



Office of Inspector General

## System Review Report

September 4, 2015

To Kevin Mulshine, Inspector General  
Architect of the Capitol

We have reviewed the system of quality control for the audit organization of the Architect of the Capitol (AOC) in effect for the year ended March 31, 2015. 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*. The 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 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*. 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 attestation engagements, collectively referred to as "audits," and administrative files to test for conformity with professional standards and compliance with the AOC OIG's system of quality control. The audits selected represented a reasonable cross-section of the AOC OIG's 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 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's audit organization. In addition, we tested compliance with the AOC OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the 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

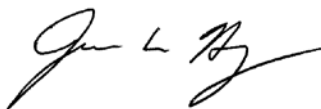
system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

Enclosure 1 to this report identifies the AOC OIG offices that we visited and the engagements that we reviewed. AOC OIG's response to the draft report is included as Enclosure 2.

In our opinion, the system of quality control for the audit organization of the AOC OIG in effect for the year ended March 31, 2015, 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 a peer review rating of *pass*.

As is customary, we have issued a letter dated September 4, 2015 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 the 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 the AOC 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 the AOC OIG's monitoring of work performed by IPAs.



James W. Hagen  
Inspector General

Enclosures

## 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 four of four audit reports issued during the period October 1, 2013, through March 31, 2015. We also reviewed the internal quality control reviews performed by AOC OIG.

In addition, we reviewed the AOC OIG's monitoring of audits performed by IPAs where the IPA served as the auditor during the period October 1, 2013, through September 30, 2014. During the period, the AOC OIG contracted for the audit of its agency's Fiscal Year 2013 financial statements.

We visited the Washington, DC office of the AOC OIG.

## Reviewed Audit Engagements Performed by the NLRB OIG

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
A-2014-01	9/24/14	<i>Evaluation of Jurisdictional Safety Practices</i>
A-2014-03	9/5/14	<i>Compliance with AOC Policies Relating To Absences Without Pay</i>
A-2014-04	5/30/14	<i>Supreme Court Landscaping Contract Issues</i>
A-2015-03	3/10/15	<i>Data Center Access</i>

## Reviewed Monitoring Files of the NLRB OIG for Contracted Engagements

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
A-2014-02	12/19/13	<i>Audit Report on the AOC's Financial Statements for Fiscal Year 2013</i>

AOC OIG Response



Office of Inspector General  
199 South Capitol Street, SW, Suite 518  
Washington, DC 20515  
202.594.1918  
www.aoc.gov

September 3, 2015

James W. Hagen  
Inspector General  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-5705

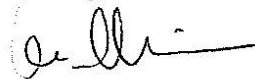
Dear Inspector General Hagen:

Thank you for the opportunity to respond to your report prepared as part of the external quality control review of the Architect of the Capitol Office of Inspector General (AOC OIG). We recognize the peer review process as an important facet of an audit organization's quality control efforts.

We are pleased that your independent review of our audit operations resulted in a pass opinion. You concluded that our system of quality control was designed in accordance with the quality standards established by the Comptroller General and was complied with to provide reasonable assurance of conforming to applicable Government Auditing Standards and AOC OIG Audit Policies and Standard Operation Procedures.

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 call me at 202.593.0260 or Vance Haney, Assistant Inspector General for Audit, at 202.593.0261.

Sincerely,



Kevin Mulshine  
Inspector General