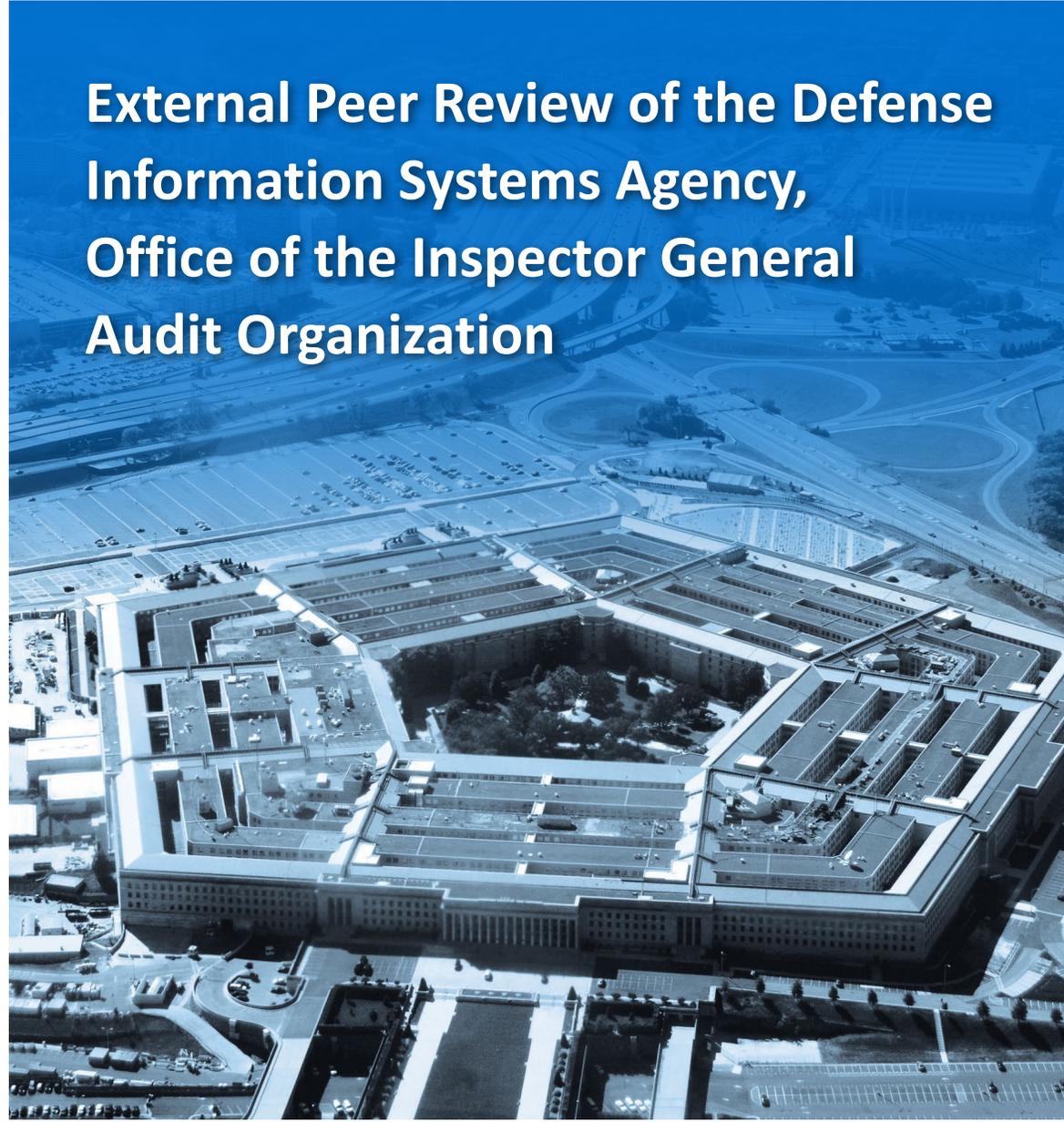


INSPECTOR GENERAL

U.S. Department of Defense

FEBRUARY 7, 2024



External Peer Review of the Defense Information Systems Agency, Office of the Inspector General Audit Organization

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY





OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

February 7, 2024

MEMORANDUM FOR DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

SUBJECT: External Peer Review of the Defense Information Systems Agency, Office
of the Inspector General Audit Organization (Report No. DODIG-2024-054)

This final report provides the results of the DoD Office of Inspector General's external peer review of the Defense Information Systems Agency (DISA), Office of the Inspector General (OIG) audit organization. We previously provided a discussion draft of this report to the DISA OIG's Assistant Inspector General for Audit, who accepted our findings and did not provide any additional comments.

We conducted this external peer review from July 2023 through January 2024 in accordance with Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency, "Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General." The Enclosure of the report identifies the scope and methodology for the review.

We appreciate the cooperation and assistance we received during the peer review. If you have any questions, please contact [REDACTED].

FOR THE INSPECTOR GENERAL:

A handwritten signature in black ink, appearing to read "Randolph R. Stone", is positioned above the typed name.

Randolph R. Stone
Assistant Inspector General for Evaluations
Space, Intelligence, Engineering, and Oversight

Enclosure:
As stated





OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

February 7, 2024

MEMORANDUM FOR DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

SUBJECT: System Review Report on the External Peer Review of the Defense Information Systems Agency, Office of the Inspector General Audit Organization
(Report No. DODIG-2024-054)

We reviewed the system of quality control for the Defense Information Systems Agency (DISA), Office of the Inspector General (OIG) audit organization in effect for the 3-year period that ended May 31, 2023. A system of quality control encompasses the DISA OIG audit organization's structure, 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 DISA OIG audit organization in effect for the 3-year period that ended on May 31, 2023, has been suitably designed and complied with to provide the DISA OIG audit organization with reasonable assurance of performing and reporting in conformity with Government Auditing Standards and applicable legal and regulatory requirements in all material respects.

Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. The DISA OIG audit organization has received an external peer review rating of *pass*.

BASIS OF OPINION

We conducted our peer review in accordance with Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency "Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General," March 2020 revision.

During our review, we interviewed DISA OIG audit personnel and obtained an understanding of the nature of the DISA OIG audit organization and the design of its system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessment, we nonstatistically selected three of eight performance audits that the DISA OIG completed from June 1, 2020, through May 31, 2023. We tested the three performance audits for conformity with Government Auditing Standards and the DISA OIG audit organization's system of quality control. The three performance audits we selected represent a reasonable cross-section of the universe of eight performance audits performed by the DISA OIG audit organization during the 3-year period ended May 31, 2023.

In performing our peer review, we tested for compliance with the DISA OIG audit organization quality control policies and procedures to the extent that we considered appropriate. These tests covered the application of the DISA OIG audit organization's policies and procedures on the selected audits. We based our review on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

On January 23, 2024, we held an exit conference with DISA OIG audit organization representatives to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. The Enclosure identifies the scope and methodology, including our basis for selecting the three performance audits we reviewed.

RESPONSIBILITIES AND LIMITATION

The DISA OIG audit organization is responsible for establishing and maintaining a system of quality control designed to provide it 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 DISA OIG audit organization's compliance based on our review.

Inherent limitations exist in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. The 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.

FOR THE INSPECTOR GENERAL:

A handwritten signature in black ink, appearing to read 'Randolph R. Stone', written in a cursive style.

Randolph R. Stone
Assistant Inspector General for Evaluations
Space, Intelligence, Engineering, and Oversight

Enclosure:
As stated

Enclosure

Scope and Methodology

We conducted this peer review from July 2023 through January 2024 in accordance with Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) “Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General.” Those standards require that we obtain an understanding of the audit organization’s system of quality control and conclude whether:

- the system is appropriately designed to ensure compliance with Government Auditing Standards, and
- the audit organization is complying with Government Auditing Standards and internal policies and procedures.

This peer review covered the 3-year period from June 1, 2020, through May 31, 2023.

We tested compliance with the DISA OIG audit organization’s system of quality control to the extent we considered appropriate. We selected projects that would provide a reasonable cross-section of what the DISA OIG audit organization completed during the 3-year review period. As detailed in the following sections, we used the appendixes and procedures in the CIGIE Guide to conduct this peer review.

Policies and Procedures (CIGIE Appendix A)

We reviewed the DISA OIG audit policies and procedures to determine if they comply with Government Auditing Standards. We requested that the DISA OIG audit organization complete Column 1 of the CIGIE Guide, Appendix A, “Policies and Procedures,” and provide a copy of relevant policies and procedures. We recorded our conclusions and comments on whether the policies and procedures were adequate and complied with Government Auditing Standards in Column 2 of Appendix A. We concluded that the policies and procedures were adequate and complied with Government Auditing Standards.

Checklist for the Standards of Independence, Competence and Continuing Professional Education, and Quality Control and Peer Review (CIGIE Guide Appendix B)

Using the CIGIE Guide’s Appendix B checklist, we tested the DISA OIG audit organization for compliance with Government Auditing Standards’ general standards. The general standards consist of independence, competence and continuing professional education, and quality control and peer review.

Independence

We reviewed the DISA OIG audit organization independence records for the 12 auditors assigned to the three projects we reviewed. We concluded that the DISA OIG audit organization complied with the independence requirements in Government Auditing Standards.

Competence and Continuing Professional Education

We interviewed seven of the eight audit staff employed by the DISA OIG audit organization as of October 3, 2023. We did not interview one auditor because they began working at the DISA OIG audit organization in May 2023, and had not yet performed an audit. We interviewed the supervisors and auditors to determine their understanding of, and compliance with, Government Auditing Standards and the DISA OIG audit organization quality control policies and procedures. Based on the interview results, we concluded that the auditors are competent and have an adequate understanding of Government Auditing Standards and the DISA OIG audit organization's policies and procedures.

We also nonstatistically selected a sample of 6 of the 12 auditors employed by the DISA OIG audit organization during the most recently completed 2-year continuing professional education (CPE) reporting period to determine whether they earned CPE hours required by Government Auditing Standards. The last 2-year CPE reporting period covered FY 2021 and FY 2022. We determined that the six auditors met the CPE requirements.

Quality Control and Peer Review

We reviewed the three internal quality control reviews that the DISA OIG audit organization completed during the 3-year review period to determine if the DISA audit organization complied with Government Auditing Standards for monitoring of quality procedures. Specifically, we reviewed the internal quality control reviews to determine whether the DISA OIG audit organization:

- performed monitoring procedures that enabled it to assess compliance with professional standards and quality control policies and procedures; and
- analyzed and summarized the results of its monitoring procedures, at least annually, with identification of any systemic or repetitive problems needing improvement and with recommendations for corrective action.

We determined that the DISA OIG audit organization complied with Government Auditing Standards for monitoring of quality procedures.

Checklist for Performance Audits Performed by the Office of Inspector General (CIGIE Guide Appendix E)

From June 1, 2020, through May 31, 2023, the DISA OIG audit organization completed eight performance audits. We nonstatistically selected three performance audits to review. In selecting our nonstatistical sample, we chose projects that would provide a reasonable cross-section of what the DISA OIG audit organization completed during the 3-year review period. For example, we chose projects that resulted in the selection of various DISA OIG audit supervisors and auditors assigned to the two DISA OIG audit offices.¹ We reviewed the performance audits for compliance with Government Auditing Standards using Appendix E of the CIGIE Guide. We determined that the DISA OIG audit organization complied with Government Auditing Standards for the three performance audits we reviewed. The following table lists the performance audits we selected for review.

Table. DISA OIG Performance Audits Selected for Review

Title	Project Number
Audit of DISA's Mobility Program	20-IG2-001-600-AA
Audit of DISA's Contract Closeout Process	21-IG2-003-600-AA
Audit of Privileged User Account Management	21-IG2-002-400-AA

Source: The DoD OIG.

Use of Computer-Processed Data

We did not use computer-processed data to perform this peer review.

Prior Coverage

During the last five years, the DoD OIG issued one report discussing a peer review of the DISA OIG audit organization. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

DoD OIG

Report No. DODIG-2021-031, "External Peer Review Report on the Defense Information Systems Agency, Office of the Inspector General Audit Organization," December 9, 2020

The DoD OIG evaluated whether the DISA OIG audit organization's system of quality control in effect for the 3-year period that ended on May 31, 2020, was suitably designed and complied with to provide the DISA OIG audit organization with reasonable assurance of conformity with the applicable professional standards. The DISA OIG audit organization received a peer review rating of *pass*.

¹ The DISA OIG audit organization has audit offices at Fort Meade, Maryland, and Scott Air Force Base, Illinois.

Acronyms and Abbreviations

- CIGIE** Council of the Inspectors General on Integrity and Efficiency
- CPE** Continuing Professional Education
- DISA** Defense Information Systems Agency
- OIG** Office of the Inspector General

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U.S. DEPARTMENT OF DEFENSE

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