



NATIONAL ENDOWMENT FOR THE

Humanities

OFFICE OF INSPECTOR GENERAL

April 26, 2011

RETURN RECEIPT REQUESTED

Board of Directors
Florida Humanities Council
599 Second Street South
St. Petersburg, FL 33701

RE: Audit Report: OIG-11-13 (DR)

Dear Board Members:

We have completed our desk review of the single audit report prepared by Lewis, Birch & Ricardo, LLC, which includes the Federal assistance programs administered by the Florida Humanities Council (the "Council"), for the year ended October 31, 2010. The independent auditors (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, 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* will require corrective action.

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

- OMB Circular A-133.310(b) requires the Schedule of Expenditures of Federal Awards (SEFA) to be factually correct and free of mistakes. We noted that the grant number related to the NEH "Federal/State Partnership" award (SO-50241-08) was improperly reported on the SEFA over the past three years. Fortunately, the other key data elements linked to this grant, to include the Catalog of Federal Domestic Assistance (CFDA) number and Federal expenditures, were properly reported therefore the actual single audit testing was not impacted.
- 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. NEH's "Federal/State Partnership" and "We The People" grants (CFDA #s 45.129 & 45.168) include specific funding for regrants, which are awarded by the Council to subrecipients on an annual basis. In fact, according to the statement of functional expenses, the Council incurred almost \$339,000 in direct regrant program expenses during the fiscal year ended October 31, 2010. However, we noted that the SEFA did not include any disclosure concerning the federally-funded subrecipient awards.

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We will accept this single audit report on the condition that the above deficiencies are addressed and corrected in the Council's next audit (i.e. October 31, 2011). Future audit reports that include improperly prepared single audit schedules will be deemed unacceptable submissions by the NEH Office of Inspector General.

Please note that we are sending this letter to the auditors to inform them 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,

A handwritten signature in cursive script that reads "Laura Davis". The signature is written in black ink and is positioned above a horizontal line.

Laura Davis
Acting Inspector General

Distribution List:

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