



System Review Report

September 4, 2024

Krista A. Boyd, Inspector General
Office of Personnel Management

We have reviewed the system of quality control for the audit organization of the Office of Personnel Management's (OPM) Office of Inspector General (OIG) in effect for the year ended March 31, 2024. A system of quality control encompasses OPM 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* 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 OPM's OIG in effect for the year ended March 31, 2024, has been suitably designed and complied with to provide the Department of Labor's (DOL) 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*. OPM OIG has received an External Peer Review rating of *pass*.

Letter of Comment

We have issued a letter dated September 4, 2024, that sets forth findings that were not considered to be of sufficient significance to affect our opinion expressed in this report.

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*.

During our review, we met with OPM OIG personnel and obtained an understanding of the nature of the OPM OIG audit organization, and the design of OPM 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 OPM OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross section of OPM OIG audit organization, with an emphasis on higher-risk engagements.

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

Responsibilities and Limitation

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

Your response to the system review report is included as Enclosure 2. We appreciate the cooperation and assistance provided by you and your staff. The timeliness of responses to questions and access to requested documentation were extremely helpful in completing our review.

Sincerely,

Larry D. Turner

Larry D. Turner
Inspector General

Enclosures

Scope and Methodology

We tested compliance with the OPM OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 5 of 35 engagement reports conducted in accordance with generally accepted government auditing standards (GAGAS engagement) issued from April 1, 2023, through March 31, 2024. For the same period, we reviewed one OPM OIG monitoring file of a GAGAS engagement performed by an IPA where the IPA served as the auditor to determine whether OPM OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. During the period, OPM OIG contracted for the audit of its agency's financial statements. We also reviewed the internal quality control reviews performed by the OPM OIG. All sampled reports, supporting documentation, policies, procedures, and other administrative documents were made available to us electronically. We met with OPM OIG officials as needed via teleconference. As such, we completed our review without visiting any of the OPM OIG offices.

OPM OIG Reviewed Audits

We selected five performance audits and one monitoring file from a contracted audit to review. The following two tables identify those performance audits and the monitoring file selected. Table 1 identifies the five reviewed OPM OIG performance audits we reviewed.

Table 1: OPM OIG Performance Audits Reviewed

Report No.	Report Date	Report Title
2022-IAG-0019	6/15/2023	Audit of the U.S. Office of Personnel Management's Retirement Services' Settlement Process
2023-ISAG-007	8/9/2023	Audit of the Information Technology Security Controls of the U.S. Office of Personnel Management's Benefits Plus System
2022-ERAG-0021	9/26/2023	Audit of Blue Shield of California Oakland, California
2022-CAAG-001	12/20/2023	Audit of the Office of Personnel Management's Disputed Claims Process for Years 2018 Through 2020
2023-IAG-008	2/20/2024	Audit of the U.S. Office of Personnel Management's Purchase Card Program

Table 2 identifies the audit performed by an IPA for which we reviewed the OPM
OIG's monitoring activities.

Table 2: OPM OIG Monitoring File for the Contract Audit Reviewed

Report No.	Report Date	Report Title
2023-IAG-017	11/13/2023	Audit of the U.S. Office of Personnel Management's Fiscal Year 2023 Consolidated Financial Statements

OPM OIG's Response to the System Review Report



Office of the
Inspector General

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

August 15, 2024

The Honorable Larry D. Turner
Inspector General
U.S. Department of Labor
Office of the Inspector General
200 Constitution Avenue, NW
Washington, D.C. 20210

Dear Inspector General Turner:

Thank you for providing the formal draft System Review Report on the U.S. Office of Personnel Management's Office of the Inspector General's audit organization. We are pleased with the rating of pass and the opinion that our system of quality control has been suitably designed and complied with to provide reasonable assurance of performing audits and reporting the results in conformity with applicable professional standards in all material respects.

I would like to take this opportunity to thank your staff for their professionalism during this review. We appreciated their diligent efforts to analyze our system of quality control and offer constructive suggestions for improvements.

If you have any questions regarding this response, please contact me at (202) 606-3811, or your staff may wish to contact Michael R. Esser, Assistant Inspector General for Audits, at (202) 606-2143.

Sincerely,

A handwritten signature in cursive script that reads "Krista A. Boyd".

Krista A. Boyd
Inspector General
U.S. Office of Personnel Management