

## August 2012 Quality Control Reviews

To ensure that Federal monies are being used for their intended purposes, all non-federal entities (States, local governments, colleges and universities, and nonprofit organizations) that expend \$500,000 or more of Federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996 and guidance from the Office of Management and Budget. These “single audits” are a key tool used to drive accountability for Federal awards under the Recovery Act. Additionally, Offices of Inspector General are required to perform quality control reviews (QCR) of single audits to ensure that they are properly performed and that unallowable costs and other noncompliance are fully reported. These reviews are conducted in accordance with the Council of Inspector General on Integrity and Efficiency Uniform Guide for Quality Control Reviews of OMB Circular A-133 Audits (CIGIE Guide).

HHS OIG 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, OIG issued three QCR reports in August 2012. Based on our review, we determined that two of the audits were acceptable and one was acceptable with a deficiency. According to the CIGIE Guide, an acceptable audit is defined as an audit for which the audit documentation contains no quality deficiencies, or only minor quality deficiencies that do not require corrective action for the audit under review. Furthermore, an audit that is acceptable with a deficiency is defined as an audit for which the audit documentation contains a quality deficiency that should be brought to the attention of the auditor (and auditee, as appropriate) for correction in future audits.