



NATIONAL ENDOWMENT FOR THE

Humanities

OFFICE OF INSPECTOR GENERAL

December 11, 2012

**RETURN RECEIPT REQUESTED**

Board of Directors  
Missouri Humanities Council  
543 Hanley Industrial Court, Suite 201  
St. Louis, MO 63144  
Attn: [REDACTED]

Audit Report: OIG-13-01 (DR)

Dear Board Members:

We have completed our desk review of the single audit report prepared by Schmersahl Treloar & Company, CPAs, which includes the Federal assistance programs administered by the Missouri Humanities Council (the "Council"), for the year ended October 31, 2011. The independent auditor (IPA) previously furnished a copy of their audit report to the Council and submitted the related reporting package to the Federal Audit Clearinghouse. The IPA issued an unqualified opinion (both GAAP and single audit) with no reportable current year findings.

Our review was limited to an examination of the IPA's audit report. We did not examine the underlying audit documentation to evaluate the adequacy of the audit work performed; rather, the single audit desk review guide (2010 Edition), issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE), was used to determine whether the audit report meets the core reporting requirements stipulated by OMB Circular A-133. Audit reports determined to be *technically deficient* or *unacceptable* require corrective action.

We determined that the audit report generally meets Federal reporting requirements, with the following exception:

- OMB Circular A-133.310(b)(5) states that pass-through entities, to the extent practical, should identify the total amount of funding provided to subrecipients from each Federal program on the Schedule of Expenditures of Federal Awards (SEFA). Two National Endowment for the Humanities (NEH) programs administered by the Council, [Federal/State Partnership grants (CFDA #45.129) and We The People grants (CFDA #45.168)], include specific funding for regrants which are awarded by the Council to subrecipients on an annual basis. In fact, according to the audited statement of activities, the Council incurred over \$ [REDACTED] in "Grants" expense during the fiscal year ended October 31, 2011. However, we noted that the SEFA did not include any disclosure concerning federally-funded subrecipient awards.


This missing disclosure is not considered a material omission therefore we will accept the October 31, 2011 single audit report in its current form. However, the OIG expects the Council to incorporate this required SEFA disclosure moving forward. Furthermore, please be advised that future audit reports that lack all required SEFA disclosures may be deemed unacceptable submissions by the NEH Office of Inspector General.

Letter to the Board of Directors  
December 11, 2012  
Page 2

Please note that we are sending this letter to the IPA audit partner to inform him of the results of our review.

If you have any questions concerning this letter or need accounting assistance, please contact Mr. Steve Elsberg at (202) 606-8353 or via email at [selsberg@neh.gov](mailto:selsberg@neh.gov).

Sincerely,

  
Laura Davis  
Acting Inspector General

**Distribution List:**

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