

Independent Public Accountant Response to Draft Report

IZABAL, BERNACIAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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July 11, 2008

Eliot P. Lewis
Assistant Inspector General
For Audit
U.S. Department of Labor
Office of the Inspector General
Washington, D.C. 20210

Dear Mr. Lewis

The following is our response to Draft Report (Report Number 24-08-006-03-390). Quality Control Review: Single Audit of the Private Industry Council of San Francisco, Inc., Financial Statements and OMB Circular A-133 Reports for the Two Year Period Ended June 30, 2005.

1. General Standards

Auditor Qualifications

We agree with the results of the Quality Control Review.

We have developed procedures to ensure staff members obtain required CPE before performing governmental audits. We have also developed procedures to maintain documentation of CPE completed by staff subject to CPE requirements and procedures to monitor CPE compliance through internal and external quality control monitoring reviews.

2. Single Audit Requirements

Schedule of Expenditures of Federal Awards (SEFA)

We agree with the results of the Quality Control Review.

We have developed audit procedures to ensure that the SEFA prepared by Auditees meets the format required by OMB Circular – A-133.

3. Reporting

Firm did not follow GAGAS for reporting deficiencies in internal control.

A. Details relevant to a reportable condition were not reported

We believe that we reported all of the relevant details of the reportable finding 05-01 under circumstances at the time of the audit to wit - the basis of the finding was under investigation and therefore it was our professional judgment to only include reference to the incident report that was filed. It was our understanding that any parties that needed to follow up on the issue would have access to the incident report that contained additional information. Also, the investigation was ongoing and we did not believe it was appropriate for us to

include in our report investigative data that was part of the incident report because it could possibly compromise further or future investigative or legal proceedings.

B. Elements of the finding were not reported

We agree that one finding included in our report did not contain all the elements (i.e., criteria, condition, cause and effect) required by GAGAS. We have developed procedures to ensure that all elements of a finding required by GAGAS are included in our reports.

Thank you for the opportunity to respond to the Quality Control Review.

Sincerely,


Robert Izabal
Partner