



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of
Inspector General

November 15, 2016

MEMORANDUM

TO: Jenny R. Yang
Chair

FROM: Milton A. Mayo, Jr. 
Inspector General

SUBJECT: Audit of the Equal Employment Opportunity Commission's Fiscal
Year 2016 Financial Statements (OIG Report No. 2016-01-AOIG)

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Harper, Rains, Knight and Company, P.A (HRK) to audit the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC) for fiscal year 2016. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards (GAGAS) contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin 15-02, *Audit Requirements for Federal Financial Statements*, as amended.

HRK reported that EEOC's fiscal year 2016 financial statements and notes were fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America. The lack of sufficient controls over supporting documentation for personnel expenses was identified again this year as a significant deficiency. HRK noted no instances of noncompliance or other matters that were required to be reported under Government Auditing Standards or OMB Bulletin 15-02.

In connection with the contract, OIG reviewed HRK's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with GAGAS, was not intended to enable us to express, and we do not express, opinions on EEOC's financial statements or conclusions about the effectiveness of internal controls, or whether EEOC's financial management systems substantially complied with Federal Financial Management Improvement Act (FFMIA); or conclusions on compliance with laws and regulations. HRK is responsible for the attached auditor's report dated November 15, 2016, and the conclusions expressed in the report. However, OIG's review disclosed no instances where HRK did not comply, in all material respects, with generally accepted government auditing standards.

EEOC management was given the opportunity to review the draft report and to provide comments. Management comments are included in the report.

The Office of Management and Budget issued Circular Number A-50, Audit Follow Up, to ensure that corrective action on audit findings and recommendations proceed as rapidly as possible. EEOC Order 192.002, Audit Follow up Program, implements Circular Number A-50 and requires that for resolved recommendations, a corrective action work plan should be submitted within 30 days of the final evaluation report date describing specific tasks and completion dates necessary to implement audit recommendations. Circular Number A-50 requires prompt resolution and corrective action on audit recommendations. Resolutions should be made within six months of final report issuance.

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