



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, DC 20240

SEP 29 2009

The Honorable Brian D. Miller
Inspector General
U.S. General Services Administration
1800 F Street, NW, Room 5340
Washington, DC 20405

Subject: System Review Report on the U.S. General Services Administration's Office of
Inspector General Audit Organization

Brian
Dear Mr. Miller:

Enclosed is the final System Review Report of the U.S. General Services Administration's Office of Inspector General (GSA OIG) audit organization conducted in accordance with *Government Auditing Standards* and Council of the Inspectors General on Integrity and Efficiency guidelines. Your response to the draft report is also enclosed.

We appreciate your staff's time, effort, and professionalism during the conduct of our review. If you have any questions or concerns, please do not hesitate to contact me at (202) 208-5745.

Sincerely,

Mary L. Kendall
Acting Inspector General

Enclosures (2)



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The Honorable Brian D. Miller
Inspector General
U.S. General Services Administration
1800 F Street, NW, Room 5340
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SEP 29 2009

Dear Mr. Miller:

We have reviewed the system of quality control for the audit organization of the U.S. General Services Administration Office of Inspector General (GSA OIG) in effect for the year ended March 31, 2009. A system of quality control encompasses GSA OIG 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*. The GSA OIG is responsible for designing a system of quality control and complying with it to provide the GSA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and GSA OIG compliance therewith based on our review.

Our review was conducted in accordance with *Government Auditing Standards* and guidelines established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). During our review, we interviewed GSA OIG personnel and obtained an understanding of the nature of the GSA OIG audit organization, and the design of the GSA OIG system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the GSA OIG system of quality control. The engagements selected represented a reasonable cross-section of the GSA OIG audit organization, with emphasis on higher-risk engagements. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with GSA 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 GSA OIG audit organization. In addition, we tested compliance with the GSA OIG quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the GSA OIG policies and procedures on selected engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system on 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 the GSA OIG offices that we visited and the engagements that we reviewed.

In our opinion, the system of quality control for the audit organization of the GSA OIG in effect for the year ended March 31, 2009, has been suitably designed and complied with to provide GSA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Federal audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. The GSA OIG has received a peer review rating of *pass*. As is customary, we have issued a letter dated September 29, 2009, 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 GSA OIG monitoring of engagements performed by Independent Public Accountants (IPA) under contract where the IPA served as the principal auditor. Monitoring of 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 GSA OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. Our objective, however, was not to express an opinion and accordingly, we do not express an opinion, on the GSA OIG's monitoring of work performed by IPAs.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary L. Kendall".

Mary L. Kendall
Acting Inspector General

Enclosure

SCOPE AND METHODOLOGY

We tested compliance with the GSA OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 10 of 122 audit and attestation reports issued during the period April 1, 2008, through March 31, 2009, and 1 audit report issued on March 31, 2008, which the GSA OIG had included in its own internal quality assurance review performed during the period April 1, 2008, through March 31, 2009.

In addition, we reviewed the GSA OIG monitoring of the engagement performed by IPAs where the IPA served as the principal auditor during the period April 1, 2008, through March 31, 2009. During this period, the GSA OIG contracted for the audit of its agency's Fiscal Year 2008 financial statements.

We visited the Washington, DC; Arlington, VA; Chicago, IL; San Francisco, CA; and Fort Worth, TX offices of the GSA OIG.

Reviewed Engagements Performed by the GSA OIG

Report No.	Report Date	Report Title
A060228	3/31/2008	Improvements to the GSA Privacy Act Program are Needed to Ensure that Personally Identifiable Information (PII) is Adequately Protected
A070218	5/20/2008	Preaward Review of Multiple Award Schedule Contract Extension: KPMG, LLP, Contract Number GS-23F-8127H
A070211	5/30/2008	Preaward Review of Multiple Award Schedule Contract Extension: Jeskell, Incorporated, Contract Number GS-35F-4902H
A060125	6/4/2008	Audit of the Greater Chicagoland Service Center, Public Buildings Service, Great Lakes Region
A070096	6/24/2008	Review of GSA's General Management and Administration Working Capital Fund
A070122	7/30/2008	Survey of the Federal Acquisition Service Organization
A080003	10/31/2008	Preaward Review of Multiple Award Schedule Contract Extension: Williams, Adley & Company, LLP, Contract Number GS-23F-8184H
A080185	12/16/2008	Review of a Claim: Pacific Coast Steel, Formerly Bay Area Reinforcing, Incorporated, Subcontractor to Dick Corporation/Morganti Group, A Joint Venture, Contract Number GS-09P-02-KTC-0002
A080067	2/4/2009	Preaward Review of Multiple Award Schedule Contract Extension: Haworth, Inc., Contract Number GS-28F-8014H
A080169	2/5/2009	Preaward Review of Multiple Award Schedule Contract Extension: Tremco Incorporated, Contract Number GS-07F-8798D
A080141	2/11/2009	Preaward Review of Multiple Award Schedule Contract Extension: KLN Steel Products Company,

Contract Number GS-27F-2014B

Reviewed Monitoring Files of GSA OIG for Contracted Engagements

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
A080108	12/18/2008	Audit of the General Services Administration's Fiscal Year 2008 and 2007 Financial Statements



U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

SEP 22 2009

Kimberly Elmore
Assistant Inspector General for
Audits, Inspections and Evaluations
U.S. Department of Interior
Office of Inspector General
1849 C Street, NW
Washington, DC 20240

Subject: System Review Report on the General Services Administration's Office of Inspector
General Audit Organization

Dear Ms. Elmore:

Thank you for providing the official draft System Review Report on the General Services Administration's Office of Inspector General Audit Organization conducted in accordance with the *Government Audit Standards* and the Council of the Inspectors General on Integrity and Efficiency guidelines.

We are pleased with the rating of pass and the opinion that our system of quality control has been suitably designed and complied with to provide responsible assurance of performing and reporting in conformity with applicable professional standards in all material aspects.

We appreciate the professionalism with which your staff conducted this review. If you have any questions, please contact Karen Yuu of my staff on (202) 219-0089 or me on (202) 501-0374.

Sincerely,

A handwritten signature in black ink that reads "Theodore R. Stehney". The signature is written in a cursive style.

Theodore R. Stehney
Assistant Inspector General for Auditing

