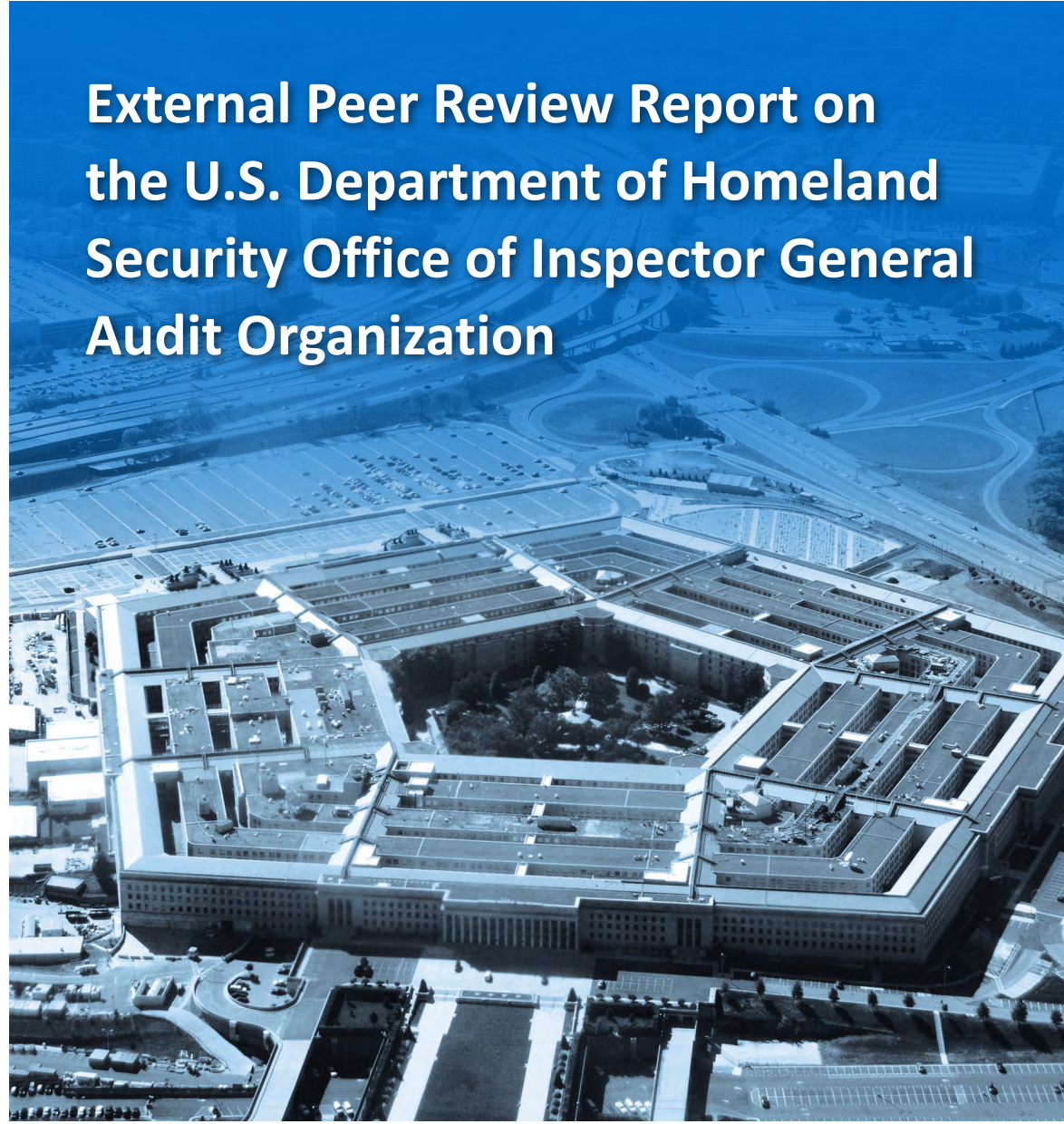




INSPECTOR GENERAL

U.S. Department of Defense

MARCH 14, 2024



External Peer Review Report on the U.S. Department of Homeland Security Office of Inspector General Audit Organization

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

March 14, 2024

The Honorable Joseph V. Cuffari
Inspector General
Department of Homeland Security
245 Murray Lane SW
Washington, D.C. 20528-0305

Dear Inspector General Cuffari:

Attached is the System Review Report of the U.S. Department of Homeland Security Office of Inspector General audit organization. We conducted this review in accordance with the Government Accountability Office's "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." Your response to the report is included as an exhibit with excerpts incorporated into the relevant sections of the report.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert P. Storch".

Robert P. Storch
Inspector General
Department of Defense

Attachment:
As stated





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

March 14, 2024

**MEMORANDUM FOR THE INSPECTOR GENERAL OF THE
DEPARTMENT OF HOMELAND SECURITY**

SUBJECT: System Review Report

We have reviewed the system of quality control for the audit organization of the U.S. Department of Homeland Security Office of Inspector General (DHS OIG) in effect for the year ended September 30, 2023. The system of quality control encompasses the DHS OIG's organizational structure, as well as the policies adopted and procedures established to provide it with reasonable assurance of conforming in all material respects with the Government Accountability Office's "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 the DHS OIG in effect for the year ended September 30, 2023, has been suitably designed and complied with to provide the DHS OIG with 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*. The DHS OIG has received an External Peer Review rating of *pass*.

Monitoring of GAGAS 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 the DHS OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS) by independent public accountants (IPAs) under contract where the IPA served as the auditor. The monitoring of 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 procedures was to determine whether the DHS 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 DHS OIG's monitoring of work performed by IPAs.

Basis of Opinion

We conducted our review 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 DHS OIG personnel to understand the nature of the DHS OIG audit organization and the design of the DHS 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 the DHS OIG’s system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the DHS OIG audit organization.

We tested the DHS OIG’s compliance with its quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the DHS OIG’s policies and procedures on selected GAGAS engagements. Because our review was based on selected tests, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance.

Before concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with DHS OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. The enclosure to this report identifies the DHS OIG offices and engagements we reviewed.

Responsibilities and Limitation

The DHS OIG is responsible for establishing and maintaining a system of quality control designed to provide the DHS OIG with reasonable assurance that 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 the DHS 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.

In response to a draft report, you stated that ensuring all DHS OIG work meets applicable standards has been, and remains, a top priority for your office. You also stated that you appreciated the DoD OIG team's determination that the DHS OIG's work meets GAGAS. Enclosure 2 to this report contains your response.

A handwritten signature in black ink, appearing to read "Robert P. Storch". The signature is fluid and cursive, with a large, rounded flourish at the end.

Robert P. Storch
Inspector General
Department of Defense

Enclosures:
As stated

Enclosure 1

Scope and Methodology

We tested compliance with the DHS OIG audit organization’s system of quality control to the extent we considered appropriate. The tests included a review of 3 of 36 engagement reports conducted in accordance with GAGAS issued from October 1, 2022, through September 30, 2023. We also reviewed the internal quality control review performed by the DHS OIG.

We reviewed the DHS OIG’s monitoring of two of six GAGAS engagements performed by IPAs where the IPA served as the auditor from October 1, 2022, through September 30, 2023. During the period, the DHS OIG contracted six audits: the DHS Consolidated Financial Statements for FYs 2022 and 2021, four attestations, and one performance audit.

We interviewed personnel at DHS OIG offices in Washington, D.C.; Boston, Massachusetts; Cherry Hill, New Jersey; and Houston, Texas.

Table 1. Review of GAGAS Engagements Performed by the DHS OIG

Report No.	Report Date	Report Title
OIG-23-06	1/4/2023	Management Alert - U.S. Customs and Border Protection Needs to Provide Adequate Emergency Back-Up Power to its Video Surveillance Systems at the Blaine Area Ports to Ensure Secure and Safe Operations
OIG-23-20	3/28/2023	Federal Emergency Management Agency Should Increase Oversight to Prevent Potential Misuse of Humanitarian Relief Funds
OIG-23-56	9/25/2023	U.S. Customs and Border Protection Did Not Effectively Conduct International Mail Screening or Implement the Synthetics Trafficking and Overdose Prevention Act (STOP Act)

Table 2. Review of DHS OIG Monitoring of Independent Public Accounting Work

Report No.	Report Date	Report Title
OIG-23-02	11/15/2022	Independent Auditors' Report on the Department of Homeland Security's Consolidated Financial Statements for FYs 2022 and 2021 and Internal Control over Financial Reporting
OIG-23-09	1/25/2023	Review of U.S. Coast Guard's Fiscal Year 2022 Drug Control Budget Formulation Compliance Report

Enclosure 2

U.S. Department of Homeland Security Office of Inspector General Comments



OFFICE OF INSPECTOR GENERAL

U.S. Department of Homeland Security

Washington, DC 20528 | www.oig.dhs.gov

February 21, 2024

Sent via email

The Honorable Robert P. Storch
Inspector General
Department of Defense

Thank you for the opportunity to review the Council of the Inspectors General on Integrity and Efficiency (CIGIE) external peer review draft report on the Department of Homeland Security (DHS) Office of Inspector General (OIG) for the period ending September 30, 2023.

Since my confirmation in 2019, ensuring all DHS OIG work meets all applicable quality standards has been, and remains, a top priority for our office. I appreciate your team's thorough review and determination that our work meets the generally accepted government auditing standards. I appreciate the positive, collaborative working relationship both of our teams demonstrated to ensure a timely review.

Many thanks to your team for their professionalism and dedication to quality.

Sincerely,

JOSEPH V CUFFARI Digitally signed by JOSEPH V CUFFARI
Date: 2024.02.21 13:15:14 -0500

Joseph V. Cuffari, Ph.D.
Inspector General

Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

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For more information about DoD OIG reports or activities, please contact us:

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