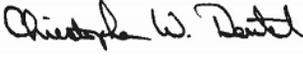




**February 24, 2020**

**TO:** Robert S. Adler, Acting Chairman  
Elliot F. Kaye, Commissioner  
Dana Baiocco, Commissioner  
Peter Feldman, Commissioner

**FROM:** Christopher W. Dentel 

**SUBJECT:** Transmittal of the Results of the Peer Review of the Audit Operations of the CPSC Office of Inspector General

I hereby submit the Peer Review performed on my office by the Corporation for National and Community Service Office of Inspector General. In accordance with the Inspectors General Act, all Federal Offices of Inspectors General are required to undergo a peer review of their audit operation every three years to ensure that they are operating in compliance with Government Audit Standards promulgated by the Government Accountability Office. This review covered 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, 2019. 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. Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail. The CPSC OIG has received a peer review rating of pass. If you have any questions, please feel free to contact me.

Attachment:  
Final System Review Report



Deborah J. Jeffrey  
Inspector General

February 21, 2020

Mr. Christopher W. Dentel, Inspector General  
U.S. Consumer Product Safety Commission  
4330 East West Highway  
Bethesda, MD 20814

SUBJECT: EXTERNAL PEER REVIEW REPORT ON THE CONSUMER PRODUCT SAFETY  
COMMISSION OFFICE OF INSPECTOR GENERAL AUDIT ORGANIZATION

Dear Mr. Dentel:

Enclosed is the External Peer Review Report on the Consumer Product Safety Commission Office of Inspector General audit organization conducted in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. Your response to the draft report is included as Enclosure 2 with excerpts and our position incorporated into the relevant sections of the report.

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

Sincerely,

Deborah J. Jeffrey /s/

Enclosures:  
As stated



Deborah J. Jeffrey  
Inspector General

## System Review Report

February 21, 2020

Mr. Christopher W. Dentel  
Inspector General  
U.S. Consumer Product Safety Commission  
4330 East West Highway  
Bethesda, MD 20814

We have reviewed the system of quality control for the audit organization of the Consumer Product Safety Commission Office of Inspector General (CPSC OIG) in effect for the year ended September 30, 2019. 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* (December 2011 revision), as issued by the United States Comptroller General. The elements of quality control are described in *Government Auditing Standards*. CPSC OIG is responsible for establishing and maintaining a system of quality control that is designed to provide CPSC OIG with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements 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 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* (September 2014 edition). 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 CPSC OIG's system of quality control to assess the risks implicit in its audit function. Based on our assessments, we selected audit engagements, collectively referred to as "audits," and administrative files to test for conformity with professional standards and compliance with CPSC OIG's system of quality control. The audits selected represented a reasonable cross-section of the CPSC OIG audit organization, with emphasis on higher-risk audits. Prior to concluding the peer 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 audit organization. In addition, we tested compliance with CPSC OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of CPSC OIG's policies and procedures on selected audits. 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 CPSC OIG office that we visited and the audits that we reviewed.

In our opinion, the system of quality control for the audit organization of CPSC OIG in effect for the year ended September 30, 2019, 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. Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. CPSC OIG has received an External Peer Review rating of *pass*.

As is customary, we have issued a letter dated February 21, 2020 that sets forth findings that were not considered to be of sufficient significance to affect our opinion expressed in this report.

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance with guidelines established by the CIGIE related to CPSC OIG's monitoring of audits performed by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of audits 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,

Deborah J. Jeffrey /s/

Enclosure

## Scope and Methodology

We tested compliance with the Consumer Product Safety Commission Office of Inspector General (CPSC OIG) audit organization's system of quality control to the extent we considered appropriate. These tests included a review of three of ten audit reports issued during the period October 1, 2016, through September 30, 2019. We also reviewed the internal quality control reviews performed by CPSC OIG.

In addition, we reviewed CPSC OIG's monitoring of audits performed by IPAs where the IPA served as the auditor during the period October 1, 2016, through September 30, 2019. During the period, CPSC OIG contracted for the audit of its agency's financial statements for fiscal years 2016-2019. CPSC OIG also contracted for certain other audits that were to be performed in accordance with *Government Auditing Standards*.

We visited the CPSC OIG office located in Bethesda, MD.

### Reviewed Audits Performed by CPSC OIG

Report Number	Report Date	Report Title
18-A-06	June 7, 2018	Audit of the Occupant Emergency Program for Fiscal Year 2017
19-A-05	March 21, 2019	Audit of the CPSC's Directives System

### Reviewed Monitoring Files of CPSC OIG for Contracted Audit

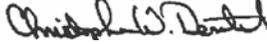
Report No.	Report Date	Report Title
19-A-02	November 7, 2018	Audit of the CPSC's Financial Statements for FY 2018



Office of Inspector General  
U. S. CONSUMER PRODUCT SAFETY COMMISSION

Jan 22, 2020

TO: Deborah J. Jeffrey, Inspector General  
Corporation for National & Community Service

FROM: Christopher W. Dentel, Inspector General 

SUBJECT: Response to Draft System Review Report

Thank you for the opportunity to comment on the draft System Review Report on the Consumer Product Safety Commission (CPSC) Office of Inspector General (OIG) Audit Function. Your draft report determined that the system of quality control for the audit organization of CPSC OIG in effect for the period ended September 30, 2019, has been suitably designed and complied with to provide you with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. We received an External Peer Review rating of pass.

We appreciate the efforts and observations made by your office and the professionalism of your work. If you have any questions, please contact me at (301) 504-7905.