



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

In a report that we had issued on September 30, 2003, related to an Environmental Protection Agency (EPA) grant issued to Geothermal Heat Pump Consortium, Inc., we identified significant questioned costs caused by an inadequate financial management system. We performed this quality assurance review to determine whether EPA could rely on the 2003 single audit report to accept costs claimed under its current grant to Geothermal.

Background

Under Office of Management and Budget Circular A-133, entities that receive Federal funds of \$300,000 in a year are required to have a single audit conducted. For 2003, the Geothermal audit was conducted by McGladrey & Pullen, LLP. During 2003, Geothermal incurred \$554,517 in expenditures under an EPA grant.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:

www.epa.gov/oig/reports/2005/20050628-2005-S-00006.pdf

McGladrey & Pullen, LLP Single Audit of Geothermal Heat Pump Consortium, Inc., for Year Ended December 31, 2003

What We Found

McGladrey & Pullen's audit work met generally accepted government auditing standards and the requirements in Office of Management and Budget Circular A-133 and its related supplements. The firm's audit report also met the Office of Management and Budget Circular A-133 reporting requirements. We believe that the single auditor's report, which contained an unqualified opinion on the financial statements and compliance with Federal requirements, accurately reflects Geothermal's financial position and compliance. We have no recommendations for EPA.