

Clusters

OMB Circular A-133 defines a cluster of programs as "a grouping of closely related programs that have similar compliance requirements. The types of clusters are Research and Development (R&D), Student Financial Aid (SFA), and 'other clusters.' 'Other clusters' are as defined by the Office of Management and Budget (OMB) in the OMB Circular A-133 Compliance Supplement or as designated by State agencies for Federal and/or State awards that the State provides to its sub-recipients. When designating an 'other cluster,' a State shall identify the Federal and/or State awards included in the cluster and advise the sub-recipients of compliance requirements applicable to the cluster. A cluster of programs shall be considered as one program for determining major programs.

Section A, Part 5 identifies the compliance requirements and programs clustered by federal agencies. The auditor should be aware that state agencies have clustered certain programs. Sections B, C and D include agency program requirements for programs that have been clustered by state agencies.

In several instances the State agency has written separate supplements for each program in a cluster instead of writing one supplement for the cluster. The auditor must consider the applicability of each of the compliance supplements when auditing a cluster.