



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

September 29, 2014

Chris Tyhurst
REDW LLC
5353 N 16th Street, Suite 200
Phoenix, AZ 85016

Dear Mr. Tyhurst:

The Office of Inspector General is committed to improving the quality of non-Federal audits. In accordance with our responsibilities for audit work performed by non-Federal auditors on Federal programs, we have reviewed the single audit reporting package and related audit documentation of Confederated Salish & Kootenai Tribes of the Flathead Nation for the fiscal year ended September 30, 2013. We initiated our review to ensure the audit was conducted in accordance with the requirements of the Single Audit Act, as amended.

In our opinion, based on our review of the reporting package and related audit documentation, the audit for the fiscal year ended September 30, 2013, is acceptable with deficiencies. An audit that is acceptable with deficiencies is an audit for which the documentation contains quality deficiencies that should be brought to the attention of the auditor for correction in future audits. Except for the following deficiencies, the audit documentation contained sufficient information to enable an experienced auditor who has no previous connection with the audit to ascertain from the audit documentation the evidence that supports the auditors' significant judgments and conclusions.

Deficiency 1 – Identification and Evaluation of Deficiencies in Internal Control

Audit documentation did not include an evaluation of the control deficiencies that were ultimately reported as findings 2013-001 and 2013-002 in the auditor's reports.

Criteria

If the auditor has identified one or more deficiencies in internal control, the auditor should evaluate each deficiency to determine, on the basis of the audit work performed, whether, individually or in combination, they constitute significant deficiencies or material weaknesses. (AU-C 265.09)

Deficiency 2 – Selection of Items for Testing for CFDA 15.228

After determining that National Fire Plan – Wildland Urban Interface Community Fire Assistance, CFDA 15.228, was a major program, the auditor did not add additional items from the program to the initial sample of general disbursement and payroll transactions used for

internal control testing for multiple compliance requirements, some of which were direct and material to CFDA 15.228. We did note that the auditor disclosed in the audit documentation that the auditee used the same internal control structure for CFDA 15.228 as the programs already tested in the initial sample and felt the initial sample was representative of the population. In addition, the auditor selected a separate sample of transactions for CFDA 15.228 to test compliance for all direct and material compliance requirements.

Criteria

The auditor should select items for the sample in such a way that the auditor can reasonably expect the sample to be representative of the relevant population and likely to provide the auditor with a reasonable basis for conclusions about the population. (AU-C 530.08)

If the initial sample (taken from a combined population) does not include items from each major program, the auditor typically will judgmentally add additional items from the program(s) not represented ... (AAG-SLA 11.42¹)

Closing

Please review the above deficiencies and note for future audits. No further action is required. If you have any questions or concerns regarding our review and conclusions, please do not hesitate to contact me at morgan_aronson@doioig.gov or 703-487-8058.

Sincerely,

A handwritten signature in dark ink, appearing to read "Morgan Aronson", with a long horizontal flourish extending to the right.

Ms. Morgan Aronson, CPA, CGFM
National Single Audit Coordinator

¹ AICPA Audit Guide “*Government Auditing Standards* and Circular A-133 Audits” February 1, 2013