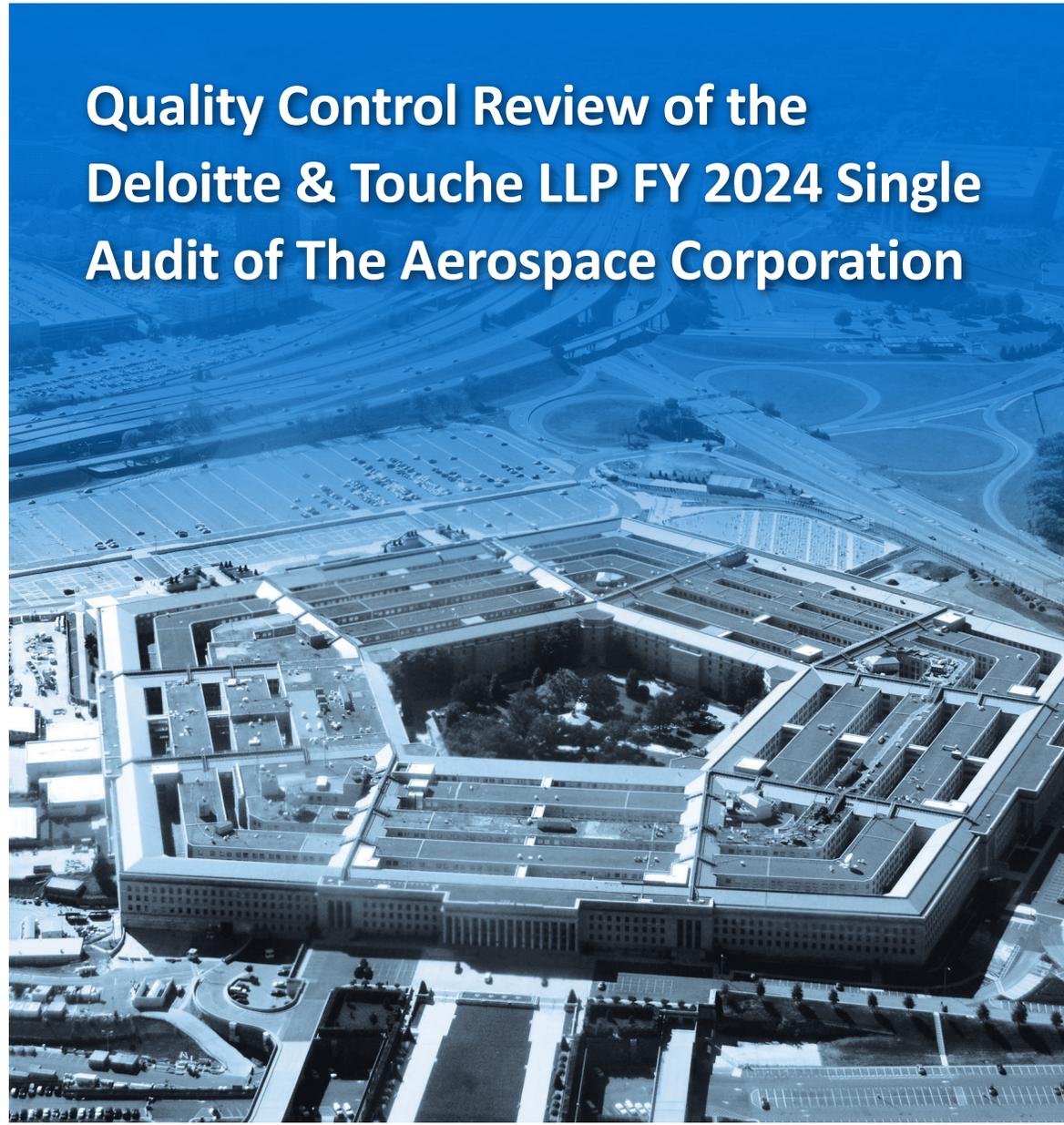


INSPECTOR GENERAL

U.S. Department of Defense

MARCH 13, 2026



Quality Control Review of the Deloitte & Touche LLP FY 2024 Single Audit of The Aerospace Corporation

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY





Results in Brief

Quality Control Review of the Deloitte & Touche LLP FY 2024 Single Audit of The Aerospace Corporation

March 13, 2026

Objective

The objective of this quality control review was to assess whether Deloitte & Touche LLP performed the FY 2024 single audit of The Aerospace Corporation (Aerospace) in accordance with generally accepted government auditing standards and Federal requirements for single audits.

Background

Non-Federal entities that expend Federal funds of \$750,000 or more in a year are subject to the Single Audit Act Amendments of 1996 (Single Audit Act), Pub. L. No. 104-156, and 2 C.F.R. Part 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance). The Single Audit Act was enacted to promote sound financial management of Federal awards administered by non-Federal entities and to establish uniform requirements for audits of Federal awards. The Uniform Guidance establishes the standards for obtaining consistency and uniformity among Federal agencies for the audit of non-Federal entities expending Federal awards.

Aerospace is a not-for-profit corporation created to meet special long-term research and development needs in establishing the nation’s military space program. Aerospace’s primary customers are the U.S. Space Force, Space Systems Command, and the National Reconnaissance Office. Aerospace also provides technical support to space related programs managed by other agencies, international organizations, and governments.

Background (cont’d)

Aerospace operates a system engineering and integration federally funded research and development center focused on the U.S. space enterprise. In FY 2024, Aerospace spent \$1.3 billion in Federal awards, including \$1.1 billion in DoD awards in one major program—the Research and Development Cluster. Aerospace engaged Deloitte & Touche LLP to perform the FY 2024 single audit.

Review Results

Deloitte & Touche LLP complied with generally accepted government auditing standards and Uniform Guidance requirements when it performed the FY 2024 single audit of Aerospace.





OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

March 13, 2026

Managing Director
Deloitte & Touche LLP

SUBJECT: Quality Control Review of the Deloitte & Touche LLP FY 2024 Single Audit
of The Aerospace Corporation (Report No. DODIG-2026-069)

This final report provides the results of the DoD Office of Inspector General's quality control review. We are providing this report for information and use. This report does not contain recommendations. We coordinated a discussion draft of this report with Deloitte & Touche LLP representatives. They concurred with our report and provided no additional comments. Therefore, we are publishing this report in final form.

We appreciate the cooperation and assistance received during this review. If you have any questions, please contact [REDACTED]

A handwritten signature in black ink, appearing to read "Randolph R. Stone", is positioned above the printed name.

Randolph R. Stone
Audit Inspector General for Evaluations
Space, Intelligence, Engineering, and Oversight

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Introduction

Objective

The objective of this quality control review was to assess whether Deloitte & Touche LLP (D&T) performed the FY 2024 single audit of The Aerospace Corporation (Aerospace) in accordance with generally accepted government auditing standards (GAGAS) and Federal requirements for single audits.¹ Appendix A contains our scope and methodology. Appendix B lists the compliance requirements that the D&T auditors identified as direct and material to Aerospace’s major program for the fiscal year that ended September 30, 2024.

Background

Non-Federal entities that expend Federal funds of \$750,000 or more in a year are subject to the Single Audit Act Amendments of 1996 (Single Audit Act), Pub. L. No. 104-156, and 2 C.F.R. Part 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance).² The Single Audit Act was enacted to promote sound financial management of Federal awards administered by non-Federal entities and to establish uniform requirements for audits of Federal awards. The Uniform Guidance establishes the standards for obtaining consistency and uniformity among Federal agencies for the audit of non-Federal entities expending Federal awards.

The Uniform Guidance, effective January 1, 2024, states that non-Federal entities that expend Federal funds of \$750,000 or more in a fiscal year must have an annual single or program-specific audit performed in accordance with GAGAS. Non-Federal entities must also submit a complete single audit reporting package to the Federal Audit Clearinghouse.³ A single audit includes an audit of the non-Federal entity’s financial statements and Federal awards. Auditors performing a single audit determine whether the financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles. In addition, the auditors determine whether the non-Federal entity complied with Federal laws

¹ Government Accountability Office Report No. GAO-21-368G, “Government Auditing Standards,” July 2018 (Updated April 2021). GAGAS incorporates by reference the American Institute for Certified Public Accountants’ “Codification of Statements on Auditing Standards.” Subpart F of 2 C.F.R. Part 200 identifies the Federal requirements for single audits.

² On April 22, 2024, the Office of Management and Budget revised the Uniform Guidance and increased the threshold for the single audit requirement from \$750,000 to \$1,000,000. The effective date for the Office of Management and Budget’s final guidance was October 1, 2024, and applies to fiscal periods starting on or after this date.

³ The reporting package includes the non-Federal entity’s audit reports, financial statements, schedule of expenditures of Federal awards, summary schedule of prior audit findings, and a corrective action plan, as 2 C.F.R. 200.512(c) requires. The Office of Management and Budget designated the Federal Audit Clearinghouse as the repository of record for single audit reports. As 2 C.F.R. 200.512(g) requires, the Federal Audit Clearinghouse maintains a database of completed audits, provides appropriate information to Federal agencies, and performs follow-up with auditees that have not submitted the required information.

and regulations and the terms and conditions of Federal awards that may have a direct and material effect on its major programs. The Single Audit Act and Uniform Guidance require Federal agencies to assess the quality of single audits. Our quality control review of the D&T FY 2024 single audit satisfies this requirement.

The Aerospace Corporation

Aerospace is a not-for-profit corporation created to meet special long-term research and development needs in establishing the nation’s military space program. Aerospace’s primary customers are the U.S. Space Force, Space Systems Command, and the National Reconnaissance Office. Aerospace also provides technical support to space-related programs managed by other agencies, international organizations, and governments. Aerospace operates a federally funded research and development center focused on system engineering and integration for the U.S. space enterprise.⁴ In FY 2024, Aerospace spent \$1.3 billion in Federal awards, including \$1.1 billion in DoD awards in one major program—the Research and Development (R&D) Cluster.⁵ Aerospace engaged D&T to perform the FY 2024 single audit.

Deloitte & Touche LLP

D&T is a member firm of Deloitte Touche Tohmatsu Limited and provides audit, consulting, tax, and advisory services to a wide range of clients. As required by GAGAS, D&T is responsible for maintaining a system of quality control designed to provide reasonable assurance that the firm and its personnel comply with professional standards and applicable legal and regulatory requirements.⁶ D&T must also obtain an external peer review of its system of quality control conducted by reviewers independent of the audit organization.⁷ The most recently published external peer review report concluded that D&T suitably designed and complied with its system of quality control for its accounting and auditing practice.⁸ Auditors in the D&T office in Los Angeles, California, performed Aerospace’s FY 2024 single audit.

⁴ According to Federal Acquisition Regulation 2.101, “Definitions,” federally funded research and development centers are “activities that are sponsored under a broad charter by a Government Agency (or agencies) for the purpose of performing, analyzing, integrating, supporting, and/or managing basic or applied research and/or development, and that receive 70 percent or more of their financial support from the Government...”

⁵ The Research and Development Cluster consists of a variety of research and development activities performed under different types of funding agreements, such as grants, cooperative agreements, and contracts, that have similar requirements.

⁶ Government Auditing Standard 5.02, “Quality Control and Assurance,” July 2018 (Updated April 2021).

⁷ Government Auditing Standard 5.60, “External Peer Review,” July 2018 (Updated April 2021).

⁸ Grant Thornton LLP, “Report on the Firm’s System of Quality Control,” November 29, 2023.

Review Results

We determined that D&T complied with GAGAS and Uniform Guidance requirements when it performed the FY 2024 single audit of Aerospace. We used the Council of the Inspectors General on Integrity and Efficiency's 2021 edition of the "Guide for Quality Control Reviews of Single Audit Reports" to perform our review. This guide identifies audit procedures that auditors must perform and document during the single audit to meet GAGAS and Uniform Guidance requirements.

We reviewed D&T's audit documentation, analyzed the nature and extent of D&T's audit procedures, and verified whether D&T obtained sufficient evidence to support its conclusions and audit report opinion. Specifically, we verified whether D&T complied with the requirements for each of the following aspects of the FY 2024 single audit of Aerospace.

- Qualification of auditors
- Auditor independence
- Due professional care
- Planning and supervision
- Audit follow-up
- Determination of direct and material compliance requirements
- Internal control and compliance testing
- Schedule of expenditures of Federal awards.
- Reporting

Appendix A

Scope and Methodology

We conducted this quality control review from July 2025 through March 2026 in accordance with the “Quality Standards for Inspection and Evaluation,” published in December 2020 by the Council of Inspectors General on Integrity and Efficiency. Those standards require that we plan and perform the quality control review to ensure that objectives are met and that we perform the review to obtain sufficient, competent, and relevant evidence to support the findings, conclusions, and recommendations. We believe that the evidence we obtained was sufficient, competent, and relevant to lead a reasonable person to sustain the conclusions.

The Office of Management and Budget designated the Federal Audit Clearinghouse as the repository of record for single audit reports. The Federal Audit Clearinghouse received Aerospace’s FY 2024 single audit report on May 13, 2025. The single audit report identified one major program at Aerospace—the R&D Cluster. We reviewed the FY 2024 single audit of Aerospace using the Council of the Inspectors General on Integrity and Efficiency’s “Guide for Quality Control Reviews of Single Audit Reports” and focused our review on the following aspects of the single audit.

- Qualification of auditors
- Auditor independence
- Due professional care
- Planning and supervision
- Audit follow-up
- Determination of direct and material compliance requirements
- Internal control and compliance testing
- Schedule of expenditures of Federal awards
- Reporting

We reviewed D&T’s audit files for the FY 2024 single audit to assess whether the auditors conducted the single audit in accordance with GAGAS and Uniform Guidance requirements. GAGAS incorporates the American Institute of Certified Public Accountants’ “Codification of Statements on Auditing Standards” by reference. Title 2 C.F.R. Part 200 identifies the Uniform Guidance requirements for single audits.

Our review included:

- evaluating evidence of D&T’s auditor qualifications, independence, and latest external peer review;
- reviewing the audit documentation that the D&T auditors prepared to support the audit opinions on whether Aerospace’s financial statements and its schedule of expenditures of Federal awards were fairly presented in all material respects;
- verifying that the D&T auditors supported their determination on the compliance requirements they identified as direct and material to the major program; and
- reviewing all audit documentation that the D&T auditors prepared to support the audit opinion on whether Aerospace complied with the compliance requirements that could have a direct and material effect on the R&D Cluster.

In addition, our review of D&T audit documentation on direct and material compliance requirements included analyzing audit procedures that the D&T auditors performed to: (1) understand Aerospace’s internal controls, (2) select samples for testing, and (3) test the internal controls and compliance with Federal requirements.

We held discussions with the D&T auditors assigned to the Los Angeles, California office to understand, review, and verify the audit work they performed as part of their FY 2024 single audit of Aerospace. Appendix B lists the compliance requirements that the D&T auditors identified as direct and material to Aerospace’s R&D Cluster for the fiscal year that ended on September 30, 2024.

Use of Computer-Processed Data

We did not use computer-processed data to perform this quality control review.

Prior Coverage

During the last 5 years, the DoD Office of Inspector General (DoD OIG) issued one report discussing Deloitte & Touche LLP. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

DoD OIG

Report No. DODIG-2022-087, “Quality Control Review of Deloitte & Touche’s FY 2020 Single Audit of Battelle Memorial Institute and Subsidiaries,” April 22, 2022

The DoD OIG determined that Deloitte & Touche complied with GAGAS and Uniform Guidance requirements when it performed the FY 2020 single audit of Battelle.

Appendix B

Compliance Requirements

The Compliance Supplement provides guidance to assist auditors in determining compliance requirements applicable to Federal programs.⁹ The Compliance Supplement summarizes Federal requirements into 12 compliance requirements. For the R&D Cluster, the Compliance Supplement states that all compliance requirements are subject to audit except for the Eligibility; Matching, Level of Effort, Earmarking; Program Income; and Reporting compliance requirements. Auditors who perform a single audit are required to determine which of the compliance requirements subject to audit have a direct and material effect on the R&D Cluster and test those compliance requirements. The following table identifies the compliance requirements that the D&T auditors determined were direct and material to the R&D Cluster.

Table. Uniform Guidance Compliance Requirements That the D&T Auditors Identified as Direct and Material to the Research and Development Cluster

Uniform Guidance Compliance Requirements	Direct and Material
Activities Allowed or Unallowed	X
Allowable Costs/Cost Principles	X
Cash Management	X
Eligibility	
Equipment and Real Property Management	X
Matching, Level of Effort, Earmarking	
Period of Performance	X
Procurement and Suspension and Debarment	X
Program Income	
Reporting	
Subrecipient Monitoring	
Special Tests and Provisions	X

Source: The DoD OIG, based on D&T's audit documentation.

⁹ Title 2 C.F.R. Part 200, Appendix XI.

Acronyms and Abbreviations

- D&T** Deloitte & Touche LLP
- GAGAS** Generally Accepted Government Auditing Standards
- R&D** Research and Development

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For more information about DoD OIG reports or activities, please contact us:

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