



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: March 15, 2022

To: The Honorable Eric J. Soskin
Inspector General
U.S. Department of Transportation
Office of Inspector General
1200 New Jersey Avenue, SE
Washington, DC 20590

From: Gail S. Ennis, 
Inspector General

Subject: System Review Report on the U.S. Department of Transportation Office of the Inspector General Audit Organization

Dear Mr. Soskin:

Attached is the System Review Report, *Report on the External Quality Control Review of the Audit Organization of the U.S. Department of Transportation, Office of the Inspector General* 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*. Your response to the report is included as an appendix.

We appreciate the cooperation and courtesies extended to our staff during the review.

Appendix

cc:

Mitch Behm, Deputy Inspector General, Department of Transportation

Barry J. DeWeese, Principal Assistant Inspector General for Auditing & Evaluation, U.S. Department of Transportation

Report on the External Quality Control Review of the Audit Organization of the U.S. Department of Transportation, Office of the Inspector General

We have reviewed the system of quality control for the audit organization of the U.S. Department of Transportation (DOT) Office of the Inspector General (OIG) in effect for the Fiscal year (FY) ended September 30, 2021. The system of quality control encompasses DOT 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 DOT OIG in effect for the FY ended September 30, 2021, has been suitably designed and complied with to provide DOT OIG 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*. DOT OIG has received an External Peer Review rating of *pass*.

Monitoring Generally Accepted Government Auditing Standards 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 DOT OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS) by Independent Public Accountants (IPA) under contract where the IPA served as the auditor. It should be noted that monitoring 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 procedure was to determine whether DOT 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 DOT OIG's monitoring of work performed by IPAs.

Letter of Comment

We have issued a letter dated March 15, 2022 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 interviewed DOT OIG personnel and obtained an understanding of the nature of DOT OIG's audit organization and the design of DOT 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 DOT OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of DOT OIG's audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for DOT OIG's audit organization. In addition, we tested compliance with DOT OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of DOT 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 DOT OIG management to discuss the results of our review. We believe the procedures we performed provided a reasonable basis for our opinion. The Appendix to this report identifies the engagements we reviewed.

Responsibilities and Limitation

DOT OIG is responsible for establishing and maintaining a system of quality control designed to provide DOT OIG with reasonable assurance 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 DOT 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.



Gail S. Ennis
Inspector General

Appendix A –SCOPE AND METHODOLOGY

We tested compliance with the Department of Transportation (DOT) Office of the Inspector General (OIG) audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 7 of 38 reports, which included engagements performed by DOT OIG as well as monitoring files for contracted generally accepted government auditing standards (GAGAS) engagements. The tests were conducted in accordance with GAGAS for these reports that were issued from October 1, 2020, through September 30, 2021 and 1 terminated audit. We also reviewed the internal quality control reviews performed by DOT OIG.

In addition, we reviewed DOT OIG's monitoring of GAGAS engagements performed by Independent Public Accountants (IPA) where the IPA served as the auditor for Fiscal Year 2021, from October 1, 2020 through September 30, 2021. During the period, DOT OIG contracted for the audit of its agency's Fiscal Years 2020 and 2019 financial statements. DOT OIG also contracted for other GAGAS engagements that were performed in accordance with *Government Auditing Standards*.

All reviews were completed remotely. We interviewed staff members using an online survey to determine whether DOT OIG's quality control and assurance policies and procedures were effectively communicated to staff. We also reviewed selected employees' training records to determine whether those employees had obtained the required continuing professional education credits and they collectively possessed the knowledge and skills needed to conduct audits.

Reviewed Engagements Performed by DOT OIG

Report Number	Report Date	Report Title
FI2021005	11/12/2020	Independent Auditor's Report on the Saint Lawrence Seaway Development Corporation's Financial Statements for Fiscal Years 2020 and 2019
AV2021035	8/18/2021	FAA's Approach for Establishing and Modifying Air Traffic Controller Staffing Levels Needs Improvement To Properly Identify Staffing Needs at Contract Towers
AV2021017	2/10/2021	Gaps in FAA's Oversight of the AIP State Block Grant Program Contribute to Adherence Issues and Increase Risks
ST2021027	6/30/2021	Fully Implementing a Grants Management Framework Will Enhance FRA's Amtrak Funding Oversight
ZA2021026	6/2/2021	Gaps in Guidance, Training, and Oversight Impede FAA's Ability To Comply With Buy American Laws
Terminated	N/A	FAA's Role in Authorizing Small UAS Operators in the National Airspace System

Reviewed Monitoring Files of DOT OIG for Contracted GAGAS Engagements

Report Number	Report Date	Report Title
QC2021008	11/16/2020	Quality Control Review of the Independent Auditor's Report on the Department of Transportation's Audited Consolidated Financial Statements for Fiscal Years 2020 and 2019
QC2021003	10/26/2020	Quality Control Review of the Independent Auditor's Report on the Assessment of DOT's Information Security Program and Practices

Appendix B –DEPARTMENT OF TRANSPORTATION OFFICE OF THE INSPECTOR GENERAL COMMENTS



U. S. Department of Transportation
Office of Inspector General

March 14, 2022

The Honorable Gail S. Ennis
Inspector General
U.S. Social Security Administration
Baltimore, MD 21235

Dear Ms. Ennis:

Thank you for the opportunity to comment on your office's draft System Review Report on the Department of Transportation, Office of Inspector General Peer Review. We are pleased to receive a peer review report with a rating of "pass."

We greatly appreciate your peer review team's proactive communications approach and the many opportunities offered to discuss matters with us while they conducted their work. If you have any questions, please contact me at (202) 366-1959.

Sincerely,

A handwritten signature in black ink, appearing to read "Erin G. Sofka". The signature is fluid and cursive, with the first name "Erin" being more prominent.

Inspector General