PART 4 – AGENCY PROGRAM REQUIREMENTS

INTRODUCTION

For each Federal program (except R&D and SFA) included in this Supplement, Part 4 provides I, "Program Objectives," and II, "Program Procedures." Also, Part 4 provides information about compliance requirements specific to a program in III, "Compliance Requirements." Finally, Part 4 also provides IV, "Other Information," when there is other useful information pertaining to the program that does not fit in sections I - III. For example, when a program allows funds to be transferred to another program, section IV will provide guidance on how those funds should be treated on the Schedule of Expenditures of Federal Awards and Type A program determinations.

When any of five types of compliance requirements (A, "Activities Allowed or Unallowed," E, "Eligibility," G, "Matching, Level of Effort, Earmarking," L, "Reporting," and N, "Special Tests and Provisions") are applicable to a program included in this Supplement, Part 4 will always provide information specific to the program. The auditor should look to Part 3 for a general description of the compliance requirements, audit objectives, and suggested audit procedures and to Part 4 for information about the specific requirements for a program. An exception is that for N, "Special Tests and Provisions;" Part 3 only includes audit objectives and suggested audit procedures for internal control and all other information is included in Part 4.

The other nine types of compliance requirements generally are not specific to a program and, therefore, are usually not listed in Part 4. However, when one of these other nine types of compliance requirements have information specific to a program, this specific information will be provided with the program in Part 4.

When a requirement is marked as "Not Applicable," it means either that there are no compliance requirements or the auditor is not required to test compliance.

In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements. The descriptions of the compliance requirements in Parts 3 and 4 are generally a summary of the actual compliance requirements. The auditor should refer to the referenced citations (e.g., laws and regulations) for the complete compliance requirements.

For R&D and SFA, Part 5 is the equivalent of Part 4; therefore the auditor will need to consider Parts 2, 3, and 5 in developing the audit program for these programs (program clusters).