We have reviewed the system of quality control for the audit organization of the Consumer Product Safety Commission (CPSC) Office of Inspector General (OIG) in effect for the year ended September 30, 2013. A system of quality control encompasses CPSC 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. CPSC OIG is responsible for designing a system of quality control and complying with it to provide CPSC 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 the system of quality control and CPSC OIG’s compliance therewith based on our review.

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 CPSC OIG personnel and obtained an understanding of the nature of the CPSC OIG audit organization, and the design of the CPSC OIG’s system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the CPSC OIG’s system of quality control. The engagements selected represented a reasonable cross-section of the CPSC OIG’s audit organization, with emphasis on higher-risk engagements. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with CPSC 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 CPSC OIG’s audit organization. In addition, we tested compliance with the CPSC OIG’s quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the CPSC OIG’s policies and procedures on selected 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.

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 to this report identifies the engagements that we reviewed and your response to the draft report is included as Enclosure 2.

In our opinion, the system of quality control for the audit organization of CPSC OIG in effect for the year ended September 30, 2013, has been suitably designed and complied with to provide CPSC 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. CPSC OIG has received a 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 CPSC OIG’s monitoring of engagements performed by Independent Public Accountants (IPA) under contract where the IPA served as the principal auditor. 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 CPSC 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 CPSC OIG’s monitoring of work performed by IPAs.

Sincerely,

Jon Hatfield
Interim Inspector General

Enclosures
SCOPE AND METHODOLOGY (Enclosure 1)

Scope and Methodology

We tested compliance with the CPSC OIG audit organization’s system of quality control to the extent we considered appropriate. These tests included a review of the two audit reports issued during the period October 1, 2012, through September 30, 2013. We also reviewed the internal quality control review performed by CPSC OIG.

In addition, we reviewed the CPSC OIG’s monitoring of engagements performed by IPAs where the IPA served as the principal auditor during the period October 1, 2012, through September 30, 2013. During this period, CPSC OIG contracted for a Performance Audit of Compliance with Improper Payment Elimination and Recovery Act, and Follow-Up Audit of the CPSC’s Information Technology Investment Maturity. These engagements were to be performed in accordance with Government Auditing Standards.

We visited the CPSC OIG offices located in Bethesda, Maryland for the peer review.

Reviewed Engagements Performed by CPSC OIG

<table>
<thead>
<tr>
<th>Report Date</th>
<th>Report Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/27/2013</td>
<td>Audit of the Travel Card Program</td>
</tr>
<tr>
<td>11/16/2012</td>
<td>Independent Audit of CPSC’s FY 2012 Financial Statements</td>
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Reviewed Monitoring Files of CPSC OIG for Contracted Engagements

<table>
<thead>
<tr>
<th>Report Date</th>
<th>Report Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/15/2013</td>
<td>Performance Audit of Compliance with Improper Payment Elimination and Recovery Act</td>
</tr>
</tbody>
</table>
U.S. CONSUMER PRODUCT SAFETY COMMISSION
BETHESDA, MD 20814

Christopher W. Dentel
Inspector General

Tel: 301-504-7644
Fax: 301-504-7004
Email: cdentel@cpsc.gov

Date: March 14, 2014

TO : Jonathan Hatfield
     Inspector General, Acting

FROM : Christopher W. Dentel
       Inspector General

SUBJECT : Views of Responsible Officials to Formal Draft Peer Review Report

I am writing you to thank you for all of your hard work and to inform you that we have reviewed
your formal draft report, dated March 7, 2014; and that we do not have any formal comments to
make regarding its findings or conclusions. We appreciate the opportunity you gave us to review
and respond to your preliminary draft findings and conclusions. As I expressed at our exit
conference, we have appreciated your candor and the opportunity to discuss with you how your
office deals with issues similar to those with which we deal.

If you have any questions, you should feel free to contact me at 301-504-7644 or
cdentel@cpsc.gov.

Christopher W. Dentel
Inspector General