

## System Review Report

September 16, 2025

To Christopher Skinner, Inspector General  
U.S. Commodity Futures Trading Commission

We have reviewed the system of quality control for the audit organization of CFTC OIG in effect for the year ended March 31, 2025. A system of quality control encompasses CFTC 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*<sup>1</sup> and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standards*.

In our opinion, except for the deficiency described below, the system of quality control for the audit organization of CFTC OIG in effect for the year ended March 31, 2025, has been suitably designed and complied with to provide CFTC OIG with reasonable assurance of performing and reporting in conformity in all material respects with applicable professional standards and applicable legal and regulatory requirements. 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*.

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

### Descriptions of Deficiencies

We noted the following deficiency during our review:

1. **Deficiency** – We identified errors in audit documentation related to the audit report we examined that could limit the reliability of the report. This Generally Accepted Government Auditing Standards (GAGAS) engagement report was issued by the CFTC audit division reviewed. We attributed these errors to a control failure in the audit organization's policies and procedures operating effectiveness to assure compliance with GAGAS. The errors found, and the impact they had on the reliability of the reports, is summarized below:

- Report No. 23-AU-03, Fiscal Year 2023 U.S. Commodity Futures Trading Commission Compliance with the Federal Information Security Modernization Act of 2014 (April 29, 2024). CFTC OIG's audit file documentation contained several instances of non-compliance with three requirements and CFTC OIG's quality control policies and procedures, *Office of Inspector General Audit Policy and Procedures Manual, Revision 3*, dated February 2, 2024. CFTC OIG's report states that the audit was conducted in accordance with *Generally Accepted Government Auditing Standards*, issued by the U.S. Government Accountability Office Comptroller General of the United States. These standards require auditors to assess the risk of fraud significant to audit objectives, document independence, and document qualifications of the staff assigned to the engagement. However, the audit file did not include sufficient documentation evidencing that CFTC OIG performed these procedures. Through discussions with CFTC OIG personnel, they explained they considered fraud throughout the audit using auditor judgement, but CFTC OIG did not formally document fraud considerations. Additionally, we validated qualifications and independence of the staff during the peer review process, however, CFTC OIG did not properly document these procedures in the audit file. Though there were instances of lack of documentation, the errors identified likely did not impact the reliability of the issued report.

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<sup>1</sup> <https://gaoinnovations.gov/yellowbook/>.

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Recommendation – Commodity Futures Trading Commission, Office of Inspector General should document compliance with its quality control policies and procedures and maintain such documentation for a time period sufficient to enable those performing monitoring procedures and peer reviews to evaluate the extent to which the audit organization complies with its quality control policies and procedures. [GAS 5.04]

Views of Responsible Official – We concur with the report’s recommendation and have taken corrective action to address the audit file documentation concerns. In Fiscal Year (FY) 2024, we made significant changes by updating our audit manual and automating our project initiation procedure to ensure compliance with all GAGAS requirements. Unfortunately, the scope of this review encompassed a period prior to those changes taking effect. Our remediation efforts therefore did not impact this review but have governed all subsequent GAGAS projects.

### **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 CFTC OIG’s monitoring of engagements conducted in accordance with GAGAS engagements 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 CFTC OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion; accordingly, we do not express an opinion on CFTC OIG’s monitoring of work performed by IPAs.

### **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*.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with CFTC OIG management to discuss the results of our review.

During our review, we interviewed CFTC OIG personnel and obtained an understanding of the nature of the CFTC OIG audit organization, and the design of CFTC 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 CFTC OIG’s system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the CFTC OIG audit organization, with an emphasis on higher-risk GAGAS engagements.

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

We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure I to this report identifies CFTC OIG offices we visited and the GAGAS engagements we reviewed.



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## **Responsibilities and Limitation**

CFTC OIG is responsible for establishing and maintaining a system of quality control designed to provide CFTC 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 system of quality control and CFTC 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.



David T. Harper, Inspector General

Enclosures

## Scope and Methodology

We tested compliance with CFTC OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of four of 13 engagements reports conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS engagement) issued from April 1, 2022, through March 31, 2025. We also reviewed the internal quality control reviews performed by CFTC OIG.

In addition, we reviewed CFTC OIG's monitoring of GAGAS engagements performed by IPAs where the IPA served as the auditor from April 1, 2022, through March 31, 2025. During the period, CFTC OIG contracted for the audit of its agency's fiscal year 2024 financial statements. CFTC OIG also contracted for other GAGAS engagements that were performed in accordance with *Government Auditing Standards*.

We visited the CFTC OIG office located in Washington, D.C.

## Reviewed GAGAS Engagements Performed by CFTC OIG

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
23-AU-03	May 2024	Fiscal Year 2023 Audit of CFTC's Compliance with the Implementation of the Federal Information Security Modernization Act of 2014

## Reviewed Monitoring Files of CFTC OIG for Contracted GAGAS Engagements

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
24-AU-05	March 2025	Audit of CFTC's Enterprise Risk Management Program (ERM)
24-AU-01	November 2024	CFTC Financial Statement Audit Report FY 2024
24-AU-03	July 2024	CFTC's Compliance with the Payment Integrity Information Act of 2019 for FY 2023

U.S. Commodity Futures Trading Commission, Office of Inspector General Response



U.S. Commodity Futures Trading Commission  
OFFICE OF INSPECTOR GENERAL



September 10, 2025

David T. Harper, Inspector General  
United States Capitol Police  
499 South Capitol St., SW  
Washington, DC 20003

Dear Inspector General Harper,

This letter transmits the Commodity Futures Trading Commission (CFTC) Office of the Inspector General (OIG) response to the United States Capitol Police (USCP) OIG's External Peer Review Report of the CFTC OIG audit organization for the year ended March 31, 2025.

We are pleased that your independent review concluded that our system of quality control was suitably designed and executed, in all material respects, to provide reasonable assurance of performance and reporting in conformity with Generally Accepted Government Auditing Standards (GAGAS). We further appreciate your conclusion that our Office received an External Peer Review rating of *pass with deficiencies* and agree that the deficiency identified did not impact the reliability of our audit conclusions.

We concur with the report's recommendation and have taken corrective action to address the audit file documentation concerns. Upon my appointment of CFTC OIG on April 7, 2024, I prioritized reviewing and updating CFTC OIG policies and procedures to ensure compliance with recommendations and all mandated legal requirements including GAGAS. Accordingly, in Fiscal Year (FY) 2024, we made significant changes by updating our audit manual and automating our project initiation procedure to ensure compliance with all GAGAS requirements. Unfortunately, the scope of this review encompassed a period prior to my arrival and those changes taking effect. Our remediation efforts therefore did not impact this review but have governed all subsequent GAGAS projects.

We appreciate the cooperation and courtesies extended to our staff during the review. If you have any questions regarding this letter, please contact me at [cskinner@cftc.gov](mailto:cskinner@cftc.gov).

Sincerely,

Christopher Skinner  
Inspector General

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**CC:** Jennifer L. Fain, Inspector General, Federal Deposit Insurance Corporation, Committee Chair  
Katherine Trimble, Assistant Inspector General for Audits, U.S. Environmental Protection Agency Co-Chair  
Kilah White, Assistant Inspector General for Audits, Department of Housing and Urban Development, Co-Chair  
Jon Hatfield, Inspector General, Federal Maritime Commission, Peer Review Chair  
Devin Polster, Director of Audits & Inspections Quality Assurance, Department of Homeland Security, Quality Management Chair  
Jerri Dorsey-Hall, Director of Quality Assurance and Operations Support, U.S. Environmental Protection Agency, Quality Management Vice Chair



## UNITED STATES CAPITOL POLICE

WASHINGTON, DC 20510

### *INSPECTOR GENERAL*

David T. Harper, Inspector General  
United States Capitol Police, Office of Inspector General  
499 S. Capitol St. SW, Suite 345  
Washington D.C., 20003

Subject: System Review Report on the U.S. Commodity Futures Trading Commission's Office of Inspector General Audit Organization

Dear Christopher Skinner, Inspector General:

Attached is the System Review Report of the U.S. Commodity Futures Trading Commission's Office of Inspector General conducted in accordance with Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General. Your response to the report is included as an exhibit with excerpts and our comments incorporated into the relevant sections of the report.

We appreciate the cooperation and courtesies extended to our staff during the review.

David T. Harper  
Inspector General  
Enclosure