

May 26, 2011

## **OMB's NEW 2011 Compliance Supplement for Circular A-133 Audits: How Grant Recipients and Subrecipients Can Use It for Audit Readiness.**

Here is a link to the supplement:

Every spring, the Office of Management and Budget (OMB) releases the complete update to its "Compliance Supplement for Circular A-133 Audits" to provide independent auditors with guidance about the compliance requirements to be reviewed in the course of these mandated audits of federal funds. The extensive annual "Supplement" saves non-federal auditors research time and provides assurance to the federal government that audit testing will be uniformly carried out in the thousands of A-133 audits conducted each year. Use of the Compliance Supplement has become known as a "safe harbor" for auditors -- if they follow it, they satisfy the compliance testing expectations of Circular A-133.

So, if the "Compliance Supplement" is for auditors, why would anyone else -- like grant recipients and subrecipients—want to become familiar with it? Because...it covers what they're going to be tested on. This year, that is even more important. The new Supplement continues to stress what auditors are expected to look for in the expenditures made under the programs funded under the American Recovery and Reinvestment Act—better known as "The Stimulus." Auditors were previously instructed to treat all of those programs as "high risk." And it should come as no surprise that the Supplement is also focusing on the accuracy of new subaward reporting required under the Federal Funding Accountability and Transparency Act—also known as the Coburn-Obama Act. With the high visibility of these requirements, it'll be particularly important to be "audit ready" this year.

Learn how during this audio conference featuring speaker, Bob Lloyd, a respected authority on federal policies affecting acquisition, administration and audit of federal grants. With more than 35 years of experience in federal award administration and oversight, he will help you examine this latest version of the OMB Compliance Supplement—but from the unique viewpoint of federal grantees and subgrantees.

### **During this audio conference, Mr. Lloyd will:**

- Provide a "roadmap" of how the "Compliance Supplement" is organized and how to "cut to the chase" to find the information you or your auditor need
- Review the 14 key general grants management compliance areas that are specified for audit testing
- Identify the kinds of tests that auditors are likely to use
- Focus on the unique requirements that will be tested when some or all of a grant award is funded using Recovery Act (Stimulus) funds
- Suggest ways to develop or improve your documentation to demonstrate compliance

- Caution you about ways that inappropriate “back door” requirements might be surfacing from the guidance in the Supplement
- Detail what will happen if some of your grant programs aren’t covered in the “Supplement” and what your role should be in developing the compliance information for those programs
- Highlight what to expect in the auditor’s review of your internal controls over federal programs-- another way of saying, your grants management system