

APPENDIX B: FIRM'S RESPONSE



RSM US LLP

1861 International Drive
Suite 400
McLean, Virginia 22102

T +1 703 336 6400
F +1 703 336 6401

www.rsmus.com

September 27, 2019

Grover Fowler
Assistant Director
Office of Single Audit Oversight
U.S. Department of Labor
Office of Inspector General
200 Constitution Avenue, N.W., Room N-4633
Washington, D.C. 20210

Dear Mr. Fowler:

This is in response to your quality control review of the Single Audit of Experience Works, Inc. and Affiliate for the years ended June 30, 2015, through June 30, 2017.

We agree with your recommendation for future audits and we will continue to apply audit procedures specifically designed to address likely or known matters of abuse.

With respect to the assertion that "...the Firm should have conducted additional audit procedures during its single audit of Experience Works for the period ending June 30, 2015, in response to risks of financial mismanagement reported by ETA." We submit the following for your consideration.

RSM utilizes a program that includes procedures to address the integrity of management as well as any known or likely fraud or abuse. The RSM audit team was made aware of the investigation during the reporting phase of our fiscal 2015, audit and once we were aware of the details, our 2015, audit procedures were amended accordingly. Specifically, we performed the following additional procedures:

- Turnover in management and other risk assessment considerations caused us to conclude that this became a relatively high-risk engagement. As a result, certain adverse data and background checks were performed and an additional quality control reviewer (EQR) was assigned to the engagement. The EQR participated in the brainstorming and planning discussions and reviewed all the UG testing workpapers, as well as copious others throughout the file.
- As specifically provided for in GAGAS 4.16 we obtained and utilized the DOL monitoring report to "avoid duplication of efforts" and to determine the potential impact of the related findings on our fiscal 2015 audit. We found the report to be detailed and thorough for purposes of determining the relative impact on our audit and our reports thereon.
- We obtained management's response and all related exhibits, noting it was consistent with the information found in the monitoring report. We analyzed this information to determine the impact on the audit and documented our conclusion.
- Experience Works would have qualified to be a low risk auditee based on the 2014, audit results, however, we elevated the risk based on the monitoring report to non-low, which impacted the testing performed, specifically increasing large population sample sizes to 60 instead of 40 (ODC, salary, indirect, eligibility, cash management, and reporting).

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

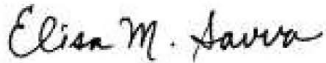
September 27, 2019
Page 2

- We included a finding in our UG audit report related to the monitoring report to make users of the audit reports aware of it. We also included control deficiencies related to board governance and cash management (line of credit) in a separate management letter (both of which were recurring from 2014, management letter).

As noted above, we agree with your recommendation and will continue to comply with Government Auditing Standards by applying applicable audit procedures specifically designed to address known matters of abuse.

Thank you,

RSM



Elisa M. Savva, CPA, MSA, Partner