



U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

External Peer Review Report

May 30, 2019

The Honorable Peggy E. Gustafson
Inspector General
Department of Commerce
1401 Constitution Avenue N.W.
Washington, DC 20230

Dear Ms. Gustafson,

The Offices of Inspector General of the General Services Administration and the Federal Deposit Insurance Corporation (Review Team) conducted this required external peer review of the Department of Commerce Office of Inspector General in accordance with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Inspection and Evaluation Committee guidance as contained in the *CIGIE Guide for Conducting Peer Reviews of Inspection and Evaluation Organizations of Federal Offices of Inspector General*. The Review Team conducted the peer review from February 27, 2019 through May 30, 2019.

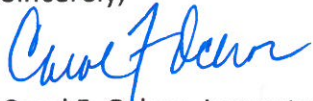
The Review Team assessed the extent to which the Department of Commerce (DOC) Office of Inspector General (OIG) Office of Audit and Evaluation met seven required *CIGIE Quality Standards for Inspection and Evaluation*, January 2012 (Blue Book) standards, specifically: Quality Control; Planning; Data Collections and Analysis; Evidence; Records Maintenance; Reporting; and Followup. This assessment included a review of the DOC OIG's internal policies and procedures, found in "Audit Directives 2014," issued August 11, 2014, and augmented by additional policy clarification memorandums and other guides, which implemented the seven required Blue Book standards. It also included a review of three inspection and evaluation reports issued between January 1, 2016 and December 31, 2018 to determine whether the reports complied with the covered Blue Book standards and the DOC OIG's internal policies and procedures.

The Review Team determined that the DOC OIG's policies and procedures generally met the seven Blue Book standards addressed in the external peer review. Of the three reports reviewed, all three generally met the Blue Book standards and complied with the DOC OIG's internal policies and procedures.

We issued a Letter of Comments on May 2, 2019 (Enclosure 1), that sets forth specific findings, recommendations, observations, and suggestions identified during the peer review. The Office of Audit and Evaluation management officials provided a response to our letter (Enclosure 2) in which they agreed with all recommendations.

Thank you for the assistance and courtesies extended to our staff during this review. If you have any questions, please contact Patricia Sheehan, Assistant Inspector General for Inspections, at 202-273-4989.

Sincerely,



Carol F. Ochoa, Inspector General
Enclosures

ENCLOSURE 2: Reviewed Organization Comments to Draft Report



UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General
Washington, D.C. 20230

May 17, 2019

The Honorable Carol F. Ochoa
Inspector General
General Services Administration
1800 F Street, NW
Washington, DC 20405-0002

Dear Inspector General Ochoa:

Thank you for the opportunity to comment on the draft letter of comment related to your external peer review of inspections and evaluations conducted by our Office of Audit and Evaluation. We appreciate your independent review of our office's meeting seven required *CIGIE Quality Standards for Inspection and Evaluation*, January 2012 (Blue Book) standards: quality control, planning, data collections and analysis, evidence, records maintenance, reporting, and follow up over inspections and evaluations. We also appreciate your conclusion that our policies and procedures generally met the seven Blue Book standards addressed in the external peer review for the year ended December 31, 2018.

Enclosed is our response to the specific peer review finding included in the draft letter of comment. We concur with the finding and recommendation and plan to implement corrective actions by December 31, 2019.

Please express my appreciation to your staff for their time, dedication, and professionalism in conducting this peer review. Your recommendations will serve to strengthen our system of inspection and evaluation quality control.

If you have any questions, please contact me by email at pgustafson@oig.doc.gov or have your staff contact Mark Zabarsky, Principal Assistant Inspector General, Office of Audit and Evaluation at mzabarsky@oig.doc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Peggy E. Gustafson".

Peggy E. Gustafson
Inspector General

Enclosure

Enclosure

U.S. Department of Commerce OIG OAE Response to Letter of Comment

Data Collection and Analysis Findings—The team found that Commerce OIG’s Audit Directives 2014 lack specific policies and procedures for safeguarding confidential information. The team also found that the directives lack emphasis on CIGIE Quality Standards for Inspection and Evaluation (Blue Book) requirements—for example, in one report, there was a lack of documentation in the workpapers.

Recommendation: During the course of its review and revision of the Manual, OAE should include policies and procedures for

1. safeguarding confidential information and
2. ensuring that inspection and evaluation work is CIGIE Blue Book compliant prior to the reporting stage.

Response: We agree with the finding and concur with the recommendation. We are currently updating our internal audit policies and procedures, including clarified policies and procedures for inspection and evaluation products as specified in *CIGIE Quality Standards for Inspection and Evaluation*, January 2012 (Blue Book). We will also update our policies to include formal procedures to

1. limit access to data files and workpapers, to ensure safeguarding of potential sensitive and/or confidential information, and
2. document the use of Blue Book standards for engagements during the planning phase, and ensure all inspection and evaluation work is compliant prior to the reporting stage.

We anticipate completing these actions by December 31, 2019.