



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of
Inspector General

System Review Report

July 31, 2012

Architect of the Capitol
Office of Inspector General
Attn: Carol M. Bates
499 S. Capitol St. SW, Suite 518
Washington, DC 20515

Dear Ms. Bates:

We have reviewed the system of quality control for the audit organization of the Architect of the Capitol, Office of Inspector General (AOC OIG) in effect for the year ended March 31, 2012. A system of quality control encompasses the AOC 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*. AOC OIG is responsible for designing a system of quality control and complying with it to provide the AOC 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 AOC OIG's compliance therewith.

Our review was conducted in accordance with *Government Auditing Standards* and guidelines established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). During our review, we interviewed AOC OIG personnel and obtained an understanding of the nature of the AOC OIG audit organization, and the design of the AOC 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 AOC OIG's system of quality control. The engagements selected represented a reasonable cross-section of the AOC 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 AOC OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the AOC OIG's audit organization. In addition, we tested compliance with the AOC OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the AOC 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. Enclosure 1 to this report identifies the offices of the AOC OIG that we visited and the engagements that we reviewed.

In our opinion, the system of quality control for the audit organization of the AOC OIG in effect for the year ended March 31, 2012, has been suitably designed and complied with to provide the AOC 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*. AOC OIG has received a peer review rating of *pass*.

As is customary, we have issued a letter dated July 31, 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 AOC 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 AOC OIG had controls to ensure the 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 AOC OIG's monitoring of work performed by the IPAs.

Sincerely,

A handwritten signature in cursive script, appearing to read "Milton Mayo, Jr.", with a long horizontal flourish extending to the right.

Milton A. Mayo, Jr.,
Inspector General

Enclosures

SCOPE AND METHODOLOGY (Enclosure 1)

Scope and Methodology

We tested compliance with the Architect of the Capitol (AOC) Office of Inspector General (OIG) audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 3 of 7 audit reports issued during the period April 1, 2011, through March 31, 2012 and semiannual reporting periods. We also reviewed the internal quality control reviews performed by AOC OIG.

In addition, we reviewed the AOC 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 the period, AOC contracted for the audit of its agency's Fiscal Year 2011 financial statements. AOC OIG also contracted for certain other engagements that were to be performed in accordance with *Government Auditing Standards*.

We visited the Headquarters Office AOC OIG in Washington, DC.

Reviewed Engagements Performed by AOC OIG

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
A-2012-01	9/23/2011	Acquisition and Materiel Division Small Purchases
A-2011-05	8/2/2011	Capitol Visitor Center Small Purchases and Government Purchase Card Operations

Reviewed Monitoring Files of (Reviewed OIG) for Contracted Engagements

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
A-2012-02	1/06/2012	FY 2011 Financial Statements Audit