



Office of Inspector General
499 South Capitol Street, SW, Suite 518
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www.aoc.gov

System Review Report

September 24, 2021

Mr. Adam Trzeciak, Inspector General
Government Accountability Office

We have reviewed the system of quality control for the audit organization of the Government Accountability Office (GAO) Office of Inspector General (OIG) in effect for the year ended March 31, 2021. A system of quality control encompasses the GAO OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming in all material respects with *Government Auditing Standards*¹ and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standards*.

In our opinion, the system of quality control for the audit organization of the GAO OIG in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the GAO OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects.

Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The GAO OIG has received an External Peer Review rating of *Pass*.

Monitoring of (GAGAS) Engagements Performed by Independent Public Accountants

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to the GAO OIG's monitoring of engagements performed by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of GAGAS engagements performed by IPAs is not an audit and, therefore, is not subject to the requirements of *Government Auditing Standards*. The purpose of our limited procedures was to determine whether the GAO OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion and accordingly, we do not express an opinion, on the GAO OIG's monitoring of work performed by IPAs.

¹ GAO, *Government Auditing Standards: 2018 Revision Technical Update April 2021*, GAO-21-368G (Washington, D.C.: April 2021).



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Letter of Comment

We issued a letter dated September 24, 2021 that sets forth a matter that was not considered to be of sufficient significance to affect our opinion expressed in this report.

Basis of Opinion

Our review was conducted in accordance with *Government Auditing Standards* and the CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General.²

During our review, we interviewed GAO OIG personnel and obtained an understanding of the nature of the GAO OIG audit organization, and the design of the GAO OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected GAGAS engagements and administrative files to test for conformity with professional standards and compliance with the GAO OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the GAO OIG audit organization, with emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the GAO OIG audit organization. In addition, we tested compliance with the GAO OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the GAO OIG's policies and procedures on selected engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with GAO OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report identifies the GAO OIG office that we visited and the engagements that we reviewed.

Responsibilities and Limitation

The GAO OIG is responsible for establishing and maintaining a system of quality control designed to provide the GAO OIG with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the

² CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General, March 2020.



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system of quality control and GAO OIG's compliance based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.



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Enclosure 1

Scope and Methodology

We tested compliance with the GAO OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of two of the eight total audit reports issued during the period from April 1, 2018, through March 31, 2021. We also reviewed the internal quality control reviews performed by the GAO OIG.

In addition, we reviewed the GAO OIG's monitoring of engagements performed by IPAs where the IPA served as the auditor during the period from April 1, 2018, through March 31, 2021. During the period, the GAO OIG contracted for the audit of its agency's compliance with the Digital Accountability and Transparency Act (DATA) of 2014.

We visited the GAO OIG office located in Washington, DC.

Reviewed GAGAS Engagements Performed by GAO OIG:

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
OIG 20-1	8/17/2020	Voluntary Leave Transfer Program
OIG 21-1	1/26/2021	New Blue Project Management

Reviewed Monitoring Files of GAO OIG for Contracted GAGAS Engagements:

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
OIG 19-2	9/27/2019	GAO FY 2019 Data Act Report



O I G

Office of Inspector General

Enclosure 2

United States Government Accountability Office

441 G Street NW, Room 1808
Washington, DC 20548

September 20, 2021

Christopher P. Failla
Inspector General
Architect of the Capital Office of Inspector General
499 S. Capitol Street, S.W., Suite 518
Washington, DC 20515

Dear Mr. Failla,

We reviewed the external peer review report summarizing the results of your review of the system of quality control in effect for the period ended March 31, 2021 within the Government Accountability Office, Office of Inspector General (GAO OIG). We are pleased that your independent review of GAO OIG's audit operations resulted in a "pass" rating, concluding that the system of quality control in effect for the period ended March 31, 2021, has been suitably designed and complied with to provide the GAO OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects. We remain committed to maintaining an effective system of quality control and continuing to improve our operations.

Your separate letter of comment raised a matter that warrants further consideration, which we appreciate you bringing to our attention, and will address accordingly. We are grateful for your team's professionalism and the competent manner in which the review was conducted.

Sincerely yours,

Adam R. Trzeciak
Inspector General