



UNITED STATES CAPITOL POLICE

WASHINGTON, DC 20510

June 30, 2017

INSPECTOR GENERAL

Modified Peer Review Report

To: Dana Rooney, Inspector General
Federal Labor Relations Authority

The United States Capitol Police (USCP) Office of Inspector General (OIG) reviewed established policies and procedures for the audit function of the Federal Labor Relations Authority (FLRA) OIG in effect at March 31, 2017. Established policies and procedures are one of the components of a system of quality control to provide FLRA OIG with reasonable assurance of conforming with applicable professional standards. The components of a system of quality control are described in the *Government Auditing Standards* (GAS). FLRA OIG is responsible for establishing and maintaining policies and procedures for the audit function, including the process for monitoring the work of Independent Public Accountants (IPAs). Our responsibility is to assess whether policies and procedures submitted for review were current and consistent with applicable professional standards.

USCP OIG conducted the review in accordance with 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*, (September 2014) for assessing established audit policies and procedures. A Modified Peer Review is designed to assess an OIG audit organization whose work conducted in the last 3 years did not include audits and attestation engagements performed in accordance with generally accepted government auditing standards, but the OIG audit organization maintained policies and procedures in anticipation of performing such work.

In addition to reviewing established policies and procedures for the audit function of FLRA OIG, we applied certain limited procedures in accordance with guidance established by the CIGIE related to FLRA OIG's monitoring of audits and attestation engagements, collectively referred to as "audits", performed by IPA's 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 GAS. The purpose of our limited procedures was to determine whether FLRA 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 FLRA OIG's monitoring of work performed by IPAs.

During our review, we (1) interviewed the FLRA IG, (2) obtained an understanding of the nature of the FLRA OIG, (3) assessed established audit policies and procedures, and (4) reviewed FLRA OIG's IPA monitoring process for the *Financial Statement Audit for Fiscal Year 2016*, (OIG Report No. AR-17-01) and the *Audit of the Federal Labor Relations*

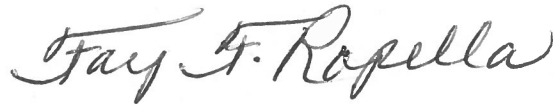
Authority Charge Card Program and Risk Assessment for Fiscal Year 2016 (OIG Report No. AR-17-04). We also visited the Washington, D.C. office. During the scope of our review, April 1, 2016 through March 31, 2017, the FLRA OIG performed no GAS audits and monitored three audits, where the IPA served as the auditor.

Based on our review, the established policies and procedures for the audit function at March 31, 2017, were current and consistent with applicable professional standards as stated.

As is customary, we have issued a letter dated June 30, 2017, that sets forth three findings that were not considered to be of sufficient significance to affect our conclusions on the established policies and procedures.

We conducted an exit conference with the FLRA OIG on June 27, 2017. FLRA OIG comments related to the draft report are enclosed.

Sincerely,

A handwritten signature in cursive script that reads "Fay F. Ropella".

Fay F. Ropella, CPA, CFE
Inspector General

Enclosure