



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

Office of  
Inspector General

November 17, 2014

**MEMORANDUM**

**TO:** Jenny R. Yang  
Chair

**FROM:** Milton A. Mayo, Jr.   
Inspector General

**SUBJECT:** Audit of the Equal Employment Opportunity Commission's Fiscal  
Year 2014 Financial Statements (OIG Report No. 2014-01-FIN)

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 2014. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Office of Management and Budget's Bulletin 14-02, *Audit Requirements for Federal Financial Statements*, as amended.

HRK reported that EEOC's fiscal year 2014 financial statements and notes were fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America. In regards to Internal Control over Financial Reporting, HRK noted two areas involving internal control and its operation that are considered to be significant deficiencies. These included the lack of sufficient controls over supporting documentation for personnel expenses, and the lack of sufficient controls over financial management relating to the failure to evaluate controls at the financial systems service provider Global Computer Enterprises (GCE). HRK noted no instances of non compliance or other matters that were required to be reported under Government Auditing Standards or OMB Bulletin 14-02.

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 U.S. generally accepted government auditing standards, 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 on whether EEOC's financial management systems substantially complied with FFMIA; or conclusions on compliance with laws and regulations. HRK is responsible for the

attached auditor's report dated November 17, 2014 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.

cc: Mona Papillon  
Germaine Roseboro  
Raj Mohan  
Nicholas Inzeo  
John Schmelzer  
Lisa Williams  
Kimberly Hancher  
Peggy Mastroianni  
Todd Cox  
Carlton Hadden  
Deidre Flippen