

Section 3.12 Guidance for auditing a program that does not have a compliance supplement – 2011

This section is applicable to A-133 audits.

Auditors are likely to encounter Type A and Type B programs that do not have compliance supplements in the “OMB Circular A-133 Compliance Supplement” or in the other sections of Part 3 of the *DHS Audit Guide*. Auditors will need to identify the applicable compliance requirements and audit procedures for these programs.

Risk assessment

A. General risk factors

- The program has not been audited in at least one of the last two audits.
- The auditor identified significant findings in the most recent audit.
- The auditee has had significant changes in personnel or systems affecting the program.
- The program is new for this auditee or the program requirements have recently changed substantially.
- The program has complex administrative requirements.
- The auditor identified significant problems in performing the general compliance testing for requirements that are relevant to this program (Section 2 of the *DHS Audit Guide*).

B. Program specific risk factors

- Consult the contract and program guidance for program specific risk factors.

Compliance requirements and suggested audit procedures

Auditors will need to identify the applicable compliance requirements and audit procedures for these programs.

- 1) The contract between the department and the auditee explains the nature and purpose of the program and may identify compliance requirements where noncompliance could have a direct and material effect on the program.
- 2) Part 7 of the “OMB Circular A-133 Compliance Supplement” (<http://www.whitehouse.gov/omb/grants/index.html#audit>) includes guidance for identifying the types of compliance requirements to test when there is no compliance supplement. This guidance is designed for federal programs; however, it will also be useful for state programs.
- 3) The general compliance requirements described in Section 2 of the *DHS Audit Guide* apply to most department programs. Auditors should consider results of testing these general compliance requirements when making risk assessment and when preparing the audit program .

Questions

Please send questions by email to DHSAuditors@Wisconsin.gov and include the name of the program and the name of the auditee in the message.