
Appendix D

Checklist for Review of Attestation Engagements Performed by the Office of Inspector General

This Appendix includes guidance for reviewing the Office of Inspector General’s (OIG’s) attestation engagements conducted in accordance with *Government Auditing Standards* (GAS), Chapter 6, and the American Institute of Certified Public Accountants’ (AICPA’s) *Statements on Standards for Attestation Engagements* (SSAE). When an auditor conducts an attestation engagement under generally accepted government auditing standards (GAGAS), the engagement must be conducted in accordance with the SSAEs and additional GAGAS standards. This appendix is not intended to replace auditor judgment, and while comprehensive, the peer review team may also wish to consult with other guidance as warranted. That guidance includes the SSAE and the AICPA’s peer review checklists for attestation engagements (aicpa.org/members/div/practmon/systemreview.asp). In this regard, there are three AICPA checklists covering AICPA requirements and GAGAS: (1) *Agreed-Upon Procedures Engagement Checklist* – PRP §20,900; (2) *Other Attestation Engagement Checklist* – PRP §21,000; and (3) *Supplemental Checklist for Review of Agreed Upon Procedures and Other Attestation Engagements Performed in Accordance With Government Auditing Standards (Yellow Book) July 2007 Revision* – PRP §21,120A.

OIG UNDER REVIEW: _____

NAME OF ENGAGEMENT: _____

CONTROL NO.: _____

TYPE OF ATTESTATION ENGAGEMENT:

_____ EXAMINATION

_____ REVIEW

_____ AGREED-UPON PROCEDURES

REVIEWER(S): _____

DATE COMPLETED: _____

| | Yes | No | N/A | Remarks and Findings |
|--|-----|----|-----|----------------------|
| <p>1. General Standards</p> | | | | |
| <p>Note: In assessing compliance with the GAGAS general standards for independence, professional judgment, and competence on individual attestation engagements, the reviewer(s) should consult the OIG’s policies and procedures with respect to what is expected to be included in the attest 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 documentation for individual attestation engagements. That being said, when assessing the attest 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.</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 attestation engagement are free of personal impairments to independence? (GAS, 3.07) • If there were potential or actual personal impairments to independence identified prior to or during the attestation engagement, 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 specialists were used, did the attest team assess their independence? If impairments were identified, did the attest team decline to use their work? (GAS, 3.05) • Did the OIG determine that auditors assigned to the attest team 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 – 3.15) • For impairments to independence identified after the report was issued, did the OIG assess the impact on the attestation engagement and notify management and other interested parties of the impact? (GAS, 3.06) | | | | |

| | Yes | No | N/A | Remarks and Findings |
|--|-----|----|-----|----------------------|
| <p>1.2 Professional Judgment (GAS, 3.31-.39)</p> <ul style="list-style-type: none"> • Did the auditors exercise appropriate professional judgment in planning and performing the attestation engagement, and reporting the results? (GAS, 3.31) • Did the auditors 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 professional standards and ethical principles? (GAS, 3.32-.37) • Did the auditors 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 auditors collectively possess adequate professional competence (the blending of education and experience) for the tasks required? (GAS, 3.40-.42) • Did the auditors appear knowledgeable or to have accessed appropriate knowledge in subject matter and criteria of the attestation engagement and have sufficient skills appropriate for the work being performed? (GAS, 3.43) • Did the auditors have sufficient knowledge and understanding of AICPA general standard related to criteria, AICPA attestation standards (and related Statements on Standards for Attestation Engagements) related to fieldwork and reporting, and the supplemental standards of GAS? (GAS, 3.44-.45) • Did the auditors meet the 24- and 80-hour continuing professional education requirements of Government Auditing Standards, as applicable? (GAS, 3.46-.48) | | | | |

| | Yes | No | N/A | Remarks and Findings |
|---|-----|----|-----|----------------------|
| <p>• If external specialists were used, did the auditors assess the professional qualifications of the specialists and document their findings and conclusions? (GAS, 3.49)</p> <p>1.4 Quality Control (GAS, 3.63)</p> <p>• If the auditors relied on another audit organization’s work, did the auditors request and receive a copy of and consider the impact of the other audit organization’s most recent external quality control review report and any letter of comments?</p> <p>1.5 Criteria (GAS, 6.03)</p> <p>• Did the auditors meet the following requirements related to criteria?</p> <ul style="list-style-type: none"> • Suitability of criteria. (AT 101.24) The criteria used had the following attributes: <ul style="list-style-type: none"> ○ Objectivity—Criteria should be free from bias; ○ Measurability—Criteria should permit reasonably consistent measurements, qualitative or quantitative, of subject matter; ○ Completeness—Criteria should be sufficiently complete so that those relevant factors that would alter a conclusion about subject matter are not omitted; ○ Relevance—Criteria should be relevant to the subject matter. • Availability of criteria. (AT 101.33) The criteria was available in one or more of the following ways: <ul style="list-style-type: none"> ○ Available publicly; ○ Available to all users through inclusion in a clear manner in the presentation of the subject matter or in the assertion; ○ Available to all users through inclusion in a clear manner in the | | | | |

| | Yes | No | N/A | Remarks and Findings |
|---|-----|----|-----|----------------------|
| <p style="margin-left: 40px;">auditors' report;</p> <ul style="list-style-type: none"> ○ Well understood by most users, although not formally available; ○ Available only to specific parties. | | | | |
| 2. Fieldwork Standards | | | | |
| <p>2.1 Was there evidence that the auditors considered the following in planning the attestation engagement: (AT 101.45)</p> <ul style="list-style-type: none"> • Criteria to be used? • Preliminary judgments about attestation risk and materiality for attest purposes? • The nature of the subject matter or the items within the assertion that are likely to require revision or adjustment? • Conditions that may require extension or modification of attest procedures? • The nature of the report expected to be issued? <p>2.2. Did the auditors establish an understanding with entity management regarding the services to be performed for the engagement? In this regard, did the auditors obtain written acknowledgement or other evidence of the entity's responsibility for the subject matter or the written assertion as it relates to the engagement objectives? (GAS, 6.06)</p> <p>Did the auditors communicate, in writing, to the appropriate officials of the entity's management, those charged with governance, and to the individuals contracting for or requesting the attestation engagement the following information, where applicable:</p> <ul style="list-style-type: none"> • The nature, timing, and extent of planned testing and reporting on the subject matter or assertion about the subject matter? (GAS, 6.07a) • The level of assurance the auditor will provide? (GAS, 6.07b) • Any potential restriction on the auditor's reports? (GAS, 6.07c) | | | | |

| | Yes | No | N/A | Remarks and Findings |
|--|-----|----|-----|----------------------|
| <ul style="list-style-type: none"> • If the engagement was terminated before it was completed and a report was not issued, the reasons for termination? (GAS, 6.08) | | | | |
| 2.3 Did the auditors evaluate whether the entity took appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the subject matter or the assertion of the attestation engagement? (GAS, 6.09) | | | | |
| 2.4 Did the auditors use the information gathered in regards to findings and recommendations from previous engagements in assessing risk and determining the nature, timing, and extent of current engagement work? (GAS, 6.09) | | | | |
| 2.5 For examination-level attestation engagements, did the auditors obtain a sufficient understanding of internal control that is material to the subject matter in planning the engagement and designing the engagement procedures to achieve the objectives of the attestation engagement? (GAS, 6.10–.12) Note: This is not required for review-level or agreed-upon procedures engagements. | | | | |
| 2.6 In planning examination-level attestation engagements, did the auditors design the engagement to provide reasonable assurance of detecting fraud, illegal acts, or noncompliance with provisions of contracts or grant agreements that could have a material effect on the assertion or subject matter and document the related risk factors? (GAS, 6.13a) | | | | |
| 2.7 For review-level or agreed-upon procedures engagements, if information came to the auditors' attention indicating that fraud, illegal acts, or violations of provisions of contracts or grant agreements may have occurred, did the auditors consider whether the possible fraud, illegal acts, or violation of provisions of contracts or grant agreements could materially affect the results of the | | | | |

| | Yes | No | N/A | Remarks and Findings |
|---|-----|----|-----|----------------------|
| engagement? (GAS, 6.13b) | | | | |
| 2.8 For review-level or agreed-upon procedures engagements, if the auditors determined that the possible fraud, illegal acts, or violation of provisions of contracts or grant agreements could materially affect the results of the engagement, did the auditors extend the audit steps and procedures, as necessary, to (1) determine if fraud, illegal acts, violations of provisions of contracts or grant agreements, were likely to have occurred and, if so, (2) determine their effect on the results of the attestation engagement? (GAS, 6.13b) | | | | |
| 2.9 For all levels of attestation engagements, if auditors became aware of indications of possible abuse that could be quantitatively or qualitatively material, did the auditors apply procedures to determine the potential effect on the subject matter or other data significant to the engagement objectives? (GAS, 6.13c-.14) | | | | |
| 2.10 If deficiencies in internal control, fraud, illegal acts, or violations of contracts or grant agreements were identified, did the auditors plan and perform procedures to develop the findings to contain the elements of criteria, condition, cause, and effect or potential effect, as applicable to the attestation engagement objectives? (GAS, 6.15) | | | | |
| 2.11 Does the attest documentation contain sufficient information to enable an experienced auditor having no previous connection with the attestation engagement to understand from the documentation the nature, extent, and results of procedures performed; the evidence obtained and its source; and the auditors' significant judgments and conclusions? (GAS, 6.21) | | | | |
| 2.12 Does the attestation engagement documentation contain the following: <ul style="list-style-type: none"> • The objectives, scope, and methodology of the attestation engagement? (GAS, 6.22a) | | | | |

| | Yes | No | N/A | Remarks and Findings |
|--|-----|----|-----|----------------------|
| <ul style="list-style-type: none"> • The work performed to support significant judgments and conclusions, including descriptions of transactions and records examined? (GAS, 6.22b) • Evidence of supervisory reviews, before the attestation engagement report is issued, of the work performed that supports findings, conclusions, and recommendations in the report? (GAS, 6.22c) • The auditors' consideration that planned attestation engagement procedures are designed to achieve the engagement objectives when engagement evidential matter is dependent on computer information systems, is material to the engagement objective, and the audit organization is not relying on the effectiveness of the internal control over those systems that produced the evidence? (GAS, 6.22d) • The rationale for determining the nature, timing, and extent of planned attestation procedures; the kinds and competence of available evidence produced outside a computerized information system or plans for direct testing of data produced from such a system or both; and the effect on the attestation report if evidence does not afford a reasonable basis for achieving the engagement objectives? (GAS, 6.22d) <p>2.13 Did the auditors obtain written representations from management when appropriate, and were the applicable elements included in the representation letter? The reviewer should refer to AT 201.37-.38, 401.10h, 501.52, or 601.68 for requirements and guidance related to representations for the various types of attestation engagements.</p> <p>2.14 If the auditors requested a representation letter and management refused to sign such a letter, did the auditors disclose in the report the inability to obtain representations, or take other appropriate actions? (AT 201.39, 501.53, or 601.69)</p> | | | | |

| | Yes | No | N/A | Remarks and Findings |
|---|-----|----|-----|----------------------|
| 2.15 If the auditors did not comply with applicable GAGAS requirements (mandatory requirements and presumptively mandatory requirements where alternative procedures were not sufficient to achieve the standard’s objectives), did the attestation documentation include the departure, its impact on the engagement, and the impact on their conclusions? (GAS, 6.23) | | | | |
| 3. Reporting Standards | | | | |
| <p>3.1 Did the auditors’ attestation engagement report conform with the following AICPA reporting standards: (GAS, 6.30)</p> <ul style="list-style-type: none"> • The auditors identified the subject matter or the assertion being reported on and state the character of the engagement in the report? • The auditors stated the auditors’ conclusion about the subject matter or the assertion in relation to the criteria against which the subject matter was evaluated in the report? • The auditors stated all of the auditors’ significant reservations about the engagement, the subject matter, and, if applicable, the assertion related thereto in the report? • The auditor stated in the report the report is intended for use by specific parties when appropriate? <p>Note: The reviewer should consult (1) AT 101.84-.86 for required elements of reports for <u>examination-level</u> attestation engagements, (2) AT 101.88-.90 for required elements of reports for <u>review-level</u> attestation engagements, and (3) AT 201.31 for required elements of reports for <u>agreed-upon procedures</u> engagements.</p> | | | | |
| 3.2 If the auditors complied with all applicable GAGAS requirements, does the attestation engagement report include a statement that the audit organization performed the engagement in accordance with GAGAS? (GAS, 6.32) | | | | |

| | Yes | No | N/A | Remarks and Findings |
|--|-----|----|-----|----------------------|
| <p>3.3 If the auditors did not follow all applicable GAGAS requirements, was the scope section of the report properly modified to disclose that an applicable standard was not followed, the reasons therefore, and how not following the standard affected (or could have affected) the attestation engagement results? (GAS, 1.12–.13)</p> <p>3.4 If the attest documentation provides evidence of any of the following, do the reports properly report: (GAS, 6.33–.38)</p> <ul style="list-style-type: none"> • Significant deficiencies in internal control, identifying those considered material weaknesses? • All instances of fraud or illegal acts unless clearly inconsequential? • Violations of provisions of contracts or grant agreements that have a material effect on the subject matter? • Instances of abuse that are either quantitatively or qualitatively material to the subject matter? <p>3.5 If the auditors identified and communicated internal control deficiencies that have an inconsequential effect on the subject matter and communicated such deficiencies, was the communication documented? (GAS, 6.35)</p> <p>3.6 If applicable, did the auditors report known or likely fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse, in accordance with OIG policies and procedures? (GAS, 6.39–.41) Note: The GAGAS requirements in the cited paragraphs are principally directed to external audit organizations as opposed to a Federal OIG.</p> <p>3.7 Were engagement findings presented in accordance with the guidance in GAGAS, including the guidance on elements of a finding, and by placing the findings in proper perspective? (GAS, 6.15–.19 and 6.42–.43)</p> <p>3.8 For reported findings related to internal</p> | | | | |

| | Yes | No | N/A | Remarks and Findings |
|--|-----|----|-----|----------------------|
| <p>control deficiencies or fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse, did the auditors obtain and report the views of responsible officials as well as planned corrective action? (GAS, 6.44–.45)</p> <p>3.9 If the views of responsible officials are inconsistent with or in conflict with the auditors’ findings, conclusions, or recommendations, did the auditors evaluate the validity of such comments and either modify their report if valid or explain the reasons for disagreement if not valid? (GAS, 6.49)</p> <p>3.10 If the entity refuses to provide comments or is unable to do so in a timely manner, did the auditors indicate such in their report? (GAS, 6.50)</p> <p>3.11 If certain information is prohibited from public disclosure or is excluded from the report due to confidentiality or its sensitive nature, did the attestation engagement report state that certain information was omitted and the reason that makes the omission necessary? (GAS, 6.51)</p> <p>3.12 Was the attestation engagement report submitted to those charged with governance, the appropriate officials of the responsible party, and the appropriate oversight bodies or organizations arranging for the attestation engagement? (GAS, 6.56)</p> | | | | |
| 4. OIG Quality Control Policies and Procedures | | | | |
| <p>4.1 Did the auditors follow the OIG’s quality control policies and procedures for attestation engagements (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 attestation engagement met professional standards, inadequate policies and procedures or noncompliance by the auditors with policies and procedures would ordinarily be</p> | | | | |

APPENDIX D: CHECKLIST FOR REVIEW OF ATTESTATION ENGAGEMENTS PERFORMED
BY THE OFFICE OF INSPECTOR GENERAL

| | Yes | No | N/A | Remarks and Findings |
|---|-----|----|-----|----------------------|
| reported as a finding in the Letter of Comment and not impact the peer review rating. | | | | |
| END OF CHECKLIST | | | | |