



UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General
Washington, D.C. 20230

December 1, 2009

Mr. Gary Kuhar, Executive Director
Trade Task Group
1200 Westlake Avenue N., Suite 802
Seattle, WA 98109

Dear Mr. Kuhar:

The Department of Commerce Office of Inspector General has scheduled an audit of the cooperative agreements between the Economic Development Administration (EDA) and Trade Task Group. The audit will be conducted under the authority of the Inspector General Act of 1978, as amended, and Department Organization Order 10-13, dated May 22, 1980, as amended.

The objectives of our audit are to determine whether

- costs claimed under the cooperative agreements are reasonable, allowable, and allocable to the EDA award;
- adequate internal controls are in place for the selection of consultants; and
- companies receiving Trade Adjustment Assistance for Firms (TAAF) funds are eligible for the program.

In conducting our review, we will use grant and contract terms and conditions; applicable federal cost principles, uniform administrative requirements, and public laws; and EDA programmatic requirements as criteria. Our period of review will be March 1, 2005 through the current date.

We plan to conduct an entrance conference on a date and at a time to be determined. We will provide additional information regarding the audit and our logistical requirements at that time. Following the entrance conference, please make available to us key staff and the documents listed on the attachment. If you have any questions regarding this audit, please contact David Sheppard, Regional Inspector General for Audits, at 206.220.7970.

Regards,

Dr. Brett M. Baker
Assistant Inspector General for Audit

Attachment

cc: Brian McGowan, Deputy Assistant Secretary for Economic Development/COO
Dennis Alvord, Acting Deputy Assistant Secretary for Executive Secretariat and External Affairs
Barry Bird, Chief Counsel, Economic Development Administration
Anita Sanders, Audit Liaison, Economic Development Administration
William Kittredge, Director, National Programs and Performance Evaluation, Economic Development Administration

Attachment

List of Documents

Original documents we will need to perform the audit include but are not limited to:

1. The signed awards, including all attachments, terms, modifications, and other pertinent data.
2. Access to all correspondence (including email or other electronic communications) between EDA and NWTAAAC or its contractors relating to the awards, including letters, reports, and memoranda of approvals of specific costs or actions.
3. All reports and documents submitted to EDA in accordance with award terms.
4. NWTAAAC organization charts, policy and procedures manuals, and chart of accounts relevant to the financial accounting systems used to track activities related to the awards.
5. The approved budgets for the period March 1, 2005 through February 28, 2010 (i.e., fiscal years 2005 through 2009).
6. All contractual agreements between NWTAAAC and its project contractors or consultants, sub-grantees, or other third parties to the awards, as well as all amendments, modifications, and change orders.
7. All performance-related documents including internal and external progress assessments and evaluations, notices to proceed, and certificates of final inspection and acceptance.
8. Copies of prior audit reports and related management letters, including recommendations from public accountants or government agencies that have performed audits or reviews of NWTAAAC.
9. Copies of prior internal or management reports.
10. A list of nonexpendable property purchased with award funds or furnished by the government, if any, including current location and condition.
11. General ledger, vendor payments, and payroll system data, preferably in electronic format (such as Microsoft Excel, Microsoft Access, or in a text file format) for the period under audit.
12. Access to original payroll and personnel records and vendor payment records.

During the review we may request additional items that are not listed in this attachment.