
Appendix E

Checklist for Review of Performance Audits Performed by the Office of Inspector General

OIG UNDER REVIEW
& PERIOD REVIEWED:

NAME OF AUDIT:

CONTROL NO.:

REVIEWER(S):

DATE COMPLETED:

	Yes	No	N/A	Comment
<p>1. General Standards</p> <p>Note: In assessing compliance with the generally accepted government auditing standards (GAGAS) general standards for independence, professional judgment, and competence on individual performance audits, the reviewer(s) should consult the reviewed Office of Inspector General’s (OIG’s) policies and procedures with respect to what is expected to be included in the audit documentation to demonstrate compliance. It is important to keep in mind that certain documentation may be maintained on an organization-wide level and evidence of compliance may not be found in the audit file for individual audits. When assessing the documentation, the reviewer should be alert to issues related to compliance with the general standards for independence, professional judgment, and competence, and make further inquiry as appropriate. Organization-wide testing of some or all aspects of the general standards may be accomplished at Appendix B and not tested at individual audits. It is up to the audit team to determine the nature and extent of the testing required based on the OIG’s policies and procedures.</p>				
<p>1.1 Independence (GAS, 3.02-3.15)</p> <ul style="list-style-type: none"> • Did the OIG determine that auditors assigned to the audit are free of personal impairments to independence? (<i>Government Auditing Standards (GAS), 3.07</i>) • If there were potential or actual personal impairments to independence identified prior to or during the audit, did the OIG satisfactorily resolve the conflict? If the OIG was unable to resolve the impairments, did the audit report include a modified GAGAS compliance statement? (GAS, 3.09) • If other auditors or specialists were used, did the audit team assess their independence? If impairments were identified, did the audit team decline to use their work? (GAS, 3.02 and 3.05) • Did the OIG determine that auditors assigned to the audit are free of impairments to external independence in both fact and appearance? (GAS, 3.10) • Did the OIG determine that it is free of impairments to organizational independence in both fact and appearance? (GAS, 3.12-.15) • For impairments to independence identified after the report was issued, did the OIG assess the impact on the audit and notify management and other 				

	Yes	No	N/A	Comment
interested parties of the impact? (GAS, 3.06)				
<p>1.2 Professional Judgment (GAS, 3.31-39)</p> <ul style="list-style-type: none"> • Did the audit team exercise appropriate professional judgment in planning and performing the audit, and reporting the results? (GAS, 3.31) • Did the audit team exercise reasonable care and professional skepticism; apply professional knowledge, skills, and experience; and maintain independence, objectivity, and credibility in assigning staff, defining scope of work, gathering and analyzing evidence and documentation, and evaluating and reporting the results to ensure that the work and staff comply with professional standards and ethical principles? (GAS, 3.32-37) • Did the audit team document significant decisions affecting the objectives, scope, methodology, findings, conclusions, and recommendations resulting from professional judgment? (GAS, 3.38) 				
<p>1.3 Competence (GAS, 3.40-3.49)</p> <ul style="list-style-type: none"> • Did the assigned audit team collectively possess the technical knowledge, skills, and experience necessary to be competent for the type of work being performed before beginning work on that assignment? In making this determination, consider whether the assigned staff collectively possessed: knowledge of GAGAS applicable to the type of work they are assigned and the education, skills, and experience to apply this knowledge to the work being performed; general knowledge of the environment in which the audited entity operates and the subject matter under review; skills to communicate clearly and effectively; and skills appropriate for the work being performed (e.g., skills related to statistical sampling, information technology, 				

	Yes	No	N/A	Comment
<p>engineering, specialized audit methodologies or analytical techniques, or specialized knowledge in subject matters). (GAS, 3.43)</p> <ul style="list-style-type: none"> • Did the audit team members meet the GAGAS requirements for Continuing Professional Education? (Step may be tested here or as part of Appendix B.) (GAS, 3.46-.48) • If external specialists were used, did the audit team assess the professional qualifications of the specialists and document their findings and conclusions? (GAS, 3.49) 				
2. Field Work Standards – Planning				
<p>2.1 Is there a written audit plan or planning documents? (GAS, 7.06, 7.50)</p> <ul style="list-style-type: none"> • Does the audit plan document the audit objectives, scope, and methodology? (GAS, 7.50, 7.80) • Was the audit plan updated to reflect any significant changes made to the plan during the audit? (GAS, 7.50) 				
<p>2.2 Determine if the audit team:</p> <ul style="list-style-type: none"> • Designed the methodology to: <ul style="list-style-type: none"> • Obtain sufficient, appropriate evidence to address the audit objectives; (GAS, 7.10) • Reduce audit risk to an acceptable level; (GAS, 7.10) • Provide reasonable assurance that the evidence is sufficient and appropriate to support the auditors’ findings and conclusions; (GAS, 7.10) • Identified potential criteria needed to evaluate matters subject to audit; (GAS, 7.12, 7.37) • Identified sources of audit evidence and determined the amount and type of evidence needed given audit risk and 				

	Yes	No	N/A	Comment
<p>significance; (GAS, 7.12, 7.39)</p> <ul style="list-style-type: none"> • Evaluated whether to use the work of other auditors to address some of the audit objectives. If the work of other auditors was used, did the audit team perform procedures that provided a sufficient basis for using that work? Did those procedures include requesting the other audit organization’s latest peer review report and any letter of comment? (GAS, 3.63, 7.12, 7.41-7.42) • Obtained an understanding of the qualifications and independence of specialists, if intended to be used. (GAS, 7.43) • Documented the nature and scope of the work to be performed by specialists, if intended to be used. (GAS, 7.45) • Communicated about planning and performance of the audit to management officials, those charged with governance, and others as applicable. (GAS, 7.12, 7.46) 				
<p>2.3 Did the audit team’s assessment of audit risk and significance reflect consideration of the following: (GAS, 7.07, 7.11)</p> <ul style="list-style-type: none"> • The nature and profile of the programs and the needs of potential users of the audit report? (GAS, 7.13–7.15) • Internal control as it relates to the specific objectives and scope of the audit? (GAS, 7.16–7.22) • Information systems general and application controls within the context of the audit objectives? (GAS, 7.23-7.27) • Legal and regulatory requirements, contract provisions or grant agreements, potential fraud, or abuse that are significant within the context of the audit objectives? (GAS, 7.28–7.35) • The results of previous audits and attestation engagements that directly 				

	Yes	No	N/A	Comment
relate to the current audit objectives? (GAS, 7.36)				
<p>2.4 Did the audit team assess and document the risk of fraud significant within the context of the audit objective? (GAS, 7.30)</p> <ul style="list-style-type: none"> • If potential, significant, fraud risk factors are identified, did the audit team design procedures to provide reasonable assurance of detecting fraud? (GAS, 7.31) • If information came to the auditors' attention indicating significant fraud may have occurred, did the audit team develop additional audit procedures to determine whether fraud has likely occurred and its effect on the audit findings? (GAS, 7.32) Note: If the fraud that may have occurred is not significant within the context of the audit objectives, the auditors may conduct additional audit work as a separate engagement, or refer the matter to other parties with oversight responsibility or jurisdiction. 				
2.5 Did the audit team avoid interference with investigations or legal proceedings? (GAS, 7.35)				
3. Field Work Standards – Supervision				
3.1 Is there evidence that the OIG's supervisor directed and supervised staff? (GAS, 7.52)				
<p>3.2 Did the supervisor document reviews of audit work? (GAS, 7.80c)</p> <ul style="list-style-type: none"> • Did the level of supervision provided to the audit staff appear appropriate considering the knowledge and experience of the staff and complexity of the audit? (GAS, 7.54) • Was there evidence of supervisory review, before the audit report was issued, of the work performed that supports findings, conclusions, and 				

	Yes	No	N/A	Comment
recommendations contained in the audit report? (GAS, 7.80c)				
4. Field Work Standards – Obtaining Sufficient, Appropriate Evidence and Audit Documentation				
<p>4.1 Was the audit evidence sufficient and appropriate for addressing the audit objectives and supporting findings and conclusions? (GAS, 7.57, 7.68) Specifically, did the audit team:</p> <ul style="list-style-type: none"> • Perform sufficient work to evaluate the objectivity, credibility, and reliability of testimonial evidence? (GAS, 7.61) • Choose a sampling method appropriate to answering the audit objectives? (GAS, 7.63) • Perform sufficient work to determine the reliability of information obtained from officials of the audited entity? (GAS, 7.64) • Perform sufficient procedures to evaluate the effectiveness of internal controls, including information systems controls? (GAS, 7.16, 7.65) • Apply additional procedures, as necessary, to overcome limitations or uncertainties in evidence significant to the audit findings and conclusions? (GAS, 7.71) • Document its overall assessment of the collective evidence used to support findings and conclusions, including the results of any specific assessments conducted to conclude on the validity and reliability of specific evidence? (GAS, 7.68) • Prepare audit documentation in sufficient detail to enable an experienced auditor, having no previous 				

	Yes	No	N/A	Comment
connection to the audit, to understand from the audit documentation the nature, timing, extent, and results of procedures performed, the audit evidence obtained and its source and the conclusions reached? (GAS, 7.77)				
4.2 Did the audit team develop the elements of a finding necessary to address the audit objectives, and when appropriate, recommendations for corrective action? (GAS, 7.72)				
4.3 Did the audit staff clearly document the: <ul style="list-style-type: none"> • Work performed to support significant judgments and conclusions, including descriptions of transactions and records examined? (GAS, 7.80b) • Team member(s) who performed and reviewed the audit work and the dates performed and reviewed? (GAS, 7.80c) 				
4.4 If abuse was detected, did the audit team gather evidence to determine the effect on the program under audit within the context of the audit objectives? (GAS, 7.34)				
4.5 Based on the risk assessment, did the auditors adequately test compliance with laws, regulations, or other compliance requirements that were identified as having a significant effect on the audit objectives? (GAS, 7.28)				
4.6 Have all mandatory or presumptively mandatory GAGAS requirements been met or achieved by alternate procedures? If not, were the reasons for departures from GAGAS documented? (GAS, 7.81)				
4.7 Were the OIG's policies and procedures for the safe custody and retention of audit documentation followed on the reviewed audit? (GAS, 7.82)				

	Yes	No	N/A	Comment
5. Reporting Standards				
5.1 Did the audit report explain the audit’s objectives in a clear, specific, neutral, and unbiased manner? (GAS, 8.10)				
5.2 Did the audit report explain the reason(s) for undertaking the audit? (GAS, 8.10)				
5.3 Did the audit report clearly explain the audit’s scope, including: <ul style="list-style-type: none"> • The relationship between the population and the items tested? (GAS, 8.12) • Organizations, geographic locations, and the period covered by the audit? (GAS, 8.12) • The kinds and sources of evidence used? (GAS, 8.12) • If applicable, any significant limitations or constraints imposed on the auditors, including information limitations or denials of access or uncertainties based on the auditors’ overall assessment of the sufficiency and appropriateness of the evidence? (GAS, 8.11, 8.15) 				
5.4 Did the audit report clearly explain how the audit’s methodology and how the completed audit work supports the audit objectives including: (GAS, 8.13) <ul style="list-style-type: none"> • Evidence gathering and analysis techniques used? • Significant assumptions made in conducting the audit? • Comparative techniques applied? • Criteria used? • When sampling significantly supports the auditors’ findings, conclusions, or recommendations, a description of the sampling design and why it was chosen, including whether the results can be projected to the intended population? 				

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<p>5.5 Did the audit report contain clearly developed findings and related recommendations that addressed each audit objective? (GAS, 8.14)</p> <ul style="list-style-type: none"> • Were the elements of the finding (condition, criteria, cause, and effect) presented to the extent necessary to address the audit objectives? (GAS, 8.14) • Were the findings placed in perspective by describing the nature and extent of the issues being reported and the extent of work that resulted in the findings? (GAS, 8.16) • Were conclusions clearly stated and logically supported by the findings? (GAS, 8.27) • Do recommendations flow logically from the findings and conclusions, are they directed at resolving the cause of the identified problems, and do they clearly state the actions recommended? (GAS, 8.14, 8.28) 				
<p>5.6 Did the audit report describe the auditors' scope of work on internal control and any deficiencies in internal control that were significant within the context of the audit objectives? (GAS, 8.19)</p>				
<p>5.7 Where applicable, were likely or potential instances of fraud, illegal acts, significant violations of provisions of contracts, or significant abuse reported? (GAS, 8.21)</p>				
<p>5.8 Were violations of provisions of contracts or grant agreements, or abuse that were not significant, also communicated in writing to officials of the audited entity (unless the findings are inconsequential)? (GAS, 8.22)</p>				
<p>5.9 Did the audit comply with all applicable GAGAS requirements?</p> <ul style="list-style-type: none"> • If so, was the unmodified GAGAS compliance statement included in the 				

	Yes	No	N/A	Comment
<p>audit report? (GAS, 8.30)</p> <ul style="list-style-type: none"> If not, was the GAGAS statement modified to state which standards were not followed or whether GAGAS was not followed at all? (GAS, 8.31) 				
<p>5.10 Did the audit report include the views of the responsible officials? (GAS, 8.32)</p> <ul style="list-style-type: none"> Was a copy of the responsible officials' written comments (or a summary) included in the audit report? (GAS, 8.33) If oral comments were provided, was a summary of the oral comments prepared and provided to the responsible officials for verification? (GAS, 8.33) If technical comments were received, did the audit report disclose that these comments were provided? (GAS, 8.34) 				
<p>5.11 Did the auditors include an evaluation of management comments in the audit report and, if necessary, evaluate the validity of the comments and explain any reasons for disagreement? (GAS, 8.34, 8.36)</p>				
<p>5.12 If the audited entity refused to provide comments or did not provide comments within a reasonable time, did the audit report disclose the fact that the audited entity did not provide comments to the audit report? (GAS, 8.37)</p>				
<p>5.13 Where applicable, did the audit report disclose that certain pertinent information was excluded due to the confidential or sensitive nature of the information and why the omission was necessary? (GAS, 8.38)</p>				
<p>5.14 Did the audit team distribute the audit report for use by appropriate officials? (GAS, 8.43)</p>				

	Yes	No	N/A	Comment
6. OIG Quality Control Policies and Procedures				
<p>6.1 Did the auditors follow the OIG’s quality control policies and procedures for performance audits (e.g., use of checklists, independent report referencing, etc.)? (GAS, 3.50a) Note: The adequacy of the OIG’s policies and procedures was evaluated in Appendix A. If the reviewer concludes that the performance audit reviewed met professional standards, inadequate policies and procedures or noncompliance by the auditors with policies and procedures would ordinarily be reported as a finding in the Letter of Comment and not impact the peer review rating.</p>				
END OF CHECKLIST				