) It should be noted that unfavorable answers identify situations that could be undesirable but do not necessarily imply that the report is unacceptable. The reviewer must exercise professional judgment when answering the questions and reaching specific and overall conclusions on the quality of the report.

Questions 13 through 18 are optional for analysis of information contained in the reporting package and may require follow-up. For these questions, a "Yes" answer may indicate the need for follow-up.

References

References are provided to enable the reviewer to refer to relevant standards and requirements. The reviewer should be familiar with the requirements and standards and have them available when performing the initial review. Below are abbreviations used to reference the requirements and standards:

- A-133 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

- AU *Codification of Statements on Auditing Standards*, promulgated by the American Institute of Certified Public Accountants (AICPA).

- GAS The financial audit standards contained in *Government Auditing Standards* (1994 Revision) published by the General Accounting Office (GAO).

- SOP 98-3 AICPA Statement of Position 98-3, *Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards*.

GENERAL INFORMATION

1. Auditee: _____

2. Audit Period: _____

3. Auditor or Audit Organization (including location): _____

4. Date of Report: _____

5. Federal Funding Agencies: _____

6. Contacts (Indicate personnel contacted, the reasons contacted, and the results):

OVERALL CONCLUSIONS

1. In my opinion, the auditor's report(s) and Schedule of Findings and Questioned Costs are:

Acceptable (Contains no deficiencies or only minor deficiencies not requiring any changes or corrective action for the current audit.)

Technically Deficient (Contains deficiencies requiring correction that do not make the report unuseable for fulfilling one or more objectives of the audit.)

Substandard (Contains significant deficiencies that make the report unuseable for fulfilling one or more objectives of the audit.)

2. In my opinion, the auditee's schedule of expenditures of Federal awards and corrective action plan is:

Acceptable (Contains no deficiencies or only minor deficiencies not requiring any changes or corrective action for the current audit.)

Unacceptable (Contains deficiencies requiring correction.)

3. Describe any issues that warrant follow-up audit work.

4. Describe reasons a quality control review should be considered.

5. There are __ or are not __ issues that should be brought to the attention of program management. (Describe these issues.)

Reviewer/Title _____

Date _____

Supervisor/Title _____

Date _____

Review Item	Yes	No	N/A	Ref.
<p>QUALIFICATIONS AND INDEPENDENCE</p>				
<p>1. Is the report free of indications that the auditor is not independent or is not qualified to perform the audit? <i>[If a question arises concerning the licensing of a public accountant, State licensing authorities should be able to provide the necessary information.]</i> (AU 210.01-.05, 220.01-.07; GAS 3.10-3.25)</p>				
<p>REPORTING</p> <p>The reporting section of this guide is organized in accordance with the recommended reporting format contained in SOP 98-3. Other reporting formats containing the required elements are acceptable. Reports may be combined or separated.</p> <p>Opinion on the Financial Statements and Schedule of Expenditures of Federal Awards</p>				
<p>2. Do the general-purpose 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); SOP 98-3 4.1)</p>				
<p>3. Does the opinion on the financial statements contain the required elements? The SOP 98-3 contains the following provisions: (AU 508.08, 551.06, 623.05; A-133 .505(a); SOP 98-3 10.35)</p>				
<p>a. A statement that the financial statements identified in the opinion were audited. (AU 508.08b; SOP 98-3 10.35b)</p>				
<p>b. A statement that the audit was conducted in accordance with generally accepted auditing standards and with applicable GAS. (AU 508.08d; GAS 5.13; SOP 98-3 10.35d)</p>				

Review Item	Yes	No	N/A	Ref.
c. If the financial statements are intended to be presented in accordance with another comprehensive basis of accounting, the opinion should include a paragraph that states the basis of presentation and refers to the note to the financial statements that describes the basis. (AU 623.05d(1); SOP 98-3 10.35h)				
d. An opinion (or disclaimer of opinion) on the financial statements. (AU 508.08h; SOP 98-3 10.35h)				
e. A description of the accompanying supplementary information (Schedule of Expenditures of Federal Awards). (AU 551.06b; SOP 98-3 10.35j)				
f. An 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 551.06d; SOP 98-3 10.35l)				
g. The manual or printed signature of the auditor's firm. (AU 508.08i; SOP 98-3 10.35m)				
h. The date of the audit report. (AU 508.08j; SOP 98-3 10.35n)				
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with GAS				
4. Do(es) the report(s) on compliance and internal control over financial reporting contain the required elements? The SOP contains the following provisions: (A-133 .505; SOP 98-3 10.39)				
a. A statement that the audit was conducted in accordance with generally accepted auditing standards and with applicable GAS. (GAS 5.13; SOP 98-3 10.39b)				
b. 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				

Review Item	Yes	No	N/A	Ref.
<p>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. (SOP 98-3 10.39c)</p>				
<p>c. A statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under GAS and, if they are, describes the instances of noncompliance or refers to the schedule of findings and questioned costs. (SOP 98-3 10.39e)</p>				
<p>d. A statement that in planning and performing the audit, the auditor considered the auditee's internal control over financial reporting. (SOP 98-3 10.39g)</p>				
<p>e. If reportable conditions were noted, a description of the reportable condition(s) or a reference to the schedule of findings and questioned costs and a statement about whether the auditor believes any of the reportable conditions described in the report are material weaknesses and, if so, identifies which one(s). (SOP 98-3 10.39j and l)</p>				
<p>f. If no reportable conditions 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. (SOP 98-3 10.39i and l)</p>				
<p>g. The manual or printed signature of the auditor's firm. (SOP 98-3 10.39o)</p>				
<p>h. The date of the report. (SOP 98-3 10.39p)</p>				

Review Item	Yes	No	N/A	Ref.
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with Circular A-133				
5. Do(es) the report(s) on compliance and internal control contain the required elements? The SOP contains the following provisions: (A-133 .505; SOP 98-3 10.46)				
a. 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. (SOP 98-3 10.46a) b. A statement that the audit was conducted in accordance with generally accepted auditing standards, applicable GAS, and A-133. (SOP 98-3 10.46d) c. 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). (SOP 98-3 10.46i) d. 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 its major programs. (SOP 98-3 10.46j) e. 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. (SOP 98-3 10.46k)				
f. 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				

Review Item	Yes	No	N/A	Ref.
<p>auditing procedures for expressing an opinion on compliance and to test and report on the internal control over compliance in accordance with A-133. (SOP 98-3 10.46m)</p> <p>g. If applicable, a reference to a description of reportable conditions noted in the accompanying schedule of findings and questioned costs, including the reference number of the finding(s). (SOP 98-3 10.46o)</p> <p>h. If there are reportable conditions, a statement about whether the auditor believes any of the reportable conditions noted are material weaknesses and, if they are, a reference to a description of the material weakness. If there are no reportable conditions, a statement that no material weaknesses were noted. (SOP 98-3 10.46r)</p> <p>i. The manual or printed signature of the auditor's firm. (SOP 98-3 10.46t)</p> <p>j. The date of the report. (SOP 98-3 10.46u)</p>				
<p>Schedule of Findings and Questioned Costs</p>				
<p>6. Does the schedule of findings and questioned costs include a summary of audit results section containing the following elements: (A-133 .505(d); SOP 98-3 10.56)</p>				
<p>a. Identification of the auditee's major programs? (A-133 .505(d)(vii); SOP 98-3 10.56a)</p>				
<p>b. Dollar threshold used to distinguish between type A and B programs? (A-133 .505(d)(viii); SOP 98-3 10.56a)</p>				
<p>c. Whether the auditee qualified as a low-risk auditee? (A-133 .505(d)(ix); SOP 98-3 10.56a)</p>				

Review Item	Yes	No	N/A	Ref.
7. Are the Federal findings presented in sufficient detail? Consider whether the reported deficiency provides the following information: (A-133 .510(b); SOP 98-3 10.64)				
a. Federal program and specific Federal award identification, including the Catalog of Federal Domestic Assistance (CFDA) title and number, Federal award number and year, name of Federal agency, and name of applicable pass-through entity. When information such as the CFDA title and number or Federal award number is not available, the auditor should provide the best information available to describe the Federal award. (A-133 .510(b)(1); SOP 98-3 10.64a)				
b. The criteria or specific requirement upon which the audit finding is based, including the statutory, regulatory, or other citation. (A-133 .510(b)(2); SOP 98-3 10.64b)				
c. The condition found, including facts that support the deficiency identified in the audit finding. (A-133 .510(b)(3); SOP 98-3 10.64c)				
d. Identification of questioned costs and how they were computed. (A-133 .510(b)(4); SOP 98-3 10.64d)				
e. Information to provide proper perspective for judging the prevalence and consequences of the audit findings, such as whether the findings represent an isolated instance or a systemic problem. Where appropriate, instances identified should be related to the universe and the number of cases examined and be quantified in terms of dollar value. (A-133 .510(b)(5); SOP 98-3 10.64e)				
f. 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); SOP 98-3 10.64f)				
g. Recommendations to prevent future occurrences of the deficiency identified in the audit findings.(A-133 .510(b)(7);				

Review Item	Yes	No	N/A	Ref.
SOP 98-3 10.64g)				
<p>h. Views of responsible officials of the auditee when there is a disagreement with the audit findings, to the extent practical. [Note: The auditor may reference the entity's corrective action plan to describe the views of responsible officials. If those views oppose the auditor's findings, the auditor should state the reasons for rejecting those views.] (A-133 .510(b)(8); GAS 7.38-.42; SOP 98-3 10.64h)</p> <p>i. A reference number for each finding. (A-133 .510(c); SOP 98-3 10.65)</p>				
<p>8. If the reviewer is aware of any reportable instances of noncompliance or internal control reportable conditions, were these instances disclosed? If not, the report should not be accepted until it is amended. [Note: The reviewer may satisfy this question by considering documents such as the management letter, the financial statements, or other information.]</p>				
<p>Corrective Action Plan (Note: The corrective action plan is the responsibility of the auditee.)</p>				
<p>9. Does the corrective action plan include the following for each finding: (A-133 .315(c); SOP 98-3 10.68)</p> <p>a. Corrective action or reasons that corrective action is not required?</p> <p>b. Planned corrective action completion date(s)?</p> <p>c. The auditee contact person(s) responsible for corrective action?</p>				

Schedule of Expenditures of Federal Awards <i>(Note: The Schedule of Expenditures of Federal Awards is the responsibility of the auditee.)</i>				
10. Does the report include a Schedule of Expenditures of Federal Awards that: (A-133 .310(b); SOP 98-3 5.6)				
a. Lists individual Federal programs by Federal agency and, for a cluster, lists individual Federal programs within a cluster of programs? For research and development, the total Federal awards expended must be shown either by individual award or by Federal agency and major subdivision within the Federal agency. (A-133 .310(b)(1); SOP 98-3 5.6)				
b. 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); SOP 98-3 5.6)				
c. 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); SOP 98-3 5.6)				
d. Includes notes that describe the significant accounting policies used in preparing the schedule? (A-133 .310(b)(4); SOP 98-3 5.6)				
e. Includes, in either the schedule or a note to the schedule, 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 guarantees outstanding at year-end? (A-133 .310(b)(6); SOP 98-3 5.6)				
11. Are all programs known by the reviewer to have been administered by the auditee and those identified elsewhere in the report included in the schedule? <i>[Note: This question is intended to be answered based on the reviewer's prior knowledge and the review of the report. It is not intended that the reviewer conduct research to determine what grants the entity received.]</i>				

--	--	--	--

PROGRAM-SPECIFIC AUDIT				
SOP 98-3 recommends that the reporting on compliance and on the internal control be combined in one report; however, separate reports may be issued. (SOP 98-3 10.8-.9)				
12. 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: (A-133 .235; SOP 98-3 11.6, 11.8) <i>[Note: The reviewer may refer to the appropriate questions in this guide for guidance concerning these reports.]</i>				
a. Opinion (or disclaimer of opinion) on the financial statements of the Federal program? (A-133 235(b)(4)(i); SOP 98-3 11.8)				
b. Report on internal control related to the Federal program? (A-133 235(b)(4)(ii); SOP 98-3 11.8)				
c. 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); SOP 98-3 11.8)				
d. Schedule of findings and questioned costs? <i>[Note: Refer to questions 6 and 7 for the required elements of the schedule.]</i> (A-133 235(b)(4)(iv); SOP 98-3 11.8)				
e. Corrective action plan? <i>[Note: Refer to question 9 for the required elements of the plan.]</i> (A-133 235(b)(2); SOP 98-3 11.6)				
OTHER				
Questions 13 through 18 are optional for analysis of information contained in the audit report and may require follow-up. The questions have been designed to indicate that a “Yes” answer possibly requires follow-up.				
13. Do the reports indicate the existence of a separate management				

letter? (GAS 5.20, 5.28; SOP 98-3 10.29) If "yes," consider obtaining a copy. (A-133 .320(f))

14. Do the notes indicate any condition that negatively affects Federal awards or that should be reported to Federal officials? (If "Yes," explain below.)				
15. Do the internal service funds have an unreasonably high fund equity? <i>[Note: If internal service funds have a significant fund equity, it could be an indication that excessive user fees are being charged for central or interagency services, including those services provided to Federal programs. If the reviewer concludes that the financial statements indicate excess user fees, he/she may want to identify this as an audit lead for follow-up.]</i>				
16. Are any of the opinions other than unqualified? Evaluate to determine the possible effect on Federal programs and if further actions are required.				
17. Does the summary schedule of prior audit findings indicate any issues affecting the current period that need to be brought to the attention of program managers?				
18. Does the report contain indications of fraudulent or illegal acts of a criminal nature or other sensitive matters affecting Federal awards?				

Reference	Notes

UNIFORM QUALITY CONTROL REVIEW GUIDE FOR A-133 AUDITS



President's Council on Integrity & Efficiency 1999 Edition

INTRODUCTION

Objectives and Purpose

The objectives of a quality control review (QCR) of a single audit are to (1) ensure that the audit was conducted in accordance with applicable standards and meets the single audit requirements, (2) identify any follow-up audit work needed, and (3) identify issues that may require management attention. The purpose of this document is to help ensure that the scope of the QCR is sufficient to fulfill the review objectives, is consistent among cognizant agencies for audit, and provides support for the results of the QCR.

Applicability and Use

This document is intended for use as a guide by all Federal agencies when conducting QCRs of A-133 audits. The reviewer must exercise professional judgment when completing the checklist provided in this guide and reaching specific and overall conclusions on the quality of the audit.

If an agency wishes to adapt this document to fit into its overall non-Federal audit quality control system, all checklist items should be included in the checklist that is developed. Agencies may supplement this guide with additional items if desired. Because a QCR may not review all major programs, judgment should be used in selecting the programs to be reviewed.

Description

The checklist is generally organized by audit standards and elements of an A-133 audit. The focus is on the portions of the A-133 audit that are of most interest to Federal officials. A QCR includes an initial review. QCRs performed with the use of this and the initial review checklists provide evidence of the reliability of A-133 audits to auditors of Federal agency financial statements, such as those required by the Chief Financial Officers (CFO) Act, and others.

All questions should be addressed; however, questions 11 and 12 are optional and need be answered only when information concerning Federal program receivables and payables are required for selected programs, such as Medicaid, for the Federal CFO audit. It is intended that this checklist serve as the principal documentation to support the QCR. When a QCR shows that the audit meets all professional standards and requirements of A-133, the checklist and A-133 report are sufficient to provide reasonable coverage for Federal CFO audits at an individual auditee for the programs covered by the QCR.

The questions in this checklist have been designed to indicate "Yes" or "N/A" (not applicable) answers as favorable responses. All "No" (unfavorable) responses must be fully explained. It should be noted that unfavorable responses identify situations that could be undesirable but do not necessarily imply that the report is unacceptable. When deficiencies are noted, the checklist should be cross-referenced to the auditor's working papers. Where appropriate, copies of the working papers should be obtained to document deficiencies noted.

Attachment I of this guide, which is used in reviewing major programs, could be adapted for use in Federal agency reviews of program-specific audits.

References

References are provided to enable the reviewer to refer to relevant requirements and standards. The reviewer should be familiar with the requirements and standards and have them available when performing the QCR. 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:

A-133	OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i> .
AU	<i>Codification of Statements on Auditing Standards</i> , promulgated by the American Institute of Certified Public Accountants (AICPA).
GAS	The financial audit standards contained in <i>Government Auditing Standards</i> (1994 Revision), published by the General Accounting Office (GAO).
SOP 98-3	American Institute of Certified Public Accountants (AICPA) Statement of Position 98-3, <i>Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards</i> .
SF-SAC	<i>Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations</i> .

GENERAL INFORMATION

1. **Auditee:** _____

2. **Audit Period:** _____

3. **Auditor or Audit Organization (including location):** _____

4. **Dates of Review:** _____

5. **Review Team Members**

Organization

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. **Basis of Selection:** Random _____ Judgmental _____

7. **Contacts (Indicate personnel contacted):** _____

SUMMARY RESULTS OF QUALITY CONTROL REVIEW

Auditee:

Standards/Requirements	Checklist Reference	Acceptable	Technically Deficient	Substandard
General Standards:				
Auditor Qualifications ¹	1			
Independence	2 - 3			
Due Professional Care ¹	4			
Quality Control	5 - 6			
Fieldwork Standards:				
Planning and Supervision	7 - 10			
Federal Receivables and Payables	11 - 12			
Other Standards Affecting Federal Awards	13 - 15			
Single Audit Requirements:				
Determination of Major Programs	16 - 22			
Schedule of Expenditures of Federal Awards	23 - 24			
Audit Follow-Up	25			
Reporting	26 - 29			
Summary	30 - 34			
Data Collection Form	35 - 37			

¹ The overall results of the QCR should be considered in addition to the checklist items when assessing the adequacy of the auditors' qualifications and the level of due professional care.

OVERALL CONCLUSIONS

1. In my opinion, the audit is: *(Note: The reviewer should consider the results from the initial review and QCR in assessing the overall quality of the audit.)*

- | | |
|--|--|
| <input type="checkbox"/> Acceptable | Contains no deficiencies or only minor deficiencies not requiring any changes or corrective action for the current audit. |
| <input type="checkbox"/> Technically Deficient | Contains deficiencies requiring corrective action that do not appear to affect the audit results. |
| <input type="checkbox"/> Substandard | Contains significant audit deficiencies that could potentially affect the audit results, thus making the report unusable for fulfilling one or more objectives of the audit. |

2. Describe any issues that warrant follow-up audit work.

3. There are __ or are not __ program issues that should be brought to the attention of program management. (Describe these issues.)

4. There are __ or are not __ issues that should be brought to the attention of program management concerning needed changes to the Compliance Supplement. (Describe these issues.)

_____/_____/_____
Supervisor Title Date

_____/_____/_____
Reviewer Title Date

_____/_____/_____
Reviewer Title Date

Review Item	Yes	No	N/A	Ref.
<p style="text-align: center;">GENERAL STANDARDS</p> <p>Auditor Qualifications</p> <p>4. Did those responsible for planning, directing, conducting, and reporting on the audit meet the GAS continuing professional education requirements? (GAS 3.6) [<i>Note: Reviewers may rely on the results of the most recent external QCR (peer review) in evaluating compliance with this requirement.</i>]</p> <p>Independence</p> <p>5. Were the working papers free of indications that the auditor or audit organization lacked independence? (GAS 3.11-.25; AU 220.01)</p> <p>6. Are the audit organization’s peer review report and related letter of comments (if any) free of any findings concerning a lack of independence? If not, the reviewer should consider the relevant problems indicated in the peer review. (GAS 3.18-.25)</p> <p>Due Professional Care</p> <p>7. Was the scope of the audit sufficient to meet the requirements of an A-133 audit, and were all limitations, restrictions, or impairments to the audit scope properly disclosed in the auditor’s report(s)? (GAS 3.28; AU 508.22-.57; A-133.500)</p> <p>Quality Control</p> <p>8. Did the audit organization have a peer review within the last 3 years? (GAS 3.33; SOP 98-3 3.12)</p> <p>9. Did the results of the peer review indicate that the audit organization’s internal quality control system was operating effectively and that applicable auditing standards were being followed? If not, the reviewer should consider the relevant problems indicated in the peer review. (GAS 3.31, 3.33; SOP 98-3 3.12)</p>				

Review Item	Yes	No	N/A	Ref.
<p align="center">FIELDWORK STANDARDS</p> <p><i>[Note: The reviewer may address questions in this section based solely on the review of audit work performed for major programs and portions of the financial statements reviewed.]</i></p>				
<p>Planning and Supervision</p> <p>10. Did the working papers (including the audit program) evidence that the audit was adequately planned and supervised? <i>(Note: Reviewers may wish to answer this question after completing the review guide.)</i> (GAS 4.6-.11)</p> <p>11. Did the auditor consider the effect of computer processing on the nature, timing, and extent of auditing procedures, including the need to assess the reliability of computer output? (AU 311.09)</p> <p>12. If the auditor used the work of an internal auditor, were generally accepted auditing standards (GAAS) followed? (AU 322.01-.29; SOP 98-3 3.45)</p> <p>13. If part of the audit was performed by other auditors, were GAAS followed? (AU 543.01-.15; SOP 98-3 3.41, 3.44)</p> <p><i>[Note: If the work done by the other auditor was significant with respect to the Federal objectives of the single audit, a QCR of the other auditor's working papers should be considered.]</i></p> <p><i>[Note: Questions 11 and 12 are optional.]</i></p>				
<p>Testing of Federal Program Receivables and Payables in a Financial Statement Audit</p> <p>14. When accounts receivable from the Federal Government are material to the auditee's financial statements:</p> <p>a. Did the auditor perform procedures to gain an understanding of internal control over accounts receivable from the Federal Government, assess control risk, and document the understanding and risk assessment? (GAS 4.21; AU 319.02 -.57; SOP 98-3 4.13)</p> <p>b. Did the auditor's substantive testing provide sufficient, competent evidence to provide reasonable assurance that accounts receivable from the Federal Government reported in the financial statements were fairly presented? (AU 312.25, 319.79-.82)</p>				

Review Item	Yes	No	N/A	Ref.
<p>15. When accounts payable to the Federal Government are material to the auditee's financial statements:</p> <p>a. Did the auditor perform procedures to gain an understanding of internal control over accounts payable to the Federal Government, assess control risk, and document the understanding and risk assessment? (GAS 4.21; AU 319.02-.57; SOP 98-3 4.13)</p> <p>b. Did the auditor's substantive testing provide sufficient, competent evidence to provide reasonable assurance that the accounts payable to the Federal Government reported in the financial statements were fairly presented? (AU 312.25, 319.79-.82)</p>				
<p>Other Standards Affecting Federal Awards</p>				
<p>16. Were written management representations obtained concerning Federal awards covering the following areas: [<i>Note: Additional representations may have been obtained by the auditor.</i>] (SOP 98-3 6.68-.69)</p> <p>a. Identification and completeness of the list of Federal award programs?</p> <p>b. Compliance with Federal requirements?</p> <p>c. Identification of known instances of noncompliance?</p>				
<p>17. Did the auditor perform the required audit procedures concerning litigation, claims, and assessments? (AU 337.05-.09)</p>				
<p>18. If evidence of possible fraud or illegal acts involving Federal funds was found, did the auditor:</p> <p>a. Attempt to obtain sufficient, competent evidence to determine whether, in fact, material fraud or illegal acts occurred and, if so, their effect on the financial statements and on other aspects of the audit? (AU 316.35, 317.10-.16)</p> <p>b. Report relevant information in accordance with the requirements of GAS and A-133? (GAS 5.18-.25; A-133.510(a)(6))</p> <p>c. Ensure that the auditee reported the matter to the entity that provided the assistance? (GAS 5.23)</p>				

Review Item	Yes	No	N/A	Ref.
SINGLE AUDIT REQUIREMENTS <i>[Note: The reviewer may address questions in this section based solely on the review of audit work performed for major programs and portions of the financial statements reviewed.]</i>				
Determination of Major Programs 19. If the auditor did not use a risk-based approach to determining major Federal programs, was this allowable and was the approach used allowable? (A-133 .520(i); SOP 98-3 7.20) 20. If the auditee was considered a low-risk auditee, did the working papers evidence that the auditor determined that the following conditions were met for each of the preceding 2 years or, in the case of biennial audits, the preceding two audit periods: (A-133 .530; SOP 98-3 7.25) <ul style="list-style-type: none"> a. Annual single audits were performed on the entity covered by the audit under review or, if a biennial audit, prior approval was obtained from the cognizant or oversight agency? <i>[Note: An entity does not meet the criteria for a low-risk auditee if it was included in the single audit of a different entity for either of the prior 2 years' audits.]</i> b. The auditor's opinions on the financial statements and the schedule of expenditures of Federal awards were unqualified, or qualifications were waived by the cognizant or oversight agency? c. No deficiencies in internal control were identified as material weaknesses under the requirements of GAS, or findings were waived by the cognizant or oversight agency? d. None of the Federal programs had audit findings from any of the following in either of the preceding 2 years (or, in the case of biennial audits, the preceding two audit periods) in which they were classified as Type A programs: <ul style="list-style-type: none"> (1) Internal control deficiencies that were identified as material weaknesses? (2) Noncompliance with the provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Type A program? (3) Known or likely questioned costs that exceed 5 percent of the total Federal awards expended for a Type A program during the year? 				
21. Did the auditor identify the larger Federal programs based on the dollar				

Review Item	Yes	No	N/A	Ref.
<p>thresholds identified in A-133 520(b) and label them as Type A programs, with the remaining programs labeled as Type B? (A-133 .520; SOP 98-3 7.5-.6)</p>				
<p>a. When identifying Type A programs, were loans or loan guarantees that significantly affect the number or size of Type A programs considered as Type A and their values excluded in determining other Type A programs? (A-133 .520(b)(3); SOP 98-3 7.7)</p>				
<p>22. Did the auditor perform and document risk assessment procedures on each Type A program to identify those that are low risk? (A-133 .520(c)(1); SOP 98-3 7.10-.12)</p>				
<p>23. Were all Type A programs that were identified as low-risk: (A-133 .520(c)(1); SOP 98-3 7.10-.12)</p>				
<p>a. Audited as a major program in at least one of the two most recent audit periods (in the most recent audit period in the case of a biennial audit)?</p>				
<p>b. Free of audit findings under A-133 .510(a)(1), (2), and (5)?</p>				
<p>c. Free of audit findings described in A-133 .510(a)(3), (4), (6), and (7), or did the working papers document the basis for the auditor's judgment that such findings did not preclude a Type A program from being low risk?</p>				
<p>d. Based on a documented risk assessment showing that the auditor applied professional judgment and considered the criteria in A-133 .525(c), .525(d)(1), (2), and (3), the results of audit follow-up, and any changes in personnel or systems? (A-133 .520(c)(1))</p>				
<p>24. Did the auditor consider the criteria in A-133 when performing the risk assessments on Type B programs? (A-133 .520(d);SOP 98-3 7.14)</p>				
<p>25. At a minimum, did the auditor audit all of the following as major programs: (A-133 .520; SOP 98-3 7.17)</p>				
<p>a. All Type A programs not identified as low risk?</p>				
<p>b. Option 1: At least half of the high-risk Type B programs over the Type B threshold, if risk was assessed for all Type B programs subject to risk assessment? <i>(Note: The auditor is not required to audit more high-risk Type B programs than the number of Type A programs identified as low risk.)</i></p>				
<p>or</p>				
<p>Option 2: At least one high-risk Type B program for each low-risk Type A program?</p>				

Review Item	Yes	No	N/A	Ref.
<p>c. Programs that are requested in accordance with the requirements in A-133 .215(c) to be audited as major?</p> <p>d. Such additional programs as may be necessary to comply with the percentage of coverage rule?</p>				
Schedule of Expenditures of Federal Awards				
26. Do the working papers evidence that the auditor:				
<p>a. Performed procedures to determine that the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the auditee’s financial statements taken as a whole? (SOP 98-3 5.1)</p>				
<p>b. Determined that the auditee was able to reconcile amounts presented in the schedule to amounts in the financial statements? (SOP 98-3 5.5)</p>				
<p>c. Assessed the appropriateness and completeness of the auditee’s identification of Federal programs included in the schedule? (SOP 98-3 5.4)</p>				
<p>d. Considered whether a reportable condition existed if the auditee was unable to identify federally funded expenditures separately? (SOP 98-3 5.4)</p>				
<p>e. Determined that the auditee properly disclosed the basis of accounting and the significant accounting policies used in preparing the schedule? (SOP 98-3 5.5)</p>				
27. Were Federal awards identified in the audit working papers (including noncash awards) included in the schedule? (SOP 98-3 5.4)				
Audit Follow-Up				
28. Did the auditor perform procedures to assess the reasonableness of the Summary Schedule of Prior Findings? (A-133 .500(e))				
Reporting				

Review Item	Yes	No	N/A	Ref.
<p>33. Was the internal control planning and testing adequate for each major program for which Attachment I was completed? (A-133 .500(c))</p> <p>34. Did the Schedule of Findings and Questioned Costs include all reportable conditions in internal control over major programs? <i>[Note: The determination of whether a deficiency in internal control is reportable is made in relation to a type of compliance requirement or an audit objective identified in the Compliance Supplement for a major program.]</i> (A-133 .510(a)(1))</p>				
<i>Compliance Requirements for Major Programs</i>				
<p>35. Did the auditor properly determine whether the auditee complied with laws, regulations, and provisions of contracts or grant agreements that may have a direct and material effect on each of its major programs? (A-133.500(d))</p> <p>36. In the reviewer’s judgment, was the proper opinion rendered on each major program based on the results of audit tests identified in the audit working papers? (SOP 98-3 6.52)</p>				
<p>37. Did the Schedule of Findings and Questioned Costs include all compliance findings and questioned costs required to be reported? (A-133.510(a)(2-7); SOP 98-3 10.63(b-g))</p>				
Data Collection Form				
<p>38. Based on the reporting package, data collection form, and results of the QCR, did the auditor properly identify in Part III, Item 8, the Federal agencies required to receive the reporting package? (A-133 .320(b)(3); SOP 98-3 10.72)</p>				
<p>39. Based on the reporting package, data collection form, and results of the QCR, did the auditor properly complete Part III, Item 9? <i>[Note: The reviewer may answer this question based on the major programs that were reviewed as part of the QCR.]</i> (A-133 .320(b)(3); SOP 98-3 10.72)</p>				
<p>40. Based on the reporting package, data collection form, and results of the QCR, did the auditor properly complete Part III, Item 10? <i>[Note: The reviewer may answer this question based on the major programs that were reviewed as part of the QCR.]</i> (A-133 .320(b)(3); SOP 98-3 10.72)</p>				

Reference	Notes

ATTACHMENT I

Quality Control Review
Program: _____

Auditee:
CFDA #: _____

Review Item	Yes	No	N/A	Ref.
to Major Federal Programs				
1. Did the auditor, in designing audit tests and developing an opinion on major program compliance, determine materiality based on the major program? (SOP 98-3 3.35, 6.14-.15)				
2. Do the working papers evidence that the auditor considered noncompliance, both individually and when aggregated, in determining whether to express a qualified or adverse opinion on compliance? (SOP 98-3 3.38, 6.15)				
Internal Control				
3. For each of the 14 types of compliance requirements (listed in the Compliance Supplement) that are applicable and material to the major program, did the auditor document an understanding of the 5 components of internal control (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring) sufficient to plan the audit to support a low assessed level of control risk? (A-133 .500(c)(1); SOP 98-3 8.7, 8.9-.11)				
4. Did the auditor plan the testing of internal control over the major program to support a low assessed level of control risk for the assertions relevant to each material compliance requirement for the major program? (A-133 .500(c)(2)(i); SOP 98-3 8.16)				
5. Did the auditor perform the planned testing of internal control? (A-133 .500(c)(2)(ii); SOP 98-3 8.16)				
6. If the auditor omitted testing of controls for any material requirement because the auditor concluded that internal control was likely to be ineffective, did the report and workpapers include the following: (A-133 .500(c)(3); SOP 98-3 8.20-.21, 8.24)				
a. A reportable condition as part of the audit findings?				
b. Control risk assessed at the maximum and a consideration of whether additional tests were required?				
7. Do the working papers adequately document the work performed and the conclusions reached? (AU 339.05)				

ATTACHMENT I

Quality Control Review
Program: _____

Auditee:
CFDA #: _____

Review Item	Yes	No	N/A	Ref.
8. 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?				
9. Do the working papers evidence that the auditor's determination of whether a deficiency in internal control was a reportable condition was made in relation to a type of compliance requirement for a major program or an audit objective identified in the Compliance Supplement? (A-133 .510(a)(1); SOP 98-3 8.26)				
10. Were all reportable conditions identified as audit findings? (A-133 .510(a)(1); SOP 98-3 10.63a)				
Compliance Testing				
11. Did the auditor identify all applicable and material compliance requirements for the major program? <i>(Note: For programs included in the Compliance Supplement, after considering any unique requirements that affect the Compliance Supplement's guidance, the auditor need consider only the requirements contained therein. For programs not included, the auditor should follow the guidance in Part 7 of the Compliance Supplement for identifying the applicable compliance requirements.)</i> (A-133 .500(d)(3); SOP 98-3 6.20-.21, 6.27-.30)				
12. Did the auditor perform reasonable procedures to ensure that the compliance requirements were current? (A-133 .500(d)(3); SOP 98-3 6.24)				
13. Do the working papers adequately document the work performed and the conclusions reached? (AU 339.05)				
14. Did the auditor report all findings and questioned costs identified in the audit working papers that met any of the following conditions: (A-133 .510(a)(2-7); SOP 98-3 10.63(b-g))				

ATTACHMENT I

Quality Control Review
Program: _____

Auditee:
CFDA #: _____

Review Item	Yes	No	N/A	Ref.
<p>a. Material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program? <i>[Note: The determination of material noncompliance is in relation to a type of compliance requirement for a major program or audit objective identified in the Compliance Supplement.]</i></p> <p>b. Known questioned costs when the known or likely questioned costs exceed \$10,000 for a type of compliance requirement for a major program?</p> <p>c. Known fraud affecting a Federal award unless the fraud was already reported in accordance with GAS?</p> <p>d. 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 pertaining to this major program?</p>				
<p>15. In the judgment of the reviewer, were the nature and extent of audit testing adequate to meet the audit objectives as identified in the Compliance Supplement for all material compliance requirements, and do the results support the auditor's compliance opinion on the major program? (A-133 .500(d)(4); SOP 98-3 6.36-.47)</p>				
<p>16. Did the auditor perform procedures to assess the reasonableness of the summary schedule of prior findings? (A-133 .500(e))</p>				

Reference	Notes

