



OFFICE OF INSPECTOR GENERAL *Washington, D.C. 20002*

System Review Report

March 16, 2023

Dr. Brett M. Baker
Inspector General
Office of Inspector General
National Archives and Records Administration
8601 Adelphi Rd. Suite 2800
College Park, MD 20740

Dear Dr. Baker:

We have reviewed the system of quality control for the audit organization of National Archives and Records Administration (NARA) Office of Inspector General (OIG) in effect for the fiscal year (FY) ended September 30, 2022. A system of quality control encompasses NARA OIG's organizational structure. The policies adopted and procedures established provide NARA OIG with reasonable assurance of conforming, in all material respects, with *Government Auditing Standards*¹ and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standards*.

In our opinion, the system of quality control for the audit organization of NARA OIG in effect for FY 2022 has been suitably designed and complied with to provide NARA OIG with reasonable assurance of performing and reporting in conformity, in all material respects, with applicable professional standards and applicable legal and regulatory requirements.

Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. NARA OIG received an External Peer Review rating of *pass*.

Monitoring of GAGAS Engagements Performed by Independent Public Accountants

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance

¹ *Government Auditing Standards*, GAO-18-568G, 2018 Revision dated April 2021.

with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to NARA OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS) by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor.

Note that the monitoring of GAGAS 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 NARA OIG had controls to ensure that IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion; accordingly, we do not express an opinion on NARA OIG's monitoring of work performed by IPAs.

Letter of Comment

We issued a letter dated March 23, 2023, that sets forth findings that were not considered to be of sufficient significance to affect our report results.

Basis of Opinion

Our review was conducted in accordance with *Government Auditing Standards* and the *CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*.²

During our review, we interviewed NARA OIG personnel. We obtained an understanding of the nature of the NARA OIG audit organization and the design of NARA OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected GAGAS engagements and administrative files to test for conformity with professional standards and compliance with NARA OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the NARA OIG audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the NARA OIG audit organization. In addition, we tested compliance with NARA OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of NARA OIG's policies and procedures on selected GAGAS engagements. 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.

Before we concluded the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with NARA OIG management to discuss the results of

² Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General dated March 2020

our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report identifies the NARA OIG engagements we reviewed.

Responsibilities and Limitations

NARA OIG is responsible for establishing and maintaining a system of quality control designed to provide NARA OIG with reasonable assurance that the organization and its personnel comply, in all material respects, with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the system of quality control and NARA OIG's compliance based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur, and may 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.

Sharon R. Diskin
Acting Inspector General

Enclosure

Enclosure 1

Scope and Methodology

We tested compliance with NARA OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 2 of 11 engagements reports conducted in accordance with generally accepted government auditing standards (GAGAS engagement) issued from October 1, 2019 through September 30, 2022. We also reviewed the internal quality control reviews performed by NARA OIG.

In addition, we reviewed NARA OIG's monitoring of GAGAS engagements performed by IPAs where the IPA served as the auditor from October 1, 2019 through September 30, 2022. During the period, NARA OIG contracted for audits, of its agency's fiscal year 2020 and 2021 financial statements. NARA OIG also contracted for other GAGAS engagements that were performed in accordance with Government Auditing Standards.

Audits performed by NARA OIG and reviewed by FCC OIG:

Report No.	Report Date	Report Title
21-AUD-08	June 14, 2021	Audit of NARA's Controls over the Use of IT Equipment and Resources
21-AUD-12	September 7, 2021	Audit of NARA's Records Disposal Processes

Monitoring Files for Contracted Audits Reviewed by FCC OIG:

Report No.	Report Date	Report Title
22-AUD-02	November 15, 2021	Audit of National Archives and Records Administration's Fiscal Year 2021 Financial Statements
22-AUD-08	May 13, 2022	Audit of NARA's Compliance with the Payment Integrity Information Act in Fiscal Year 2021