

**OFFICE OF
INSPECTOR GENERAL**

Peer Review Report

**Peer Review of the
Federal Election Commission
Office of Inspector General**

Issued February 15, 2017



FARM CREDIT ADMINISTRATION

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February 15, 2017

Lynne A. McFarland
Inspector General
Federal Election Commission
999 E Street, NW
Washington, DC 20463



System Review Report

We have reviewed the system of quality control for the audit organization of the Federal Election Commission (FEC) Office of Inspector General (OIG) in effect for the year ended September 30, 2016. A system of quality of control encompasses the FEC 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 FEC OIG is responsible for establishing and maintaining a system of quality control that is designed to provide the FEC OIG with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and FEC OIG's compliance therewith based on our review.

Our review was conducted in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. During our review, we interviewed FEC OIG personnel and obtained an understanding of the nature of the FEC OIG audit organization, and the design of the FEC OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected audits and administrative files to test for conformity with professional standards and compliance with the FEC OIG's system of quality control. We selected the only performance audit conducted within the scope and the monitoring file of the most recently issued report within the scope. Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with the FEC OIG's 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 FEC OIG audit organization. In addition, we tested compliance with the FEC OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the FEC OIG's policies and procedures on selected audits. 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.

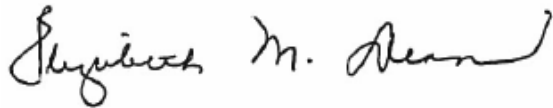
There are inherent limitations in the effectiveness of any system of quality control, and, therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of 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 FEC OIG office that we visited and the audits we reviewed.

In our opinion, the system of quality control for the audit organization of the FEC OIG in effect for the year ended September 30, 2016, has been suitably designed and complied with to provide the FEC OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Audit organizations can receive rating of *pass*, *pass with deficiencies*, or *fail*. The FEC OIG has received an External Peer Review rating of *pass*.

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 FEC OIG's monitoring of audits performed by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of audits 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 FEC 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 FEC OIG's monitoring of work performed by IPAs.

A handwritten signature in dark ink, appearing to read "Elizabeth M. Dean". The signature is fluid and cursive, with the first name being the most prominent.

Elizabeth M. Dean
Inspector General
Farm Credit Administration

Enclosure

Scope and Methodology

We tested compliance with the FEC OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of the audit report issued during the period October 1, 2013 through September 30, 2016. We also reviewed the internal quality control reviews performed by the FEC OIG.

In addition, we reviewed the FEC OIG's monitoring of audits performed by an Independent Public Accounting Firm (IPA) where the IPA served as the auditor during the period October 1, 2014, through September 30, 2015. During the period, the FEC OIG contracted for the audit of its agency's Fiscal Years 2013, 2014, and 2015 financial statements.

We visited the Washington, DC office of the FEC OIG.

Reviewed Audits performed by the FEC OIG:

Report Title	Report Date
Audit of the FEC's Telework Programs	June 2016

Reviewed Monitoring Files of the FEC OIG for Contracted Audits:

Report Title	Report Date
Audit of the Federal Election Commission's Fiscal Year 2015 Financial Statements	November 16, 2015