



## System Review Report

May 23, 2011

Mr. Christopher W. Dentel  
Inspector General  
Consumer Product Safety Commission  
4330 East-West Highway  
Room 827  
Bethesda, MD 20814

Dear Mr. Dentel:

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, 2010. A system of quality control encompasses the OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with *Government Auditing Standards*. The OIG is responsible for designing a system of quality control and complying with it to provide the 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 the 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 OIG personnel and obtained an understanding of the nature of the OIG audit organization, and the design of the OIG's system of quality control sufficient to assess the risks implicit in its audit function. We selected engagements and administrative files to test for conformity with professional standards and compliance with the OIG's system of quality control. The engagements selected represented a reasonable cross-section of the OIG's audit organization, with emphasis on higher-risk engagements. The enclosure to this report identifies the engagements that we reviewed. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with 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 OIG's audit organization. In addition, we tested compliance with the OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the 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.

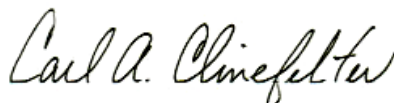
There are inherent limitations in the effectiveness of any system of quality control, and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the audit organization of the OIG in effect for the year ended September 30, 2010, has been suitably designed and complied with to provide the 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*. The OIG has received a peer review rating of *pass*. As is customary, we have issued a letter of comment dated May 23, 2011, that sets forth findings and recommendations that were not considered to be of sufficient significance to affect our opinion expressed in this report.

In addition to reviewing the OIG's 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 the OIG's monitoring of engagements performed by an Independent Public Accountant (IPA) under contract where the IPA served as the principal auditor. It should be noted that monitoring of engagements performed by an IPA 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 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 OIG's monitoring of work performed by IPAs. We made certain comments related to the OIG's monitoring of engagements performed by IPAs that are included in the above referenced letter of comment dated May 23, 2011.

The extensive preparation for this review by your staff greatly facilitated this peer review. We appreciate the courtesy and cooperation extended to us throughout this activity.

Respectfully,



Carl A. Clinefelter  
Inspector General

Enclosure

## SCOPE AND METHODOLOGY

We tested compliance with the OIG's system of quality control over audits to the extent we considered appropriate. These tests included a review of 2 of 2 audit reports issued during the period October 1, 2009, through September 30, 2010. We also reviewed the internal quality control reviews performed by the OIG.

In addition, we reviewed the OIG's monitoring of the engagement performed by an Independent Public Accountant (IPA) where the IPA served as the principal auditor during the period October 1, 2009, through September 30, 2010. During the period, the OIG contracted for the audit of the CPSC's Information Technology Investment Maturity. The contracted audit was to be performed in accordance with *Government Auditing Standards*.

We visited the Bethesda, Maryland, office of the CPSC OIG.

### Reviewed Engagements Performed by the OIG

Report Title	Report Date
CPSC's Fiscal Year 2009 Financial Statements	November 13, 2009
Audit of the CPSC Privacy Program	December 18, 2009

### Reviewed Monitoring Files of the OIG for Contracted Engagements

Report Title	Report Date
Audit of the CPSC's Information Technology Investment Maturity	October 15, 2010