##### **Appendix D2**

##### **Checklist for Review Engagements Performed by the Office of Inspector General**

This appendix includes guidance for reviewing the Office of Inspector General’s (OIG’s) review engagements conducted in accordance with *Government Auditing Standards*⎯commonly referred to as generally accepted government auditing standards (GAGAS)⎯and the American Institute of Certified Public Accountants’ (AICPA’s) Statements on Standards for Attestation Engagements (SSAE). When an auditor conducts a review engagement under GAGAS, the engagement must be conducted in accordance with SSAE[[1]](#footnote-2) and additional GAGAS requirements. For additional information, the peer review team should consult the guidance in SSAE 18 applicable to review engagements and the AICPA’s Peer Review Program (PRP) checklists for attestation engagements. This appendix is not intended to replace auditor judgment; the peer review team may modify the checklist to ensure coverage as necessary.

OIG UNDER REVIEW

& PERIOD REVIEWED:

ENGAGEMENT NAME:

ENGAGEMENT NO.:

REVIEWER(S):

DATE COMPLETED:

|  | **Yes** | **No** | **N/A** | **Comments** | |
| --- | --- | --- | --- | --- | --- |
| **1. Standards of Independence, Professional Judgment, Competence and Continuing Professional Education, and GAGAS Compliance[[2]](#footnote-3)** | | | | |
| 1. Did the auditors document the independence considerations as appropriate, including identifying threats to independence, evaluating the significance of the threats identified, and applying safeguards as necessary to eliminate the threats or reduce them to an acceptable level? (GAS 3.27-3.33, 3,84, 3.90, 3.107)[[3]](#footnote-4) |  |  |  |  | |
| 1. Taken as a whole, does the engagement documentation show that the auditors were independent of the reviewed entity during the period of the professional engagement, and that professional judgment was used in planning and performing the engagement and reporting the results? (GAS 3.18- 3.20, 3.23, 3.109; AT-C §210.16) |  |  |  |  | |
| 1. Did the staff assigned to the engagement collectively have the competence needed for their assigned roles to address the engagement objectives and perform the work? (GAS 4.02, 4.03) |  |  |  |  | |
| 1. Did the staff who planned, directed, and performed the engagement and reported the results develop and maintain their professional competencies by completing required continuing professional education hours? (GAS, 4.16) |  |  |  |  | |
| 1. If the auditors cite GAGAS compliance, did the auditors comply with GAGAS requirements in addition to the relevant SSAEs for attestation engagements? (GAS 7.70) |  |  |  |  | |
| **2. Fieldwork Standards – Planning** | | | | |
| 1. Did the auditors establish an agreement on the terms of the engagement and obtain a written assertion from the auditee on the evaluation of the subject matter against the criteria? (AT-C §210.08-.11) |  |  |  |  |
| 1. Did the auditors set the scope, timing, and direction of the engagement? (AT-C §210.12) |  |  |  |  |
| 1. Did the auditors obtain an understanding of the subject matter (including the practices used to recognize, measure, and record the subject matter) and other circumstances to achieve the objectives? (AT-C §210.13) |  |  |  |  |
| 1. Did the auditors consider materiality for the subject matter? (AT-C §210.14) |  |  |  |  |
| **3. Fieldwork Standards – Conducting the Engagement** | | | | |
| 1. Did the auditors consider materiality when evaluating whether the auditor is aware of any material modifications that should be made to the subject matter in order for it to be in accordance with (or based on) the criteria, or the assertion, in order for it to be fairly stated? (AT-C §210.14) |  |  |  |  | |
| 1. Did the auditors obtain sufficient appropriate review evidence to express a conclusion about whether any material modifications should be made to the subject matter in order for it to be in accordance with (or based on) the criteria, or the assertion, in order for it to be fairly stated? (AT-C §210.15) |  |  |  |  | |
| 1. Did auditors use analytical and other procedures to test the subject matter? (AT-C §210.17) |  |  |  |  | |
| 1. Did the auditors put increased focus in areas they believe are at high risk for potential material misstatement? (AT-C §210.18) |  |  |  |  | |
| 1. When auditors use analytical procedures, did they determine the suitability of the procedures and reliability of the data acquired, develop expectations, and obtain explanations for differences? (AT-C §210.19-.20) |  |  |  |  | |
| 1. Did the auditors inquire of the responsible party about whether: (AT-C §210.21) |  |  |  |  | |
| * 1. The subject matter has been prepared in accordance with or based on the criteria? |  |  |  |  | |
| * 1. The practices used by the responsible party to measure, recognize, and record the subject matter? |  |  |  |  | |
| * 1. Questions that have arisen while applying the review procedures? |  |  |  |  | |
| * 1. Communications from regulatory agencies or others? |  |  |  |  | |
| 1. Did the auditors consider the reasonableness and consistency of responsible party's responses in light of the results of other review procedures and the practitioner's knowledge of the subject matter, criteria, and responsible party? (AT-C §210.22) |  |  |  |  | |
| 1. Did the auditors make inquiries of appropriate parties to determine whether they had knowledge of any actual, suspected, or alleged fraud or noncompliance with laws, regulations, and provisions of contracts and grant agreements affecting the subject matter and respond appropriately to the instances affecting the subject matter that was identified during the engagement? (GAS 7.73; AT-C §210.23-.24) |  |  |  |  | |
| 1. If the auditors became aware that information the auditor obtained was unreliable, did they: (AT‑C §210.25) |  |  |  |  | |
| * 1. Request that the responsible party consider the effect of these matters on the subject matter and communicate the results of its consideration to the auditor? |  |  |  |  | |
| * 1. Consider whether the results communicated have any potential effect on the auditor's report? |  |  |  |  | |
| 1. Did the auditors perform additional procedures if they believed that the subject matter may have been materially misstated? (AT-C §210.26) |  |  |  |  | |
| 1. If the auditor used the work of an auditor specialist or internal auditors, did the auditor apply the requirements of appropriate engagement types to assess the reliability and applicability of the other auditor’s work to the review? (AT-C §210.27, §105.31) |  |  |  |  | |
| **4. Fieldwork Standards – Evidence** | | | | |
| 1. Did the auditor obtain from the responsible party a written assertion about the measurement or evaluation of the subject matter against the criteria, or take appropriate actions if the entity refused to provide an assertion and restrict the report? (AT‑C §210.11, §210.59-.60) |  |  |  |  | |
| 1. Did the auditor communicate to the responsible party or to the engaging party known and suspected fraud, noncompliance with laws or regulations, and uncorrected misstatements? (AT-C §210.61) |  |  |  |  | |
| 1. Did the auditor accumulate misstatements identified during the engagement, other than those that are clearly trivial; evaluate the sufficiency and appropriateness of the review evidence obtained; and conclude whether the misstatements are material and their implications? (AT-C §210.28-.30, §210.42-.43) |  |  |  |  | |
| **5. Fieldwork Standards – Supervision and Documentation** | | | | |
| 1. Was staff properly supervised? (AT-C §105.33; GAS 5.36-5.37) |  |  |  |  | |
| 1. If difficult or contentious issues arose among team members during the engagement, did the auditors follow the OIG’s policies and procedures for consulting with an appropriate individual, agreeing on the scope and nature of the consultation, and documenting the parties' understanding of the resulting conclusions reached and implemented? (GAS 5.24) |  |  |  |  | |
| 1. Did the auditors maintain appropriate engagement documentation to provide evidence that the objectives were achieved and that the engagement was performed in accordance with the attestation standards and relevant legal and regulatory requirements? (AT-C §105.33.d, §210.62) |  |  |  |  | |
| 1. Did the auditors prepare the engagement documentation in a timely manner, and did they restrict access and prevent changes to the files after the report is issued? (AT-C §105.34-.41) |  |  |  |  | |
| **6. Reporting Standards** | | | | |
| 1. Was the auditors’ report in writing and on a written assertion or directly on the subject? (AT-C §210.44-.45) |  |  |  |  | |
| 1. Did the report include the following (GAS 7.74; AT-C §210.46-.61): |  |  |  |  | |
| 1. A title that includes the word "independent," the date, and appropriate addressee? |  |  |  |  | |
| 1. The subject matter or assertion being reported on, including the point in time or period of time? |  |  |  |  | |
| 1. The criteria against which the subject matter was evaluated? |  |  |  |  | |
| 1. The identification of the responsible party and its responsibility and the auditors’ responsibility to express a conclusion? |  |  |  |  | |
| 1. A statement that the auditors conducted the engagement in accordance with GAGAS when the auditors complied with all applicable GAGAS requirements? |  |  |  |  | |
| 1. A statement that a review is substantially less in scope than an examination and no opinion is expressed? |  |  |  |  | |
| 1. A statement that the auditor believes that the review provides a reasonable basis for the auditor’s conclusion? |  |  |  |  | |
| 1. A statement that describes significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria? |  |  |  |  | |
| 1. The auditor’s conclusion? |  |  |  |  | |
| 1. Restrictions on the use of the report, a description of the purpose of the report, and a statement that the report is not suitable for any other purpose? |  |  |  |  | |
| 1. If the subject matter or assertion involves information that is classified or contains confidential or sensitive information, did the auditors limit the distribution and document the limitations? (GAS 7.77) |  |  |  |  |
| 1. Did the OIG distribute the engagement report to those charged with governance, the appropriate reviewed entity officials, and the appropriate oversight bodies or organizations requiring or arranging for the engagement? (GAS 7.77a) |  |  |  |  |
| **7. Overall Assessment** | | | | |
| 1. Based on the results of the checklist and other work performed, conclude whether in performing and reporting on this engagement, the OIG complied with GAGAS and its policies and procedures. Appropriate inquiries about exceptions should be made with the engagement team to determine the underlying reasons. |  |  |  |  |
| **END OF CHECKLIST** | | | | |

1. The applicable AICPA standards for review engagements include SSAE 18’s ATC-105, *Concepts Common to All Attestation Engagements,* and AT-C 210, *Review Engagements*. [↑](#footnote-ref-2)
2. In assessing compliance with GAGAS for Independence, Professional Judgment, and Competence and Continuing Professional Education on individual engagements, the peer review team should consult the reviewed OIG’s audit policies and procedures with respect to documents to be included to demonstrate compliance. Certain documents may be maintained centrally, and the evidence of compliance may not be found in the engagement file for individual engagements. When assessing the documentation, the peer review team should be alert to issues related to compliance with GAGAS and make further inquiries as appropriate. Organization-wide testing of these standards is accomplished with Appendix B and not tested at the individual engagements. The peer review team should determine the methodology required to test OIG’s compliance with GAGAS based on the OIG’s audit policies and procedures. [↑](#footnote-ref-3)
3. For the purposes of CIGIE’s March 2020 Guide, “GAS” is used when citations are made to specific paragraphs from *Government Auditing Standards*. [↑](#footnote-ref-4)