US DEPARTMENT OF VETERANS AFFAIRS

OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VA OFFICE OF MANAGEMENT

Desk Review of the U.S. VETS Single Audit Reporting Package for the Year Ended June 30, 2025

Management Advisory Memorandum | 26-02642-227 | August 7, 2026

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QUALITY STANDARDS

The Office of Inspector General (OIG) has released this management advisory memorandum to provide information on matters of concern that the OIG has gathered as part of its oversight mission. The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation except for the standard of reporting.

August 7, 2026[1]

MANAGEMENT ADVISORY MEMORANDUM

TO:	John H. Ing, Chief Financial Officer United States Veterans Initiative and Subsidiaries
FROM:	Larry Reinkemeyer, Assistant Inspector General, Office of Audits and Evaluations, VA Office of Inspector General (OIG)
SUBJECT:	Desk Review of the U.S. VETS Single Audit Reporting Package for the Year Ended June 30, 2025 (Report No. 26-02642-227)

The VA Office of Inspector General (OIG) completed a desk review of the single audit reporting package for the United States Veterans Initiative and Subsidiaries (U.S. VETS) for the year that ended June 30, 2025. U.S. VETS is a nonprofit corporation that provides supportive services and housing for veterans of the US Armed Forces and their families.[2]

A single audit includes an audit of a nonfederal entity's financial statements and its federal award expenditures under the requirements of 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). A single audit reporting package includes the entity's financial statements and schedule of expenditures of federal awards, a summary schedule of prior audit findings, the auditor's report(s), and a corrective action plan. The single audit reporting package for U.S. VETS was accepted by the Federal Audit Clearinghouse on January 28, 2026.[3]

Armanino LLP is the independent auditing firm that conducted the single audit as required by 2 C.F.R. Part 200, subpart F. The OIG was delegated the authority to conduct this desk review by

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[1] This memorandum was not sent to the Office of Business Oversight or other relevant program directors for review and comment prior to its publication because it does not require action by VA.

[2] VA is the "cognizant agency for audit" for U.S. VETS. Under the Uniform Guidance, the cognizant agency for audit is responsible for conducting "quality control reviews on selected audits made by non-Federal auditors and provide the results to other interested organizations." 2 C.F.R. § 200.513(a)(3)(ii).

[3] The U.S. VETS single audit reporting package for the year that ended June 30, 2025, Report No. 2025-06-GSAFAC-0000400091, can be found at https://app.fac.gov/dissemination/summary/2025-06-GSAFAC-0000400091.

VA and did so consistent with its duties and responsibilities under the Inspector General Act of 1978, as amended, 5 U.S.C. § 404.[4]

The objective of the OIG's desk review was to determine whether the single audit reporting package complied with the reporting requirements of the Uniform Guidance. To achieve the objective, the OIG team conducted the desk review in accordance with the Council of Inspectors General on Integrity and Efficiency's *Guide for Desk Reviews of Single Audit Reports*, 2021 edition (the review guide). The scope of the desk review consisted of performing procedures on only the reporting package, such as verifying the inclusion of certain required elements. As such, the team did not evaluate the audit work performed or review other documentation supporting the reporting package. Accordingly, the OIG does not express an opinion on the quality of the audit work performed or on the accuracy of the single audit reporting package. In conducting its work, the OIG team complied with internal policies and procedures for quality assurance and independence.

Overall Rating

Based on the OIG team's review, the rating for the reporting package is "pass with deficiencies." As defined by the review guide, this rating means the reporting package contains quality deficiencies that should be brought to the attention of the auditor (and auditee, when appropriate) for correction in future audits. The OIG team found that the Schedule of Expenditures of Federal and Non-Federal Awards included in the reporting package did not fully comply with reporting requirements as stated in the Uniform Guidance.

According to 2 C.F.R. § 200.510(b)(3), the schedule must "provide total Federal awards expended for each individual Federal program and the Assistance Listings number or other identifying number when the Assistance Listings information is unavailable." An assistance listings number is a unique number used to identify federal programs. The schedule listed federal award expenditures with their assistance listings numbers but did not consistently provide totals by individual federal programs and the associated assistance listings numbers, as required.

Additionally, 2 C.F.R. § 200.510(b)(1) states, "[T]he Schedule of Expenditures of Federal Awards must list individual federal programs by federal agency." Instead, the section of the schedule labeled "Pass Through Others" grouped multiple federal programs together on a single line using only acronyms, without clearly identifying each federal agency and individual program. This presentation does not meet the Uniform Guidance requirement for listing individual federal programs.

[4] Assistant Secretary for Management and Chief Financial Officer, "Redelegation of Authority (DOA) for Certain Responsibilities of the Cognizant Agency for Audit for Federal Award Recipients," memorandum to the VA OIG, May 6, 2026.

Finally, according to 2 C.F.R. § 200.518(b), auditors must identify and label larger federal programs as Type A. Federal programs not labeled Type A must be labeled Type B. The auditor calculates the Type A program threshold using U.S. VETS' total amounts of federal awards expended.

This calculation must be accurate because it serves as the basis for selecting major programs to audit under the Uniform Guidance. The auditors from Armanino LLP used an incorrect dollar threshold to distinguish Type A from Type B programs. Although this error did not result in misclassifying any programs during this audit period, using an inaccurate dollar threshold could lead to placing programs in the wrong category and ultimately not selecting the correct programs for audit.

The OIG is providing a copy of this memorandum to VA officials, federal agencies with direct expenditures listed on the Schedule of Expenditures of Federal and Non-Federal Awards, and Armanino LLP to inform them of the results of this desk review.

OIG Contact and Staff Acknowledgments

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Pursuant to Pub. L. No. 117-263 § 5274, codified at 5 U.S.C. § 405(g)(6), nongovernmental organizations, and business entities identified in this report have the opportunity to submit a written response for the purpose of clarifying or providing additional context to any specific reference to the organization or entity. Comments received consistent with the statute will be posted on the summary page for this report on the VA OIG website.

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