

FEDERAL MARITIME COMMISSION
Washington, DC 20573



Office of Inspector General

September 1, 2021

Mr. Christopher P. Failla, Inspector General
Architect of the Capitol

Subject: System Review Report on the Architect of the Capitol (AOC) Office of Inspector General (OIG) Audit Organization

Dear Inspector General Failla:

Attached is the final System Review Report of the AOC OIG audit organization conducted 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. Your response to the report is included as an enclosure.

We appreciate the cooperation and courtesies extended to our staff during the review. If you have any questions, please contact me at 202-523-5863 or via email at jhatfield@fmc.gov. Thank you.

A handwritten signature in black ink that reads "Jon Hatfield". The signature is written in a cursive, flowing style.

Jon Hatfield, Inspector General

Attachment

FEDERAL MARITIME COMMISSION
Washington, DC 20573



Office of Inspector General

System Review Report

September 1, 2021

Mr. Christopher P. Failla, Inspector General
Architect of the Capitol

We have reviewed the system of quality control for the audit organization of the Architect of the Capitol (AOC) Office of Inspector General (OIG) in effect for the year ended March 31, 2021. A system of quality control encompasses AOC 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*¹ 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 AOC OIG in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide AOC 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 rating of *pass*, *pass with deficiencies*, or *fail*. AOC OIG has received an External 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 AOC 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 AOC 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 AOC OIG's monitoring of work performed by IPAs.

¹ GAO, *Government Auditing Standards*, GAO-18-568G (Washington, D.C., July 2018).

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, March 2020*.

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 AOC OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected GAGAS engagements and administrative files to test for conformity with professional standards and compliance with AOC OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the AOC OIG audit organization's work.

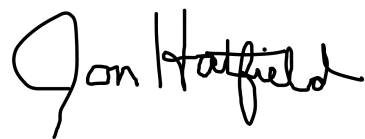
In performing our review, we obtained an understanding of the system of quality control for the AOC OIG audit organization. In addition, we tested compliance with AOC OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of AOC OIG's 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 noncompliance with it.

Prior to concluding the peer 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. Enclosure 1 to this report identifies the engagements we reviewed.

Responsibilities and Limitation

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



Jon Hatfield, Inspector General
Enclosures

Scope and Methodology

We tested compliance with AOC OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of two audit engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagement) issued from April 1, 2020, through March 31, 2021. We also reviewed the internal quality control reviews performed by AOC OIG.

In addition, we reviewed AOC OIG's monitoring 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, AOC OIG contracted for the audit of its agency's fiscal year 2020 financial statements. AOC OIG also contracted for another GAGAS engagement that was performed in accordance with *Government Auditing Standards*.

Reviewed GAGAS Engagements Performed by AOC OIG

Report No.	Report Date	Report Title
OIG-AUD-2020-06	09/25/2020	Audit of Senate Underground Garage Renovations and Landscape Restoration Project's Contract Modifications
OIG-AUD-2020-07	09/28/2020	Audit of the Russell Senate Office Building Exterior Envelope Repair and Restoration, Seq. II (Phases 2 and 4) Contract Modifications

Reviewed Monitoring Files of AOC OIG for Contracted GAGAS Engagement

Report No.	Report Date	Report Title
OIG-AUD-2021-01	11/23/2020	Audit of Fiscal Year 2020 Financial Statements



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August 31, 2021

Mr. Jonathan Hatfield
Inspector General
Federal Maritime Commission
800 North Capitol St NW
Washington, DC 20573

Dear Inspector General Hatfield:

Thank you for the report of the quality control for the Architect of the Capitol (AOC) Office of the Inspector General (OIG) audit organization in effect for the three years that ended March 31, 2021. We are pleased that you found our system of quality control to be suitably designed and compliant to provide the AOC OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards. We are further pleased to have received an External Peer Review rating of Pass.

Please extend our appreciation to the peer review team for their professionalism and valuable input to our audit function. If you have any questions, please contact me at 202.593.0260 or Erica Wardley, Assistant Inspector General for Audit, at 202.593.0081.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Failla".

Christopher P. Failla, CIG
Inspector General