



March 28, 2008

Ms. Lynne A. McFarland
Inspector General
Federal Election Commission
999 E Street, NW, Room 940
Washington, DC 20463

Subject: Report on the External Quality Control Review of the Federal Election Commission
Office of Inspector General

Dear Ms. McFarland:

This report presents the results of our External Quality Control Review of the Federal Election Commission Office of Inspector General. The draft report made no recommendation for corrective action and as a result no comments were provided by you for inclusion in this report.

We thank you and all of your staff for their assistance and cooperation during the conduct of our review.

Clifford H. Jennings

Inspector General
Attachment

APPALACHIAN REGIONAL COMMISSION

OFFICE OF INSPECTOR GENERAL

The Appalachian Regional
Commission



FINAL REPORT

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

March 2008



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Ms. Lynne A. McFarland
Inspector General
Federal Election Commission
999 E Street, NW, Suite 940
Washington, DC 20463

We have reviewed the system of quality control for the audit function of the Federal Election Commission (FEC) Office of Inspector General (OIG) in effect for the year ended September 30, 2007. A system of quality control encompasses the OIG's organizational structure, and the policies adopted and procedures established to provide it with reasonable assurance of conforming to generally accepted government auditing standards (GAGAS). The elements of quality control are described in GAGAS, promulgated by the Comptroller General of the United States. The design of the system, and compliance with it in all material respects, are the responsibility of the FEC-OIG. Our objective was to determine whether the internal quality control system was adequate as designed and complied with to provide reasonable assurance that applicable auditing standards, policies and procedures were met. Our responsibility is to express an opinion on the design of the system and the OIG's compliance with the system based on our review.

Our review was conducted in accordance with the guidelines established by the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency. In performing our review, we obtained an understanding of the system of quality control for the OIG. In addition, we tested compliance with the OIG's quality control policies and procedures to the extent we considered appropriate. These tests included the application of the OIG's policies and procedures on selected audits. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it. Nevertheless, we believe that the procedures we performed provide a reasonable basis for our opinion.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to 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.

Our scope and methodology appears as Exhibit A. Our observations and suggestions were discussed in the exit briefing held on March 28, 2008.

In our opinion, the system of quality control for the audit function of the Federal Election Commission's Office of Inspector General, in effect for the year ended September 30, 2007, has been designed to meet the requirements of the quality control standards established by the Comptroller General of the United States for a Federal Government audit organization and was complied with during the year ended to provide the OIG with reasonable assurance of conforming with applicable auditing standards, policies and procedures.

Sincerely,

A handwritten signature in black ink, appearing to read "C. H. Jennings". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Clifford H. Jennings
Inspector General

Peer Review Scope and Methodology- Exhibit A

Scope and Methodology

We tested compliance with the FEC-OIG's system of quality control to the extent we considered appropriate. These tests included a review of the one performance audit conducted by the FEC-OIG during the semiannual reporting periods ended March 31, 2007 and September 30, 2007. We also reviewed the monitoring of their independent auditor in completing the most current financial statement audit for the fiscal year ending September 30, 2007.

OIG Office Reviewed

We visited and performed our review at the Federal Election Commission's Inspector General's Office located in Washington, DC, during March 2007. We did not visit the independent auditor's office to review supporting documentation as documentation was maintained by the FEC-OIG.

Audit Report Reviewed

We examined the Audit of the Commission's Employee Transit Benefit Program, February 2007, OIG-06-01.