

Appendix D

Independent Public Accountant Response to Draft Report



September 30, 2011

Elliot P. Lewis
Assistant Inspector General for Audit
US Department of Labor
Office of Inspector General
Washington, DC 20210

Dear Mr. Lewis:

In conjunction with your Quality Control Review of the Single Audit of Job Service North Dakota for the year ended June 30, 2010, we have the following responses to the findings and recommendations included in your report.

Finding #1 – We agree with the finding, and accordingly, will follow the requirements of GAS 5.26 through 5.31 related to subsequent discovery of facts to ensure that the identified reporting errors are appropriately addressed, including the reporting of the appropriate finding in the Government Auditing Standards report. We will work with Job Service North Dakota to correct and reissue the Single Audit report to the Federal Audit Clearinghouse. We believe that this will appropriately address recommendation numbers one and two.

Finding #2 – We agree with the finding. Effective beginning with Single Audit engagements for periods ending on or after December 31, 2010, the Firm implemented a policy requiring an engagement quality review for all Single Audits. We believe that this will appropriately address recommendation number three. The Firm conducts annual firm-wide training for all partners and managers assigned to Single Audit engagements. We will include training on audit documentation and supervisory review in future training sessions. We will also share the results of this QCR with the Chair of our Firm Government Committee for distribution of the findings and areas for improvement to applicable Firm personnel. We believe that this will appropriately address recommendation number four.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Bluhm".

Brian Bluhm, CPA
Director of Assurance Services

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