



## System Review Report

November 4, 2021

Carol F. Ochoa, Inspector General  
General Services Administration

We reviewed the system of quality control for the audit organization of the General Services Administration (GSA), Office of Inspector General (OIG) in effect for the year ended March 31, 2021. A system of quality control encompasses the GSA OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming in all material respects with *Government Auditing Standards* 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 the GSA OIG in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the GSA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects.

Audit organizations can receive a *pass*, *pass with deficiencies*, or *fail*. The GSA OIG has received an External Review 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 with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to the GSA OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagements) by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that 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 the GSA OIG had controls to ensure 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 the GSA OIG's monitoring of work performed by IPAs.

## **Letter of Comment**

We have issued a letter dated November 4, 2021 that sets forth findings that were not considered to be of sufficient significance to affect our opinion expressed in this report.

## **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*.

During our review, we met with the GSA OIG personnel and obtained an understanding of the nature of the GSA OIG audit organization and the design of the GSA OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessment, we selected GAGAS engagements and administrative files to test for conformity with professional standards and compliance with the GSA OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the GSA 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 GSA OIG audit organization. In addition, we tested compliance with the GSA OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the GSA 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 related noncompliance.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with the GSA OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report identifies the GSA OIG engagements we reviewed.


## **Responsibilities and Limitation**

The GSA OIG is responsible for establishing and maintaining a system of quality control designed to provide the GSA 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 the GSA 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.

Your response to the system review report is included as Enclosure 2. We appreciate the cooperation and assistance provided by you and your staff. The timeliness of responses to questions and access to requested documentation were extremely helpful in completing our review.

Sincerely,

A handwritten signature in cursive script that reads "Larry D. Turner".

Larry D. Turner, Acting Inspector General  
U.S. Department of Labor

Enclosures

**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 12 of 80 engagements reports conducted in accordance with generally accepted government auditing standards (GAGAS engagements) and consisted of 12 reports issued from April 1, 2020, through March 31, 2021. We reviewed one GSA OIG monitoring file of a GAGAS engagement performed by an IPA where the IPA served as the auditor from April 1, 2020, through March 31, 2021. During the period, the GSA OIG contracted for the audit of its agency’s financial statements. We also reviewed the internal quality control reviews performed by the GSA OIG. Due to the ongoing coronavirus (COVID-19) pandemic, all sampled reports, supporting documentation, policies, procedures, and other administrative documents were made available to us electronically. We met with GSA OIG officials as needed via teleconference. As such, we completed our review without visiting any of the GSA OIG offices.

**GSA OIG Reviewed Audits and Engagements**

We selected three attestation engagements, eight performance audits, and one monitoring file from a contracted audit to review. One performance audit was terminated, and one attestation engagement was re-issued. At least one report was selected for review from each of the GSA OIG’s audit offices. The following three tables identify those attestation engagements, performance audits, and the monitoring file selected along with the responsible audit office. Table 1 identifies the three reviewed GSA OIG attestation engagements conducted at the examination level.

**Table 1: GSA OIG Attestation Engagements – Examinations Reviewed**

<b>Office Symbol &amp; Location</b>	<b>Report No.</b>	<b>Report Date</b>	<b>Report Title</b>
JA-9 Oakland, CA	A190091/Q/9/ X20044	07/31/2020	Independent Post-award Examination of Multiple Award Schedule Contract The Rand Corporation Contract Number GS-10F-0275P
JA-6 Kansas City, MO	A190088/Q/6/ X20050	09/29/2020	Independent Pre-award Examination of Multiple Award Schedule Contract Extension United Rentals, Inc. Contract Number GS-06F-0068R
JA-6 Kansas City, MO	A201003/Q/6/ X21006	12/11/2020 Reissued 3/3/2021	Independent Pre-award Examination of Multiple Award Schedule Contract Extension Haworth, Inc. Contract Number GS-03F-057DA

Table 2 identifies the eight GSA OIG performance audits we reviewed.

**Table 2: GSA OIG Performance Audits Reviewed**

<b>Office Symbol &amp; Location</b>	<b>Report No.</b>	<b>Report Date</b>	<b>Report Title</b>
JA-5 Chicago, IL	A200974/B/5/ F20002	05/15/2020	GSA Complied With the Improper Payments Acts in Fiscal Year 2019
JA-2 New York, NY	A180104/Q/2/ P20004	06/19/2020	Audit of GSA's Controls to Prevent Contracting With Suspended and Debarred Contractors
JA-T Washington, DC	A190027	06/19/2020	Termination of Alliant II Contract Price Analysis
JA-7 Fort Worth, TX	A190024/C/7/ F20003	09/2/2020	GSA Needs to More Effectively Manage Its Workers' Compensation Program
JA-4 Atlanta, GA	A150028/P/4/ R20009	09/4/2020	Audit of the GSA Public Buildings Service's Use of Construction Management Services
JA-R Washington, DC	A190019/P/R/ R20010	09/23/2020	Audit of Competition in the Public Buildings Service's National Capital Region Contracts
JA-6 Kansas City, MO	A190085/A/6/ F21001	11/4/2020	GSA's Mismanagement of Contract Employee Access Cards Places GSA Personnel, Federal Property, and Data at Risk
JA-3 Philadelphia, PA	A201009/Q/3/ P21001	03/30/2021	FAS's Packaged Office Furniture Program Limits Opportunities for Better Prices and Taxpayer Savings

Table 3 identifies the audit performed by an IPA for which we reviewed the GSA OIG's monitoring activities.

**Table 3: GSA OIG Monitoring File for the Contract Audit Reviewed**

<b>Office Symbol &amp; Location</b>	<b>Report No.</b>	<b>Report Date</b>	<b>Report Title</b>
JA-A Washington, DC	A201004	11/13/2020	Independent Auditors' Report U.S. General Services Administration's Financial Statements – Fiscal Years 2020 and 2019 November 13, 2020

## The GSA OIG's Response to the System Review Report



U.S. GENERAL SERVICES ADMINISTRATION  
Office of Inspector General

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October 29, 2021

Larry D. Turner  
Acting Inspector General  
U.S. Department of Labor  
200 Constitution Ave., NW  
Washington, D.C. 20210

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

Dear Mr. Turner:

Thank you for providing the formal draft System Review Report on the General Services Administration's Office of Inspector General audit organization. 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 reasonable assurance of performing and reporting, in conformity with applicable professional standards in all material respects.

I would like to take this opportunity to thank your staff for their professionalism during the course of this review. We appreciated their diligent efforts to analyze our system of quality control and offer constructive suggestions for improvements.

If you have any questions, please contact me at (202) 273-7393 or R. Nicholas Goco, Assistant Inspector General for Auditing, at (202) 501-2322.

Sincerely,

CAROL  
OCHOA

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CAROL OCHOA  
Date: 2021.10.29  
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Carol F. Ochoa  
Inspector General