## LIBRARY OF CONGRESS

**Office of Inspector
General**

February 10, 2016

Mr. Michael A. Raponi
Inspector General
Government Publishing Office
732 North Capitol St., NW
Washington, DC 20401

Dear Mr. Raponi:

We have reviewed the system of quality control for the audit organization of the Government
Publishing Office (GPO), Office of the Inspector General (OIG) in effect for the period of
October 1, 2014 through May 30, 2015.[1] Although this was not a peer review, nothing came to
our attention that would indicate that GPO OIG would not receive a rating of *pass* in its
upcoming peer review. Our scope and methodology is attached to this letter. The findings
described below were not considered to be of sufficient significance to affect our assessment.

**Finding 1: Audit Documentation – Evidence of Supervisory Review**

During our review, we examined the most recent external peer review report dated May 2, 2014,
from the Nuclear Regulatory Commission's (NRC) OIG. In that report, GPO OIG received a
peer review rating of pass with deficiencies. One major deficiency reported by NRC OIG was
based on the absence of supervisory review for a substantial number of audit work papers it
reviewed. Although this was a repeat finding, we feel that the GPO OIG audit organization has
made improvements since the last peer review. As GPO OIG continues to make improvements
to its system of quality control, it still needs to emphasize the importance of providing adequate
supervision to their projects and ensure that supervision is appropriately documented in the
project files.

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[1] We performed this off-cycle peer review in accordance with our Memorandum of Understanding signed on
January 20, 2015, and amended on February 24, 2015.

For audit report No. 15-06, we found occurrences of work papers not having evidence of final supervisory review in the official project file – the TeamMate work paper system. Specifically, we found the following issues in the corresponding TeamMate project file:

- One of 11 TeamMate audit programs[2] did not have evidence of final supervisory approval. This audit program pertained to the approval of the GPO OIG internal Quality Control checklist for the project. This program was intended to ensure compliance with Governmental Auditing Standards and the internal Handbook. While the TeamMate snapshot depicts that 10 of 11 audit programs did not have evidence of final supervisory approval, we noted the following:

  o Four programs had evidence of supervision through supervisory edits;

  o Three programs summarized procedures previously reviewed by the supervisor or were linked to supporting work papers that contained supervisory sign-offs; and

  o Three programs were not approved but were for products, such as the draft report, that required separate executive level approval for release under GPO OIG's Handbook.

- Two of 28 procedures did not have evidence of final supervisory approval. Although the TeamMate snapshot indicated that a total of 14 out of 28 procedures did not have final supervisory approval, we noted the following:

  o Four procedures had evidence of supervisory edits or coaching notes; and

  o Eight procedures were designed to require interaction with the supervisor or OIG senior management. These eight procedures were not necessarily required to support the findings or conclusions made but were merely designed to augment the project file.

- Five of 85 work papers did not have final supervisory approval or reflect supervisory interaction. Although the TeamMate snapshot indicated that a total of 43 out of 85 work papers did not have final supervisory approval, we noted the following:

  o Twenty-nine work papers reflected documentation of supervisory interaction, such as notations by the Inspector General of changes on a report draft or a write-up of an executive participation meeting;

  o Eight work papers were reference or administrative type work papers, such as for Quality Assurance checklists; and

  o One work paper was opened and edited after it was reviewed.

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[2] In TeamMate, a "program" is merely an additional step included within each working paper section or folder that summarizes the work documented in the underlying steps and supporting schedules for that particular section. This TeamMate function was introduced in the latest TeamMate release.

*Recommendation* – The OIG should

    a) review their TeamMate project file libraries to determine whether they need all of the required administrative or superfluous "procedure" steps and consider changing its Handbook to state that it is not a required step to complete; and

    b) adhere with the supervision requirements as stated in their Handbook.

**Finding 2:  IPA Monitoring – Required Checklist Not Completed**

In addition to reviewing its system of quality control to ensure adherence with Government Auditing Standards, we applied certain limited procedures[3] related to GPO OIG's monitoring of audit work performed by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor.

GPO OIG conducted a low-level review for its IPA monitoring.  We found that GPO OIG's monitoring was well documented in TeamMate and followed the Government Accountability Office, Financial Audit Manual (FAM) § 650 guidance for a low-level review.  We noted two items that the FAM recommends retaining to document the OIGs oversight: 1) the FAM 1003 audit completion checklist, and 2) the IPA's audit summary memo(s).  These items were not included in the TeamMate project file.

*Recommendation* – The OIG should consider adding the FAM 1003 audit completion checklist and the IPA audit summary memo to the IPA monitoring completion checklist and include them in the project files, as necessary.

We appreciate the courtesies extended during our review by the GPO OIG staff.  Please let us know if you have any questions or concerns about our review.


Sincerely,

Kurt W. Hyde
Inspector General


Attachment

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[3] We used guidance established by the Council of the Inspectors General on Integrity and Efficiency Guide.

# Scope and Methodology

We tested compliance with GPO OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of two performance audits for review selected from GPO OIG's list of completed performance audits from the period of October 1, 2014 to May 30, 2015. We performed this review by visiting the GPO OIG office located in Washington, DC.

We also reviewed GPO OIG's monitoring of audits performed by IPAs where the IPA served as the auditor during this period. GPO OIG contracted for the audit of its agency's FY 2014 financial statements. GPO OIG also contracted for certain other audits that were to be performed in accordance with Government Auditing Standards. Although the monitoring of the IPA's audit of an agency's financial statements is not an audit subject to Generally Accepted Government Auditing Standards, the external peer review process normally provides recommendations for improvements when observed.

We conducted our review using materials from the CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal OIGs, September 2014. This included using the following checklists as guidance

- Appendix A-Policies and Procedures;
- Appendix B-Checklist for Review of Adherence to General Controls;
- Appendix E-Checklist for Review of Performance Audits Performed by OIGs; and
- Appendix F-Checklist for Review of Monitoring of Audit Work Performed by an IPA.

Lastly, we used the Government Accountability Office, *Financial Audit Manual* (FAM) § 650 as a guide for our review of GPO OIG's IPA monitoring files.

We reviewed the following selected audits performed by GPO OIG:

| Report No. | Report Date | Report Title |
|---|---|---|
| 15-02 | 3/20/2015 | *Development of a Secure Credential Production System* |
| 15-06 | 3/20/2015 | *Audit of Claim for Payment (Jacket Number 535-517)* |

We reviewed the following selected monitoring files of a GPO OIG contracted audit:

| Report No. | Report Date | Report Title |
|---|---|---|
| 15-03 | 2/5/2015 | *Audit Report on GPO's Financial Statements for FY 2014* |