



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

Office of  
Inspector General

November 16, 2012

**MEMORANDUM**

**TO:** Jacqueline Berrien  
Chair

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

**SUBJECT:** Audit of the Equal Employment Opportunity Commission's Fiscal  
Year 2012 Financial Statements (OIG Report No. 2012-01-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 2012. 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 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

HRK issued an unqualified opinion on EEOC's FY 2012 financial statements. In its Report on Internal Control, HRK noted two areas involving internal control and its operation that were 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 reporting. In its Report on Compliance with Applicable Laws and Regulations, HRK noted no instances of non compliance with certain laws and regulations applicable to the agency.

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 15, 2012 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: Claudia Withers  
Germaine Roseboro  
Raj Mohan  
Nicholas Inzeo  
John Schmelzer  
Mary McIver  
Lisa Williams  
Kimberly Hancher  
Peggy Mastroianni  
Todd Cox