

City 2018 Audit Programs

June 30, 2018

AUDIT STRATEGY
SINGLE AUDIT RISK ASSESSMENT**INHERENT RISK FACTORS:**

1. Little or no changes in the compliance requirements.
2. Compliance requirements added or significantly changed.
3. Program characteristics do not involve a high amount of risk.
4. Program characteristics involve risk such as a significant amount of contracting or use of subrecipients or OMB designated program as higher risk including programs with Recovery Act funds.
5. High level of independent review/oversight.
6. Little or no independent review/oversight.
7. Relatively simply compliance requirements.
8. Compliance requirements are complex such as calculations and eligibility determinations are complex, require a high degree of judgment or are difficult to audit.
9. Personnel are experienced and competent.
10. Personnel are inexperienced, poorly trained or lack competence.
11. Administration is centralized.
12. Decentralized administration with multiple locations or branches.
13. Prior audits included insignificant no compliance findings.
14. Prior audits included significant compliance findings.

The auditor should consider whether any risks identified are pervasive to the City's compliance because they may affect the City's compliance with many compliance requirements. If the auditor identifies risks of material noncompliance that are pervasive to the City's compliance, the auditor should develop an overall response to such risks. Examples of situations in which there may be risk of material noncompliance that is pervasive to the City's noncompliance are as follows:

- A City experiencing financial difficulty and for which there is an increased risk grant funds will be diverted for unauthorized purposes.
- A City with a history of poor recordkeeping for its government programs.

COMBINED RISK ASSESSMENT:

INHERENT RISK	CONTROL RISK			
	MAXIMUM	MODERATE	LOW	
HIGH	High	Moderate	Low	Combined risk of material Noncompliance
MODERATE	Moderate	Low	Low	
LOW	Low	Low	Low	