

The Department of Justice Office of the Inspector General (OIG) announced the release today of a quality control review (QCR) that found extensive deficiencies in a prior PricewaterhouseCoopers LLP (PwC) audit of Big Brothers Big Sisters of America's (BBBSA) compliance with the laws, regulations, and grant requirements for its federal programs during fiscal year 2011. The OIG developed concerns about the prior PwC audit, which had been conducted pursuant to the Single Audit Act, during the OIG's own audit of BBBSA's use of DOJ grant funds. The OIG released its BBBSA audit in June 2013.

As detailed in today's QCR, the OIG found that PwC's documentation of its prior audit was not sufficiently detailed to provide a clear understanding of the nature, timing, extent, and results of audit procedures performed, the audit evidence obtained and its source, and the conclusions reached. In addition, some of the audit documentation contained contradictory information. The OIG further found that multiple audit steps and procedures were not adequately performed or documented, and supervision was not sufficient to identify the errors and omissions in the audit work and documentation. The OIG concluded that PwC was not in compliance with government audit standards for reporting, evidence, and supervision, and the extent of the weaknesses we identified raised concerns that PwC may not have been in full compliance with other government auditing standards, such as the standard for exercising professional judgment.

After the OIG brought its concerns to PwC's attention, PwC determined that its prior audit report could not be relied upon and withdrew it in July 2013 so that additional audit work could be performed. We suspended our QCR regarding that prior PwC report at that time. A revised PwC audit report examining BBBSA was submitted in January 2015. In contrast to the prior PwC report, which contained unqualified opinions and included no findings or questioned costs, the revised PwC report rendered an adverse opinion on BBBSA's major program compliance, contained eight findings, and identified substantial questioned costs. The OIG accepted PwC's revised audit report as generally meeting government audit standards.

We have referred our findings regarding PwC's prior audit report to the AICPA Professional Ethics Division for its consideration.

Today's report can be found on the OIG's website at the following link: <https://oig.justice.gov/reports/2015/g5015006.pdf>.