



NATIONAL ENDOWMENT FOR THE

Humanities

OFFICE OF INSPECTOR GENERAL

April 18, 2014

**RETURN RECEIPT REQUESTED**

Board of Directors  
New Hampshire Humanities Council  
117 Pleasant Street  
Concord, NH 03301  
Attn: [REDACTED], Board Chair

OIG Report Number: OIG-14-03 (DR)

Dear Board Members:

We have completed our desk review of the single audit report prepared by Chickering & Company, CPAs, which includes the Federal assistance programs administered by the New Hampshire Humanities Council (the "Council"), for the year ended October 31, 2013. The independent auditors (IPA) previously furnished a copy of their audit report (dated December 24, 2013) to the Council and submitted the related reporting package to the Federal Audit Clearinghouse. The IPA issued unqualified opinions<sup>1</sup> regarding the financial statements and Federal compliance. Furthermore, no reportable findings were identified.

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 *Guide for Desk Reviews of OMB Circular A-133 Audit Reports (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 Office of Management and Budget (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<sup>2</sup>, with the following exception:

**Schedule of Expenditures of Federal Awards:**

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. The current NEH Federal/State Partnership grant (CFDA #45.129, "SO" prefix)

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<sup>1</sup> An unqualified opinion represents the IPA's highest level of assurance, indicating that the audited entity's financial statement presentation (to include Federal grant activity) materially complies with applicable auditing standards and Federal requirements stipulated in OMB Circular A-133: *Audits of States, Local Governments, and Non-Profit Organizations*.

<sup>2</sup> Of the four possible conclusions applicable to a single audit desk review, the NEH-OIG has concluded that the Council's FY2013 audit report is *Acceptable with Deficiencies*, [i.e. the report contains quality deficiencies that should be brought to the attention of the auditor (and auditee) for correction in future audits]."

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includes specific funding for regrants<sup>3</sup> which are awarded by the Council to subrecipients on an annual basis. According to the audited schedule of functional expenses, the Council issued over \$ [REDACTED] in regrants during the fiscal year ended October 31, 2013. However, we noted that the SEFA lacked any disclosure concerning the value of Federally-funded regrant awards made to subrecipients.

Moving forward, please ensure this required SEFA disclosure is incorporated into all future audit reports. Be advised that there is no need to revise the FY2013 audit report and/or resubmit the single audit reporting package to the Federal Audit Clearinghouse. However, future audit reports that lack all required SEFA disclosures may be deemed unacceptable submissions by the NEH Office of Inspector General.

Please note that we are sending this letter to the audit partner at Chickering & Company 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  
Inspector General

**Distribution List:**

Auditor:

[REDACTED], *Audit Principal*  
Chickering & Company, CPAs  
61 North Street  
Manchester, NH 03104

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<sup>3</sup> The approved NEH grant (SO-50548-13) included a regrant allocation totaling \$35,000 for the fiscal year ended October 31, 2013.