

Summary: Quality Control Review of Northern Virginia Regional Commission's Single Audit

Report Date: April 30, 2018

Report Number: 2017-FIN-028

On behalf of the National Park Service (NPS), we conducted a quality control review (QCR) of an independent public accountant's (IPA) fiscal year 2016 single audit¹ of the Northern Virginia Regional Commission, an NPS grantee. The purpose of our QCR was to determine whether the IPA performed the single audit in accordance with all applicable auditing standards and the Code of Federal Regulations.

Auditors may receive an overall QCR rating of *pass*, *pass with deficiencies*, or *fail*. Based on our review, we assigned an overall rating of *fail* to the IPA's work because its audit documentation did not support the opinions expressed in the audit report. Our QCR revealed several major deficiencies in the IPA's audit work, including an inadequate understanding of required internal controls, an unreasonable determination of certain compliance requirements, and the selection of an inappropriate type of data for its audit sampling.

On January 29, 2018, we gave the IPA our QCR report and requested a response. The IPA disagreed with the rating we assigned, stating, "We believe the audit procedures performed and supporting file documentation were sufficient to allow us to meet our responsibilities as auditors, and that our audit documentation did support the opinions expressed in the audit report." Because the IPA was unable to provide sufficient documentation of the procedures performed and evidence examined, however, we continue to assign the IPA a rating of *fail*.

This is a summary of a report we provided to the NPS bureau procurement chief.

¹ Single audit: An annual audit of the financial statements and Federal awards of a non-Federal entity that has expended \$750,000 or more in Federal awards in a fiscal year.

