



Office of Inspector General
U. S. Consumer Product Safety Commission

System Review Report

March 20, 2019

Mr. Philip Heneghan, Inspector General
United States International Trade Commission
500 E Street SW
Washington, D.C. 20436

We have reviewed the system of quality control for the audit organization of the United States International Trade Commission Office of Inspector General (USITC OIG) in effect for the year ended September 30, 2018. A system of quality control encompasses USITC 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*. USITC OIG is responsible for establishing and maintaining a system of quality control that is designed to provide USITC 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 USITC 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 USITC OIG personnel and obtained an understanding of the nature of the USITC OIG audit organization and the design of USITC OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessment, we selected audits and attestation engagements, collectively referred to as "audits," and administrative files to test for

conformity with professional standards and compliance with USITC OIG's system of quality control. The audits selected represented a reasonable cross-section of USITC OIG audit organization, with emphasis on higher-risk audits. Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with USITC OIG 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 USITC OIG audit organization. In addition, we tested compliance with USITC OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of USITC 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.

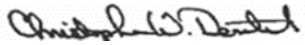
Enclosure 1 identifies USITC OIG offices that we visited and the audits that we reviewed.

In our opinion, the system of quality control for the audit organization of USITC OIG in effect for the year ended September 30, 2018, has been suitably designed and complied with to provide USITC OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. USITC 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 USITC 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 USITC 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 USITC OIG's monitoring of work performed by IPAs.

Sincerely,



Christopher W. Dentel, Inspector General

Scope and Methodology

We tested compliance with USITC OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of one audit report issued during the period September 20, 2015, through March 24, 2017. We also reviewed the internal quality control reviews performed by USITC OIG.

In addition, we reviewed USITC OIG's monitoring of audits performed by IPAs where the IPA served as the auditor during the period September 30, 2016, through October 1, 2017. During the period, USITC OIG contracted for the audit of its agency's fiscal year 2017 financial statements. USITC OIG also contracted for certain other audits that were to be performed in accordance with *Government Auditing Standards*.

We visited the USITC OIG office located in Washington, D.C.

Reviewed Audits Performed by USITC OIG:

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title:</u>
OIG AR-18-09	3/27/2017	Audit of Time and Attendance

Reviewed Monitoring Files of USITC OIG for Contracted Audits:

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
OIG-AR-18-03	11/9/2017	Audit of Fiscal Year 2017 Financial Statement
OIG-AR-18-04	11/9/2017	Report on Internal Controls Fiscal Year 2017
OIG-AR-18-03	11/9/2017	Report on Compliance with Laws and Regulations Fiscal Year 2017