



NATIONAL ENDOWMENT FOR THE  
**Humanities**

OFFICE OF INSPECTOR GENERAL

August 29, 2014

**RETURN RECEIPT REQUESTED**

Board of Directors  
North Dakota Humanities Council  
418 E. Broadway, Suite 8  
Bismarck, ND 58501  
Attn: [REDACTED], Board Chair

OIG Report Number: OIG-14-08 (DR)

Dear Board Members:

We have completed a Desk Review of the single audit report prepared by Widmer Roel, CPAs, which includes the Federal assistance programs administered by the North Dakota Humanities Council (the "Council"), for the year ended October 31, 2013. The independent auditors (IPA) previously furnished a copy of their audit report, dated February 26, 2014, to the Council and submitted the related reporting package to the Federal Audit Clearinghouse (FAC). The IPA issued unmodified opinions<sup>1</sup> regarding the financial statements and Federal compliance but identified a recurring segregation of duties deficiency that resulted in a reportable finding.

Our review was limited to an examination of the IPA's audit report and email exchanges with the audit manager. 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 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 meets Federal reporting requirements as evidenced by the lack of any noted exceptions. Accordingly, our office is accepting this single audit report in its current form and no corrective action deemed necessary.

However, we would appreciate a formal update detailing action taken by the Council to resolve the audit finding issued in conjunction with the FY2013 audit. This segregation of duties finding represents a recurring issue that goes back multiple years. We understand that limited accounting staffing makes it difficult to properly segregate finance-related job duties; nevertheless, we believe the additional involvement of the Executive Director and/or the Board Treasurer should allow the Council to address the IPA's concerns and improve the organization's overall control structure, at the same time. Please provide a written response to our office within 30 business days.

---

<sup>1</sup> An unmodified 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*.

Letter to the Board of Directors  
August 29, 2014  
Page 2

Please be advised that we are also sending this letter to the audit manager at Widmer Roel to inform her 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.

Sincerely,



Laura Davis  
Inspector General

**Distribution List:**

Auditor:

████████████████████ *Audit Manager*

Widmer Roel, CPAs  
3000 North 14<sup>th</sup> Street, Suite 3C  
Bismarck, ND 58503-0697