



December 7, 2009

Mr. Kerry Christian, Chief Financial Officer
National Institute of Aerospace Associates
100 Exploration Way
Hampton, VA 23666-6186

SUBJECT: Final Memorandum on Initial Review of Argy, Wiltse & Robinson, P.C.
Audit Report on National Institute of Aerospace Associates for the Fiscal
Year Ended September 30, 2008 (Report No. ML-10-001; Assignment
No. D-09-003-00)

Dear Mr. Christian:

As the Federal oversight agency for the single audits of the National Institute of Aerospace Associates (NIAA), we performed an initial review of the reporting package of the single audit for the fiscal year ended September 30, 2008. The single audit is required by the Office of Management and Budget (OMB) Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations." The audit firm of Argy, Wiltse & Robinson, P.C., performed the audit. We used the "Uniform Guide for Initial Review of A-133 Audit Reports," published by the President's Council on Integrity and Efficiency, to determine whether the reporting package contained the required reports, schedules, and statements. We did not examine the related audit documentation to evaluate the adequacy of the audit work performed.

Based on our review of the reporting package for the fiscal year ended September 30, 2008, we determined that the audit report substantially met the reporting standards of the Government Accountability Office's "Government Auditing Standards" and OMB Circular No. A-133 reporting requirements with the following exceptions:

1. The audit reporting package was not submitted in a timely manner. OMB Circular A-133.320(a) states that the reporting package shall be submitted to the Federal Audit Clearinghouse within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period. The audit reporting package was not submitted to the Federal Audit Clearinghouse until July 10, 2009.

We will accept the late report on the condition that future reports are submitted on time or a formal request for an extension is made to our office.

2. The incorrect dollar threshold was used to distinguish between Type A and Type B programs in the Schedule of Findings and Questioned Costs. The correct

threshold is \$785,795; however, \$797,965 was reported in the Schedule of Findings and Questioned Costs. Additionally, a different incorrect dollar threshold (\$300,000) was reported on the Data Collection Form. However, both errors in the threshold calculated and reported did not affect the selection of major programs for testing during the single audit for fiscal year 2008.

We will accept the reports with the incorrect dollar thresholds that distinguish between Type A and Type B programs on the condition that these discrepancies are not repeated in future submissions.

We are sending this letter to your auditors and to officials at the other Federal agencies with direct expenditures listed on the Schedule of Expenditures of Federal Awards to inform them of the results of our review. If you or your staff would like to meet with us to further discuss this review, please contact Mr. Mark Jenson, Financial Statement Audits Director, at 202-358-0629 or via email at mark.jenson@nasa.gov.

Sincerely,

(signed) Mark Jenson for

Debra D. Pettitt
Acting Assistant Inspector General for Auditing

cc:
Assistant Administrator for Procurement
Argy, Wiltse & Robinson, P.C

National Single Audit Coordinators:
Department of Commerce
Department of Defense
Department of Homeland Security