



Dave Yost
Auditor of State

From: Auditor of State's Center for Audit Excellence
To: All IPA Firms
Subject: Major Program Smoothing
Date: June 21, 2016

OMB has approved the "smoothing" of major program testing. See attached email and documents.

As explained in the attached FAQ document....."Because of the increase in the number of low-risk Type A programs in the first and second year of implementing the Uniform Guidance audit requirements, the number of major programs may significantly increase in the third year. This is because the low-risk Type A programs that were last audited when OMB Circular A-133 was effective will have to be audited as major programs in the third year since they would not have been audited as a major program in at least one of the two most recent audit periods (i.e., the two-year lookback rule)."

Auditors should evaluate if a spike is anticipated and if "smoothing" is necessary in the current year to prevent the unintended increase in audit burden in 2018.

Any questions should be forwarded to the Center for Audit Excellence's FACCR inbox at FACCR@ohioauditor.gov.

From: [IPACorrespondence](#)
To: [IPACorrespondence](#)
Subject: FW: NASACT request for smoothing low-risk Type A major programs
Date: Tuesday, June 21, 2016 8:16:16 AM
Attachments: [Major Program Smoothing final 5-6-16.pdf](#)
[2016 Single Audit - FAQ for 518 Major Program.pdf](#)

From: Poynter, Kinney [<mailto:kpoynter@nasact.org>]
Sent: Wednesday, June 15, 2016 1:33 PM
To: NSAA2016SingleAuditCommittee; NSAAAuditors; Yee, Betty; Khouri, Nick
Cc: NSAAAuditorsCCs; Rowland, Sherri
Subject: FW: NASACT request for smoothing low-risk Type A major programs

State Auditors and NSAA Single Audit Committee –

Good afternoon everyone. I wanted to share some good news with you as quickly as possible. Yesterday, we received approval from OMB allowing for “smoothing” of major program testing. In the email below, Gil Tran at OMB approved smoothing immediately. He also indicated that an FAQ will be released in September. The draft FAQ is attached.

I know many of you were waiting on this guidance to assist you with major program selection in your FY 2016 single audits.

Many thanks to everyone that assisted in getting this FAQ approved. Should you have any questions, please let me know.

Thank you,

R. Kinney Poynter, CPA
NASACT Executive Director
(859) 276-1147

From: Tran, Hai [mailto:Hai_M._Tran@omb.eop.gov]
Sent: Tuesday, June 14, 2016 3:01 PM
To: Poynter, Kinney <kpoynter@nasact.org>; Foelster, Mary <Mfoelster@aicpa.org>
Cc: Rowland, Sherri <srowland@nasact.org>; Mavredes, Martha S. <martha.mavredes@apa.virginia.gov>; Strudgeon, George <george.strudgeon@apa.virginia.gov>; Ray, Dianne E. <dianne.ray@state.co.us>; Brown, Tammie <tammie.brown@oig.hhs.gov>
Subject: RE: NASACT request for smoothing low-risk Type A major programs

Hi Diane and Mary, this note serves as an approval for the use of the “smoothing” method for program selection as requested by the National State Auditors Association in your letter dated May 6, 2016. The approval is effective for audits starting with fiscal year ended on or after 12/26/2014 (same effective date with the Uniform Guidance). The agency’s National Single Audit Coordinators have been informed about this exception, thus you can work directly with them, when necessary, for agreement on final determination for major programs to be reviewed.

We will formally issue the attached FAQ this Fall and will also include this exception information in the FY 2017 Compliance Supplement.

Please let me know if you have any question regarding this exception.

Regards, Gil Tran
Executive Office of the President
OMB, Office of Federal Financial Management

From: Poynter, Kinney [<mailto:kpoynter@nasact.org>]
Sent: Friday, May 06, 2016 4:42 PM
To: Tran, Hai M. <Hai_M._Tran@omb.eop.gov>
Cc: Rowland, Sherri <srowland@nasact.org>; Mavredes, Martha S. <martha.mavredes@apa.virginia.gov>; Strudgeon, George <george.strudgeon@apa.virginia.gov>; Ray, Dianne E. <dianne.ray@state.co.us>; Brown, Tammie <tammie.brown@oig.hhs.gov>
Subject: NASACT request for smoothing low-risk Type A major programs

Gil,

Good afternoon. As requested recently at the Single Audit Roundtable on April 20, 2016, I am attaching NSAA's request to allow for "smoothing" of low-risk Type A major programs.

Please let me know if you have any questions or need further information.

Best regards,

R. Kinney Poynter, CPA
NASACT Executive Director
(859) 276-1147