

Appendix C – Checklist for Review of Financial Audits Performed by the OIG

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What I'll Talk About Today

- **Current guidance**

- **Standards**
 - General
 - Field work
 - Reporting

- **Questions**

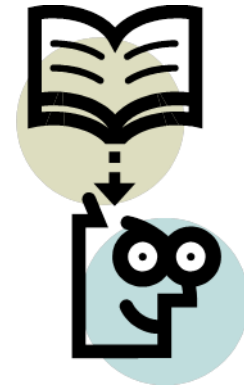


Why am I before you today?

- Team member for March 2009 update of the guide
- Performed peer reviews and/or subject to external peer reviews 6 times since 2009; used CIGIE Peer Review guide as internal quality control tool
- Performed Federal financial statement audits, started in 1992
- Team member for most recent version of GAO/PCIE Financial Audit Manual
- Contracting Representative for Federal financial statement audits

Current Guidance

- **December 2011 Yellow Book**
- **Effective dates for**
 - **Performance Audits** (2011 Yellow Book)
 - **Financial Statement Audits** (2007 Yellow Book)
- **CIGIE Appendix C References**



General Standards

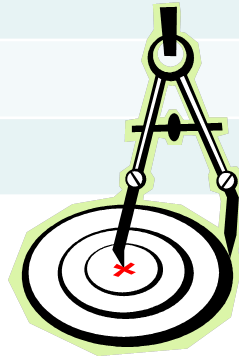
- **General Standards – Should be covered in Appendix B (GAS)**
 - Independence
 - Professional Judgment
 - Competence
- **Staffing – Experienced financial statement auditors**



Field Work Standards

➤ References both GAS and AICPA Standards

AICPA	GAS
✓ Planning & Supervision	✓ Communication
✓ Internal Controls	✓ Prior Reports
✓ Sufficient appropriate audit evidence	✓ Contracts or grants (material misstatements)
	✓ Elements of a Finding
	✓ Audit Documentation



Reporting Standards

AICPA	GAS
✓ GAAP	✓ Compliance with GAS
✓ Disclosures	✓ Report on Internal Controls & Compliance
✓ Opinion on FS	✓ Reporting deficiencies (IC & Compliance)
	✓ Significant matters, AU
	✓ Restatement, AU Section 561
	✓ Subsequent events, AU 560
	✓ Views of responsible official
	✓ Report distribution

Policies and Procedures

➤ Did OIG follow

✓ Checklists

FAM 2010 or equivalent

FAM 2020 or equivalent

✓ Independent referencer

✓ Other quality control procedures



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Conclusion

- The adequacy of the OIG policies and procedures are evaluated in Appendix A:
 - ✓ Sufficient evidence
 - ✓ Developing elements of a finding
 - ✓ Documentation

- If reviewer concludes that the financial audit work has met professional standards, but...
 - ✓ Inadequate policies and procedures, or
 - ✓ Non-compliance with agency policies and procedures...



...what to do?

Policies and Procedures

Letter of Comment

✓ **Non compliance with or inadequate agency procedure would ordinarily be reported as findings in the Letter of Comment and not impact the peer review rating.**



Questions



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