

Independent Public Accountant Response to Draft Report



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September 9, 2010

Mr. Elliott P. Lewis
Assistant Inspector General for Audit
U.S. Department of Labor
Office of Inspector General
200 Constitution Avenue, N.W.
Room S-5512
Washington, D.C. 20210

Dear Mr. Lewis:

We have the following responses to your findings relating to your quality control review of the single audit of the Upper Rio Grande Workforce Development Board, Inc. for the ended June 30, 2009.

Finding #1: The Firm did not document the reasons why compliance requirements did not apply to major programs.

We agree with your finding and acknowledge that we did not document the reasons why compliance did not apply to major programs. We will implement review procedures and update audit documentation to show the reasons a compliance requirement does not apply to a major program. We will also increase supervisory involvement to emphasize the importance of clear and concise audit documentation. Since the issuance of this report, we have added another audit partner and as a result, we have two audit partners involved in supervision and the review process on all audits. The corrective actions will be completed and documented by December 31, 2010.

Finding #2: The Firm did not document sampling methodologies used for internal controls and compliance requirements tested.

We agree with your finding and acknowledge that we did not document sampling methodologies for internal controls and compliance requirements tested. We will implement review procedures and update audit documentation to show the sampling methodologies used for all compliance requirements tested. We will also increase supervisory involvement to emphasize the importance of clear and concise audit documentation. Since the issuance of this report, we have added another audit partner and as a result, we have two audit partners involved in supervision and the review process on

all audits. The corrective actions will be completed and documented by December 31, 2010.

Finding #3: The Firm did not document its conclusions on dual-purpose testing utilization.

We agree with your finding and acknowledge that we did not document conclusions on dual-purpose testing utilization. We will implement review procedures and update audit documentation to show the utilization of dual-purpose testing and separate conclusions on the internal control and compliance testing results. We will also increase supervisory involvement to emphasize the importance of clear and concise audit documentation. Since the issuance of this report, we have added another audit partner and as a result, we have two audit partners involved in supervision and the review process on all audits. The corrective actions will be completed and documented by December 31, 2010.

Finding #4: The Firm did not document auditor judgments on the significance of exceptions.

We agree with your finding and acknowledge that we did not document auditor judgments on the significance of exceptions. We will implement review procedures and update audit documentation to show the auditor judgments for noted exceptions and provide a clear understanding of the significance of exceptions noted during testing. We will also increase supervisory involvement to emphasize the importance of clear and concise audit documentation. Since the issuance of this report, we have added another audit partner and as a result, we have two audit partners involved in supervision and the review process on all audits. The corrective actions will be completed and documented by December 31, 2010.

Finding #5: The Firm did not ensure that the auditee complied with reporting requirements to prepare the SEFA in the format required by A-133.

We agree with your finding and acknowledge that we did not specifically identify CFDA's 17.258, 17.259, and 17.260 as a cluster in the Schedule of Federal Awards ("SEFA"). In future audits, we will take necessary steps to identify all clusters in the SEFA. We will also add steps in our auditing procedures to ensure that clusters are considered in the reporting process and properly identified. In addition, we will strengthen review procedures over the SEFA and inform the auditee of the need to accurately complete the SEFA. Since the issuance of this report, we have added another audit partner and as a result, we have two audit partners involved in supervision and the review process on all audits. The corrective actions will be completed and documented by December 31, 2010.

Finding #6: The Firm did not ensure that the auditee complied with reporting requirements to prepare the data-collection in the format required by A-133.

We agree with your finding and acknowledge that the data-collection form submitted to the Federal Audit Clearinghouse was incorrectly completed because all WIA cluster programs were not identified as major programs, the auditee's name was misspelled, and the ARRA prefix was misplaced. We will inform the auditee of the need to accurately complete the data-collection form and submit a revised data-collection form to the Federal Audit Clearinghouse to accurately show the WIA cluster as major programs, auditee's name, and the ARRA prefix. In future audits, we will establish better review procedures of audit products and provide additional training if necessary, for those responsible for audit report quality control. Since the issuance of this report, we have added another audit partner and as a result, we have two audit partners involved in supervision and the review process on all audits. The corrective actions will be completed and documented by December 31, 2010.

Sincerely,



Roxie Samaniego, CPA
Partner
White + Samaniego + Campbell, LLP