

Quality Control Review of [a Company's] Audit of Goddard Employees' Welfare Association Financial Statements for Fiscal Year Ended September 30, 2006
(Report No. IG-07-021; Assignment No. A-07-005-00)

The NASA Office of Inspector General (OIG) conducted a quality control review (QCR) to determine whether the company that performed the audit of the Goddard Employees' Welfare Association (GEWA) financial statements for the fiscal year ended September 30, 2006 (FY 2006) did so in accordance with the Government Accountability Office's "Government Auditing Standards, 2003 Revision" (GAGAS), issued by the Comptroller General of the United States. We issued the report on August 28, 2007.

GEWA, located at the Goddard Space Flight Center in Greenbelt, Maryland, promotes the social, athletic, educational, cultural, and welfare interests of its members by supporting activities such as special interest clubs, an employee recreation center, an exchange store, a visitors' center, a cafeteria, and a post office. In FY 2006, GEWA revenues totaled approximately \$699,000.

Our QCR found that the company, which is based in Maryland, did not hold a permit from the Maryland State Board of Public Accountancy (the Board) to provide certified public accountant (CPA) services, as required, when it performed the audit of GEWA's FY 2006 financial statements. Accordingly, we referred the company to the Board to determine what, if any, penalties should be imposed. We have requested that the Board notify us of its decision in this matter.

The company's audit work generally met applicable GAGAS standards with the following exceptions:

- The engagement partner and principal auditor did not meet their continuing professional education (CPE) requirements.
- The audit report did not include a required reference to GAGAS.
- The audit report did not include a required description of the auditor's testing of internal controls or refer to a report containing such information.
- The audit report title did not include the word "independent."
- Evidence of audit supervision was not documented.

In response to a draft of this report, the company generally concurred with our recommendations and acknowledged that it did not hold a permit from the Maryland State Board of Public Accountancy when it provided CPA services to GEWA. The audit report was revised as we recommended, and the recommendations are resolved and closed.

The report contains Personnel Information and is exempt from public release under the Freedom of Information Act by Exemption (b)(6). To submit a FOIA request, see the [online guide](#).