



System Peer Review Report

September 9, 2024

L. Nancy Birnbaum, Inspector General
U.S. Government Accountability Office
Office of Inspector General
441 G Street, N.W., Room 1808
Washington, DC 20548

Dear Inspector General Birnbaum,

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, 2024. A system of quality control encompasses the GAO OIG's organizational structure. GAO OIG established policies and procedures to provide reasonable assurance that its audit organization is conforming in all material respects to *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 GAO OIG audit organization's system of quality control in effect for the year ended March 31, 2024, has been suitably designed and followed. Their system of quality control provides the GAO OIG with reasonable assurance of performing and reporting in conformity with 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 Engagements Performed by Independent Public Accountants

In addition, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to GAO OIG's monitoring of engagements performed by Independent Public Accountants (IPA) under contract. It should be noted that monitoring of generally accepted government auditing standards (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.

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

Basis of Opinion

Our review was conducted from April to August 2024 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 audit organization. Also, we reviewed 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 GAGAS engagements and administrative files to test for conformity with professional standards and compliance with GAO OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the GAO OIG audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the 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 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.

Responsibilities and Limitation

The GAO OIG is responsible for establishing and maintaining a system of quality control. The system of quality control is designed to provide its audit organization 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 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.

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

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 three total audit reports issued during the period from April 1, 2021, through March 31, 2024. We also reviewed the internal quality control reviews performed by the GAO OIG.

In addition, we reviewed the GAO OIG's monitoring of one engagement performed by IPAs where the IPA served as the auditor during the period from April 1, 2021, through March 31, 2024. During the period, the GAO OIG contracted for the audit of its agency's compliance with the Digital Accountability and Transparency Act of 2014.

Reviewed GAGAS Engagements Performed by GAO OIG:

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
OIG 22-1	March 1, 2022	Employee Debt: Opportunities Exist to Improve Timely Collection
OIG 23-1	June 8, 2023	Information Technology Assets: Risk Assessment Actions Could Inform Inventory Activities During Future Disruptions

Reviewed GAO OIG Monitoring Files for Engagement Performed by IPAs:

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
OIG 21-2	September 29, 2021	GAO FY 2020 Data Act Report

Reviewed GAGAS Engagement Terminated by GAO OIG:

<u>Engagement No.</u>	<u>Termination Date</u>	<u>Report Title</u>
900428	July 19, 2023	Cloud Inventory and Security

GAO OIG agreed with our conclusion. GAO OIG's management response to a draft of this report is included as Enclosure 1.

We appreciate the cooperation provided by your staff. If you have any questions or need additional information, please do not hesitate to contact Lori Lau Dillard, Assistant Inspector General for Audit, at llaudillard@gpo.gov or (202) 512-0318.



Digitally signed by Nathan
Deahl
Date: 2024.09.09 08:32:06
-04'00'

NATHAN J. DEAHL
Inspector General

Enclosure 1



OFFICE OF INSPECTOR GENERAL
GOVERNMENT ACCOUNTABILITY OFFICE

September 3, 2024

Nathan J. Deahl
Inspector General
U.S. Government Publishing Office
Office of the Inspector General
732 North Capitol Street, NW
Washington, DC 20401

Dear Inspector General Deahl,

Thank you for the opportunity to review and comment on the draft system peer review report of the Government Accountability Office, Office of Inspector General. We acknowledge your independent review resulted in a rating of pass; we have no comments on the report. We remain committed to maintaining an effective system of quality control and continuing to improve our operations.

We appreciate the professionalism and competent manner in which the review was conducted and wish to commend your team for its efforts on this important engagement.

Sincerely,

L. Nancy
Birnbaum

Digitally signed by L. Nancy
Birnbaum
Date: 2024.09.03 14:38:26
+04'00'

L. Nancy Birnbaum
Inspector General