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OFFICE OF INSPECTOR GENERAL

**REPORT ON THE EXTERNAL QUALITY CONTROL REVIEW  
OF THE UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE  
INSPECTOR GENERAL AUDIT ORGANIZATION**

Report No. QCR-15-01

September 16, 2015

## System Review Report

September 16, 2015

Mr. Adam Trzeciak  
Inspector General  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, D.C. 20548

We have reviewed the system of quality control for the audit organization of the U.S. Government Accountability Office, Office of Inspector General (GAO OIG) in effect for the year ended March 31, 2015. A system of quality control encompasses GAO OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with *Government Auditing Standards*. The elements of quality control are described in *Government Auditing Standards*. GAO OIG is responsible for establishing and maintaining a system of quality control that is designed to provide GAO OIG with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and GAO OIG's compliance therewith based on our review.

Our review was conducted in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency's *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. 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 GAO OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected audits and administrative files to test for conformity with professional standards and compliance with GAO OIG's system of quality control. The audits selected represented a reasonable cross-section of GAO OIG audit organization, with emphasis on higher-risk audits. 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.

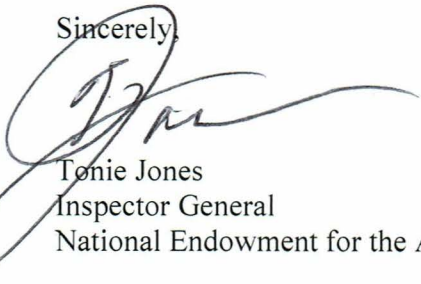
In performing our review, we obtained an understanding of the system of quality control for the GAO OIG audit organization. In addition, we tested compliance with GAO OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of GAO OIG's policies and procedures on selected audits. 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.

There are inherent limitations in the effectiveness of any system of quality control, and, therefore, noncompliance with the system of quality control may occur and 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.

The Enclosure to this report identifies GAO OIG's audits that we reviewed.

In our opinion, the system of quality control for the audit organization of GAO OIG in effect for the year ended March 31, 2015, has been suitably designed and complied with to provide GAO OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. GAO OIG has received an External Peer Review rating of *pass*.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Jones', with a large, sweeping flourish extending to the right.

Tonie Jones  
Inspector General  
National Endowment for the Arts

Enclosure

## Scope and Methodology

We tested compliance with GAO OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of two of two audit reports issued during the period April 1, 2014, through March 31, 2015. We also reviewed the internal quality control reviews performed by GAO OIG.

**Reviewed Audits Performed by GAO OIG**

<b>Report No.</b>	<b>Report Date</b>	<b>Report Title</b>
OIG-14-1	May 27, 2014	FINANCIAL MANAGEMENT Additional Actions Needed to Ensure Accountability over Undercover Funds
OIG-14-2	September 30, 2014	FEDERAL EMPLOYEES' COMPENSATION ACT Internal Control Weaknesses Limit Effective Case Management and Program Oversight