



THE LIBRARY OF CONGRESS

WASHINGTON, D.C. 20540

OFFICE OF THE
INSPECTOR GENERAL

System Review Report

Mr. J. Anthony Ogden
Inspector General
U.S. Government Printing Office
732 North Capitol Street, NW
Washington, D.C. 20401

March 25, 2011

We have reviewed the system of quality control for the audit organization of the Office of the Inspector General (OIG), U.S. Government Printing Office (GPO), in effect for the two years ended September 30, 2010. A system of quality control encompasses the GPO OIG's organizational structure, the policies adopted, and the procedures established to provide it with reasonable assurance of conforming to government auditing standards. The elements of quality control are described in the GAO's *Government Auditing Standards*. The GPO OIG is responsible for designing a system of quality control and complying with it to provide the GPO 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 and compliance with the system of quality control at the GPO OIG.

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 GPO OIG personnel and obtained an understanding of the nature of the GPO OIG audit organization and the design of the GPO OIG's system of quality control to assess the risks implicit in its audit functions. Based on our assessment, we selected engagement and administrative files to test for conformity with professional standards and compliance with the GPO OIG's system of quality control. The engagements selected represented a reasonable cross section of the GPO OIG's audit organization, with emphasis on high risk engagements. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with the GPO 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 GPO OIG's audit organization. In addition, we tested compliance with the GPO OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the GPO OIG's policies and procedures on selected engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses or all instances of noncompliance with the system of quality control.

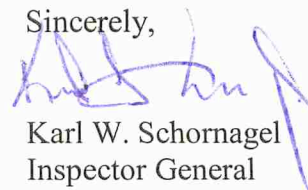
There are inherent limitations in the effectiveness of any system of quality control, and instances of noncompliance with the system of quality control may occur and not be detected. Projections of any evaluation of a system of quality control to future periods is subject to the risk of becoming inadequate due to changes in conditions and the possible deterioration of compliance with the policies or procedures. Enclosure 1 to this report identifies the engagements that we reviewed.

In our opinion, the system of quality control for the audit organization of the GPO OIG, for the two years ended September 30, 2010, was suitably designed and complied with to provide the GPO 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*. The GPO OIG has received a peer review rating of *pass*. As is customary, we have issued a letter dated March 25, 2011 that sets forth findings that we considered not to be of sufficient significance to affect the opinion we express in this report.

In addition to reviewing its system of quality control, we applied limited procedures in accordance with CIGIE guidance related to the GPO OIG's monitoring of engagements under contract where Independent Public Accountants (IPA) served as the principal auditors. 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 GPO 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 the GPO OIG's monitoring of work performed by IPAs.

We appreciate the cooperation extended by you and your staff during this review.

Sincerely,



Karl W. Schornagel
Inspector General

Enclosure

Scope and Methodology

We tested compliance with the GPO OIG's audit organization's system of quality control to the extent we considered appropriate. These tests included a review of two of the five audit reports issued during the period October 1, 2008 through September 30, 2010, and semiannual reporting periods corresponding to that timeframe. We also reviewed the internal quality control reviews performed by the GPO OIG.

In addition, we reviewed the GPO OIG's monitoring of engagements performed by Independent Public Accountants (IPA) where the IPA served as the principal auditor during the period October 1, 2008 through September 30, 2010. During the period, the GPO OIG contracted for the audit of its agency's fiscal year 2009 financial statements.

Reviewed Engagements Performed by GPO OIG

| <u>Report No.</u> | <u>Report Date</u> | <u>Report Title</u> |
|-------------------|--------------------|--|
| 10-06 | March 31, 2010 | <i>Security of GPO's e-Passport Supply Chain</i> |
| 09-02 | December 22, 2008 | <i>GPO's Passport Printing Costs</i> |

Reviewed Monitoring Files of GPO OIG for Contracted Engagements

| <u>Report No.</u> | <u>Report Date</u> | <u>Report Title</u> |
|-------------------|--------------------|---|
| 10-02 | January 8, 2010 | <i>Report on the Consolidated Financial Statements of the Government Printing Office for Fiscal Years Ended September 30, 2009 and 2008</i> |