

UNITED STATES GOVERNMENT
National Labor Relations Board
Office of Inspector General



System Review Report
On the
Peace Corps
Office of Inspector General

March 27, 2020



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To: Kathy Buller, Inspector General
Peace Corps

We have reviewed the system of quality control for the audit organization of the Peace Corps Office of Inspector General (Peace Corps OIG) in effect for the year ended September 30, 2019. A system of quality control encompasses Peace Corps 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*. Peace Corps OIG is responsible for establishing and maintaining a system of quality control that is designed to provide Peace Corps 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 Peace Corps 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 (CIGIE) Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General dated September 2014. During our review, we interviewed Peace Corps OIG personnel and obtained an understanding of the nature of the Peace Corps OIG audit organization, and the design of Peace Corps OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected audits and attestation engagements, collectively referred to as "audits", and administrative files to test for conformity with professional standards and compliance with Peace Corps OIG's system of quality control. The audits selected represented a reasonable cross-section of Peace Corps 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 Peace Corps 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 Peace Corps OIG audit organization. In addition, we tested compliance with Peace Corps OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of Peace Corps 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 Peace Corps OIG offices that we visited and the audits that we reviewed.

In our opinion, the system of quality control for the audit organization of the Peace Corps in effect for the year ended September 30, 2019, has been suitably designed and complied with to provide Peace Corps 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. Peace Corps OIG has received an External Peer Review rating of pass.

As is customary, we have issued a letter dated March 27, 2020, 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 Peace Corps 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 Peace Corps 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 Peace Corps OIG's monitoring of work performed by IPAs. The Peace Corps OIG's comments are included as Enclosure (2).



David Berry, Inspector General

Enclosures

SCOPE AND METHODOLOGY (Enclosure 1)

Scope and Methodology

We tested compliance with the Peace Corps OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 2 of the 4 audit reports issued during the period October 1, 2018, through September 30, 2019. We also reviewed the internal quality control reviews performed by Peace Corps OIG.

In addition, we reviewed Peace Corps OIG's monitoring of audits performed by IPAs where the IPA served as the auditor during the period October 1, 2018, through September 30, 2019. During the period, Peace Corps OIG contracted for the audit of its agency's Fiscal Year 2018 financial statements. Peace Corps OIG also contracted for certain other audits that were to be performed in accordance with *Government Auditing Standards*.

We visited the Headquarters Office of the Peace Corps OIG in Washington, D.C.

Reviewed Engagements Performed by Peace Corps OIG

Report No.	Report Date	Report Title
IG-19-01-A	April 25, 2019	Peace Corps/Guatemala
IG-19-03-A	September 30, 2019	Peace Corps/Morocco

Reviewed Monitoring Files of Peace Corps OIG for Contracted Engagements

Report No.	Report Date	Report Title
No Number	November 13, 2018	Summary of Internal Control Issues Over the Peace Corps' Financial Reporting, Fiscal Year 2018

Enclosure (2)



March 24, 2020

Inspector General David Berry
National Labor Relations Board
Office of Inspector General
1015 Half Street SE
Washington, DC 20570

Dear Inspector General Berry,

Thank you for the opportunity to comment on the external quality control review of the Peace Corps Office of Inspector General's audit function. We agree with the results, and we are pleased that our system of quality control in effect for the period ended September 30, 2018, conforms to the quality control standards established by the Comptroller General of the United States for a Federal audit organization.

We appreciate the efforts of your staff in conducting this review in a timely and professional manner.

Sincerely,

Kathy A. Buller
Inspector General
Peace Corps