



U.S. DEPARTMENT OF TRANSPORTATION  
**OFFICE OF INSPECTOR GENERAL**

**SYSTEM REVIEW REPORT**

*U.S. Department of Defense  
Office of Inspector General  
Audit Organization*

September 30, 2021



U.S. DEPARTMENT OF TRANSPORTATION  
**OFFICE OF INSPECTOR GENERAL**

September 30, 2021

The Honorable Sean O'Donnell  
Acting Inspector General  
Office of Inspector General  
U.S. Department of Defense  
4800 Mark Center Drive  
Alexandria, VA 22350

Dear Mr. O'Donnell:

We have reviewed your audit organization's (DoD-OIG) system of quality control in effect for the 12-month period that ended March 31, 2021. This system of quality control should provide reasonable assurance that DoD-OIG's organizational structure, policies, and procedures conform, in all material respects, with generally accepted Government auditing standards and applicable statutory and regulatory requirements. The elements of quality control are described in the Government Accountability Office's *Government Auditing Standards*.

In our opinion, DoD-OIG's system of quality control in effect for the 12-month period that ended March 31, 2021, has been designed and complied with to provide DoD-OIG with reasonable assurance that its performance and reporting conform with applicable professional standards and statutory and regulatory requirements in all material respects.

Audit organizations can receive a rating of pass, pass with deficiencies, or fail. We have given DoD-OIG a rating of pass.

**Basis of Opinion**

We conducted our review in accordance with generally accepted Government auditing standards and CIGIE's *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*.

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

We also tested DoD-OIG's compliance with its quality control policies and procedures to the extent we considered appropriate. These tests covered the application of DoD-OIG's policies and procedures on selected engagements. Because it was based on selected tests, our review would not necessarily detect all weaknesses in the quality control system or all instances of noncompliance.

Prior to concluding our review, we reassessed the adequacy of the scope of the peer review procedures and met with DoD-OIG management to discuss the results of our review. We believe that the procedures we performed provided a reasonable basis for our opinion. See the exhibit to this report for details on our scope and methodology and a list of the engagements we reviewed.

### **Responsibilities and Limitations**

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

Inherent limitations exist in the effectiveness of any quality control system. As a result, noncompliance with the system may occur but may not be detected. Projection of a system evaluation to future periods is subject to the risk that the system may become inadequate due to changes in conditions or because compliance with policies or procedures deteriorates.

### **Monitoring of Engagements Performed by Independent Public Accountants**

During our review, we also applied certain limited procedures to DoD-OIG's monitoring of engagements conducted by independent public accountants (IPA)—in accordance with generally accepted Government auditing standards—under contract to DoD-OIG. Please note that the monitoring of such engagements is not an audit, and therefore is not subject to the requirements of generally accepted Government auditing standards. The purpose of our limited procedures was to determine whether DoD-OIG had controls to ensure that IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion and we do not express an opinion on DoD-OIG's monitoring of work performed by IPAs.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Soskin", written in a cursive style.

Eric Soskin  
Inspector General

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## Exhibit. Scope and Methodology

We tested compliance with DoD-OIG audit organization's system of quality control to the extent we considered appropriate. These tests included reviews of 9 of 49 engagement reports that DoD-OIG issued between April 1, 2020, and March 31, 2021 (see table). For the same reporting period, we also reviewed DoD-OIG's supporting documentation for monitoring IPAs' work for 2 of 31 IPA reports.

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Table. Engagements Reviewed by OIG

Report Number	Issue Date	Report Title
DODIG-020-078	April 6, 2020	Audit of Physical Security Controls at Department of Defense Medical Treatment Facilities
DODIG-2020-096	June 24, 2020	Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan
DODIG-2020-130	September 29, 2020	Independent Auditor's Report on the Agreed-Upon Procedures for Reviewing the FY 2020 Civilian Payroll Withholding Data and Enrollment Information
DODIG-2021-001	October 7, 2020	Audit of the Solicitation, Award, and Administration of Washington Headquarters Services Contract and Task Orders for Office of Small Business Programs
DODIG-2021-003	October 9, 2020	Audit of the Department of Defense Process for Developing Foreign Military Sales Agreements
DODIG-2021-027	November 13, 2020	Transmittal of the Independent Auditor's Reports on the Defense Logistics Agency General Fund Financial Statements and Related Notes for FY 2020 and FY 2019
DODIG-2021-028	December 18, 2020	Independent Auditor's Report on the Department of Defense FY 2020 and FY 2019 Basic Financial Statements
DODIG-2021-039	December 17, 2020	Transmittal of the Independent Auditor's Reports on the Defense Information Systems Agency Working Capital Fund Financial Statements and Related Notes for FY 2020 and FY 2019
DODIG-2021-048	February 5, 2021	Audit of Dual-Status Commanders For Use in Defense Support of Civil Authorities Missions In Support of the Coronavirus Disease-2019 Pandemic

Report Number	Issue Date	Report Title
DODIG-2021-051	February 10, 2021	Audit of Cybersecurity Requirements for Weapon Systems in the Operations and Support Phase of the Department of Defense Acquisition Life Cycle
DODIG-2021-070	March 31, 2021	Audit of Public Health Emergency Readiness at Military Installations

Source: DoD-OIG