



Corporation
for Public
Broadcasting

Office of Inspector General

September 21, 2018

Christopher P. Failla
Inspector General
Architect of the Capitol
Fairchild Building, Suite 518
499 South Capitol Street, SW
Washington, D.C. 20515

Re: System Review Report

Dear Mr. Failla:

We have reviewed the system of quality control for the audit organization of the Architect of the Capitol (AOC), Office of Inspector General (OIG) in effect for the three years ended March 31, 2018. A system of quality control encompasses the AOC 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*. AOC OIG is responsible for establishing and maintaining a system of quality control that is designed to provide the AOC 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 the AOC OIG's compliance with it based on our review.

We conducted our review in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. During our review, we interviewed AOC OIG personnel and obtained an understanding of the nature of the AOC OIG audit organization and the design of the AOC 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 AOC OIG's system of quality control. The audits selected represented a reasonable cross-section of AOC OIG's 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 AOC 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 AOC OIG audit organization. In addition, we tested compliance with AOC OIG's quality

control policies and procedures to the extent we considered appropriate. These tests covered the application of AOC 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.

Enclosure 1 to this report identifies the audits that we reviewed.

In our opinion, the system of quality control for the audit organization of the AOC OIG in effect for the three years ended March 31, 2018, has been suitably designed and complied with to provide the AOC 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*. The AOC OIG has received an External Peer Review rating of *pass*.

As is customary, we have issued a letter dated September 21, 2018 that sets forth findings that were not considered to be of sufficient significance to affect our opinion expressed in this report.

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 CIGIE related to AOC OIG's monitoring of audits performed by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of audits 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 AOC OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. Our objective was not to express an opinion, and accordingly, we do not express an opinion on AOC OIG's monitoring of work performed by IPAs.

Enclosure 2 to this report is AOC OIG's response to the draft report.

Very truly yours,



Mary Mitchelson
Inspector General

Scope and Methodology

We tested compliance with the AOC OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 2 of 5 audit reports issued during the period April 1, 2015, through March 31, 2018. We also reviewed the 2017 AOC OIG quality assurance review performed by an AOC OIG contractor.

In addition, we reviewed AOC OIG's monitoring of an audit performed by an IPA where the IPA served as the auditor during the period October 1, 2016, through September 30, 2017. During the period, AOC OIG contracted for the audit of its agency's fiscal year 2015, 2016, and 2017 financial statements. These audits were to be performed in accordance with *Government Auditing Standards*.

We visited AOC OIG's office located in Washington, DC.

Reviewed Audits Performed by AOC OIG

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
A-2017-02	5/08/2017	Audit of Information Technology (IT) Property Accountability
2018-0005-AUD-R	3/30/2018	Audit of Capitol Building House Cleaning and Policing Contract

Reviewed Monitoring Files of AOC OIG for Contracted Audits

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
2018-0004-AUD	11/16/2017	Audit of Fiscal Year 2017 Financial Statements



Office of Inspector General
499 South Capitol Street, SW, Suite 518
Washington, DC 20515
202.593.1948
www.aoc.gov

Enclosure 2

September 17, 2018

Ms. Mary Mitchelson
Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129

Dear Ms. Mitchelson:

Thank you for the Report of the quality control for the Architect of the Capitol (AOC) Office of Inspector General (OIG) audit organization in effect for the three years which ended March 31, 2018. We are pleased that you found our system of quality control to be suitably designed and compliant to provide the AOC OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards. We are further pleased to have received an External Peer Review rating of *Pass*.

Attachment 1 includes a separate letter to address the Letter of Comment, which contains recommendations that, while not affecting the overall opinion, are designed to strengthen the audit quality controls. We concur with the recommendations, and have provided our responses to each in Attachment 2.

Please extend our appreciation to the peer review team for their professionalism and valuable input to our audit function. If you have any questions, please contact me at 202.593.0260 or Ashton Coleman Jr., Assistant Inspector General for Audit, at 202.593.0261.

Sincerely,

Christopher P. Failla, CIG
Inspector General

Enclosures