



System Review Report

December 20, 2012

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

Dear Inspector General Miller:

We have reviewed the system of quality control for the audit organization of the General Services Administration Office of Inspector General (GSA OIG), in effect for the year ended March 31, 2012. 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 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 the GSA OIG's compliance therewith based on our review.

Our review was conducted in accordance with *Government Auditing Standards* and guidelines established by the Council of 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's 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's system of quality control. The engagements selected represented a reasonable cross-section of the GSA 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 GSA OIG 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 offices of the GSA OIG that we visited and the engagements that we reviewed.

In performing our review, we obtained an understanding of the system of quality control for the GSA OIG's 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 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 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.

In our opinion, the system of quality control for the audit organization of the GSA OIG in effect for the year ended March 31, 2012, 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 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 December 20, 2012, 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 GSA OIG's monitoring of engagements performed by Independent Public Accountants (IPA) under contract where the IPA served as the principal auditor. It should be noted that 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. However, our objective 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 blue ink, appearing to read "Michael E. Horowitz". The signature is stylized with a large, looped initial "M" and a long, sweeping underline.

Michael E. Horowitz
Inspector General

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 13 of 126 reports issued during the period of April 1, 2011, through March 31, 2012, and semiannual reporting periods ending September 30, 2011, and March 31, 2012. We found that of the 126 reports issued by GSA OIG between April 1, 2011, and March 31, 2012, 72 (57 percent) were Examination-Level Attestation Reports, 30 (24 percent) were Internal Audit Reports, 17 (13 percent) were Review-Level Attestation Reports, 6 (5 percent) were Implementation Review Reports, and 1 (1 percent) was an Examination-Level Attestation Report performed by Defense Contract Audit Agency (DCAA) and issued under a GSA OIG cover acknowledging DCAA performed the review.¹ We also reviewed a judgmental sample of the internal quality control reviews performed by GSA OIG.

We reviewed the GSA OIG's monitoring of engagements performed by IPAs where the IPA served as the principal auditor during the period April 1, 2011, through March 31, 2012. During this period, the GSA OIG contracted with an IPA for the audit of its agency's fiscal year 2011 financial statements, which is one of the thirteen reports we reviewed. The GSA OIG also contracted for another engagement that was to be performed in accordance with *Government Auditing Standards*.

We visited multiple GSA OIG offices in Washington, D.C., including the GSA OIG's Audit Planning, Policy, and Operations Staff; Administration and Data Systems Staff; Finance and Information Technology Audit Office; and Real Property Audit Office. We also visited the GSA OIG field audit offices in Kansas City, Missouri; New York, New York; and Philadelphia, Pennsylvania.

Reviewed Engagements Performed by GSA OIG

Exhibit 1 identifies the 12 audit and attestation reports issued by the GSA OIG, which were reviewed by the Department of Justice Office of the Inspector General.

¹ Implementation Reviews are conducted by the GSA OIG to determine whether appropriate corrective action as stated in the proposed action plan has been taken by management on financial and performance audit reports. The scope of the review is limited to an examination of management's actions in response to the recommendations.

**EXHIBIT 1
GSA OIG AUDIT AND ATTESTATION REPORTS**

GSA OIG AUDIT OFFICE	REPORT NO.	REPORT DATE	REPORT TITLE
REVIEW-LEVEL ATTESTATION REPORTS			
New York	A090196/P/2/X11087	08/22/2011	Review of Construction Management Services Contract: Bovis Lend Lease LMB, Inc., Contract Number GS-02P-04-DTC-0028(N), Options Number 3, 5, and 6
Kansas City	A110073/Q/6/X11099	09/29/2011	Limited Scope Postaward Review of Multiple Award Schedule Contract: PPS Infotech, LLC, Contract Number GS-35F-0372L for the Period May 1, 2001 Through June 30, 2011
EXAMINATION-LEVEL ATTESTATION REPORTS			
Philadelphia	A110083/Q/3/X11045	04/19/2011	Preaward Examination of Multiple Award Schedule Contract Extension: Stanley Associates, Inc., Contract Number GS-23F-0191L
Kansas City	A100221/Q/6/X11052	05/12/2011	Preaward Examination of Multiple Award Schedule Contract Extension: Mainline Information Systems, Inc., Contract Number GS-35F-0216L
Philadelphia	A110087/Q/3/X11057	06/01/2011	Preaward Examination of Multiple Award Schedule Contract Extension: National Interest Security Company, LLC, Contract Number GS-25F-0032L
Philadelphia	A110088/Q/3/X11079	07/28/2011	Postaward Examination of Multiple Award Schedule Contract Number GS-07F-6028P for the Period January 1, 2009 to December 31, 2010: Global Protection USA, Inc.

GSA OIG AUDIT OFFICE	REPORT NO.	REPORT DATE	REPORT TITLE
New York	A110067/Q/2/X11092	09/09/2011	Preaward Examination of Multiple Award Schedule Contract Extension: Clifton Gunderson, LLP, Contract Number GS-23F-0135L
New York	A110089/Q/2/X12021	02/22/2012	Preaward Examination of Multiple Award Schedule Contract Extension: Quality Software Services, Inc., Contract Number GS-35F-0308L
INTERNAL AUDIT REPORTS			
Financial and Information Technology	A110160/O/F/F11008	09/28/2011	FY 2011 Office of the Inspector General FISMA Audit of GSA's Information Technology Security Program
Real Property	A090169/P/R/R11015	09/30/2011	Recovery Act Report - Installation of Foreign Bollards at Scobey Land Port of Entry Review of PBS's Reimbursable Work Authorization Projects Funded by the American Recovery and Reinvestment Act of 2009
Kansas City	A110119/P/6/R12001	01/10/2012	Review of Public Building Service's Procurement of Public Relations Services at the Bannister Federal Complex, Task Order GS-P-06-10-GX-0012
New York	A110117/Q/2/P12005	03/30/2012	Audit of Personal Property Donation Program: New Jersey State Agency for Surplus Property, Federal Acquisition Service, Northeast and Caribbean Region

Reviewed Monitoring Files of GSA OIG for Contracted Engagements

Exhibit 2 identifies the single audit performed by IPAs for which we reviewed the GSA OIG's monitoring activities.

EXHIBIT 2 GSA OIG MONITORING FILES FOR CONTRACTED AUDITS

GSA OIG AUDIT OFFICE	REPORT NO.	REPORT DATE	REPORT TITLE
INTERNAL AUDIT REPORT			
Financial and Information Technology	A110103/B/F/FF12001	12/22/2011	Audit of the General Services Administration's Fiscal Year 2011 Financial Statements



U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

December 18, 2012

Mr. Raymond J. Beaudet
Assistant Inspector General for Audit
U.S. Department of Justice
Office of Inspector General
1425 New York Avenue, NW
Suite 5000
Washington, DC 20530

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

Dear Mr. Beaudet:

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 Lisa Blanchard on (202) 501-4865 or me on (202) 501-0374.

Sincerely,

A handwritten signature in blue ink that reads "Theodore R. Stehney".

Theodore R. Stehney
Assistant Inspector General for Auditing