COMMUNITY COLLEGE 2017 Audit Programs

June 30, 2017

AUDIT STRATEGY
SINGLE AUDIT

1) Determine Type A vs. Type B programs using the Program Identification form and the College's Schedule of Expenditures of Federal Awards.

2) Determine the risk classification of Type A programs using the Risk Assessment form.

3) If necessary, determine the risk classification of Type B programs using the Risk Assessment form.

   NOTE: ALL PROGRAMS ASSESSED AS HIGH RISK MUST BE AUDITED.

   - The auditor is not required to identify more high-risk Type B programs than at least one-fourth the number of low-risk Type A programs.
   - When identifying which Type B programs to perform a risk assessment, the auditor is encouraged to use an approach which provides an opportunity for different high-risk Type B programs to be audited as major over a period of time.

4) Identify major programs and determine if the percentage of coverage rule has been met using the bottom of the Determination of Major Programs form.

   Major programs must account for at least 40% of total expenditures of federal awards unless the College is low-risk, in which case only 20% needs to be met.* The College is considered low risk if, for each of the prior two years, all of the following conditions have been met:

   - A Single Audit is performed on an annual basis.
   - Unmodified opinions on the financial statements and the Schedule of Expenditures of Federal Awards were issued.
   - No material weaknesses in internal control under the requirements of Government Auditing Standards (relating to the financial statements) were noted. **
   - No internal control deficiencies identified as material weaknesses were noted for all Type A programs.
   - No material non-compliance was noted for all Type A programs.
   - There were no known or likely questioned costs exceeding 5% of the program's expenditures for all Type A programs.
   - The prior two audits must have met the report submission requirements of Uniform Guidance (reports were submitted to the federal audit clearinghouse by March 31).
   - No substantial doubt about the College's ability to continue as a going concern was noted.

5) Identify the applicable Compliance Requirements for each program.

   *The College may have one or more non low-risk Type A programs and still qualify as a low-risk entity, as long as all Type A programs meet the criteria listed. However, all non low-risk Type A programs must be audited as major programs even if the 20% rule of coverage is met by only a portion of the non low-risk Type A programs.

   NOTE: The inclusion of large loan or loan guarantees (loans) should not result in the exclusion of other programs as Type A programs. When a federal program providing loans significantly affects the number or size of Type A programs, this program shall be considered as a Type A program and exclude its values in determining other Type A programs.