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**Appendix D**

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

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This appendix includes guidance for reviewing the Office of Inspector General’s (OIG’s) attestation engagements conducted in accordance with *Government Auditing Standards* (GAS), also 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 an attestation engagement under GAGAS, the engagement must be conducted in accordance with the SSAE and additional GAGAS requirements. This appendix is not intended to replace auditor judgment, and the peer review team may modify the checklist to ensure coverage as necessary. While this checklist is 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 Program (PRP) checklists for attestation engagements. In this regard, there are four AICPA checklists covering these requirements: (1) PRP §20,900, *Agreed-Upon Procedures Engagement Checklist* ; (2) PRP §21,000, *Examination Attestation Engagement Checklist (For Financial Statements With Periods Ending on or after December 15, 2012)*; (3) PRP §21,050, *Review Attestation Engagement Checklist (For Financial Statements With Periods Ending on or after December 15, 2012)*; and (4) PRP §22,120, *Supplemental Checklist for Review of Agreed Upon Procedures and Other Attestation Engagements Performed in Accordance With Government Auditing Standards (Yellow Book) December 2011 Revision*. Appendix D is not intended to be used for the OIG’s monitoring of the work of an independent public accountant (IPA) where the IPA signed the report as the auditor. The guidance for the review of IPA monitoring is in Appendix F, *Checklist for Review of Monitoring of Audit Work Performed by an Independent Public Accounting Firm*.

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><b>1. GENERAL STANDARDS</b></p> <p><b>Note:</b> In assessing compliance with the General Standards for Independence, Professional Judgment, and Competence on individual attestation engagements, the peer review team should consult the OIG’s policies and procedures with respect to what is expected to be included in the attestation engagement 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 attestation engagement documentation, the review team 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><b>1.1 Independence</b></p> <p>a. Did the auditors document the independence considerations, including identifying threats to independence; evaluating the significance of the threats identified, both individually and in the aggregate; and applying safeguards as necessary to eliminate the threats or reduce them to an acceptable level? (Depending on the organization’s policies and procedures, the documentation may be centrally maintained or are in the individual attestation engagement files.) (GAS, 3.24, 3.30, 3.59a., 3.59b)</p> <p>b. Taken as a whole, does the attestation engagement documentation show that the auditors were independent of the reviewed entity during the period of the professional engagement? (GAS 3.02, 3.05)</p>				
<p><b>1.2 Professional Judgment</b></p> <p>a. Taken as a whole, does the attestation engagement documentation show that professional judgment (that is, the exercise of reasonable care and professional skepticism) was used in planning and performing the engagement and reporting the results? (GAS, 3.60, 3.61)</p>				
<p><b>1.3 Competence</b></p> <p>a. Did the staff assigned to the attestation engagement collectively have adequate professional competence to address the engagement objectives and perform the</p>				

	Yes	No	N/A	Remarks and Findings
<p>work? (GAS, 3.69)</p> <p>b. Did the engagement staff and internal specialists who planned and performed the attestation engagement and reported on the results of the engagement meet GAGAS requirements for continuing professional education? (GAS, 3.76, 3.81)</p> <p>c. For external specialists who assisted in performing the attestation engagement or internal specialists who provided consultation on the engagement, did the auditors determine that the specialist was qualified and competent in their area of specialization? (GAS, 3.79, 3.80)</p>				
<b>2. ALL ATTESTATION ENGAGEMENTS</b>				
<b>General and Reporting Standards for All Attestation Engagements</b>				
<p>2.1 Did the auditors plan the attestation engagements to comply with the AICPA general attestation standards on criteria, the fieldwork and reporting attestation standards, and the corresponding statements on standards for attestation engagements to ensure appropriate procedures are selected and applied timely? (AICPA Codification of Statements on Standards for Attestation Engagements (AT) 101.43; GAS, 5.01)</p>				
<p>2.2 Did the auditors plan the engagement to ensure that the appropriate attestation engagement level of service was used in performing its work? (GAS, 5.02)</p>				
<p>2.3 If the auditors relied on another audit organization's work, did the auditors consider the impact of the other audit organization's latest peer review report and any related written communications issued? (GAS, 3.107)</p>				
<p>2.4 If the auditors complied with all applicable GAGAS requirements, does the report include a statement that the work was conducted in accordance with GAGAS? (GAS, 5.19, 5.51, 5.61)</p>				

	Yes	No	N/A	Remarks and Findings
<p>2.5 Was the engagement report:</p> <ul style="list-style-type: none"> <li>a. Restricted as needed because of classified, confidential, and sensitive information? (GAS, 5.39, 5.43)</li> <li>b. Distributed to the appropriate parties? (GAS, 5.44, 5.52, 5.62)</li> </ul>				
<p>2.6 Did the auditors meet the requirements related to criteria: (AT 101.23-.34)</p> <ul style="list-style-type: none"> <li>a. Suitability of criteria including, objectivity, measurability, completeness, and relevancy. (AT 101.24)</li> <li>b. Availability of criteria including publicly, to all users in the subject matter assertion or in the report, not formally available but understood by most, or only to specific parties. (AT 101.33)</li> </ul>				
<p>2.7 Did the auditors document the nature, extent, and timing of the work to be performed and evidence to accomplish the objectives of the engagement? (AT 101.42)</p>				
<p>2.8 Did the auditors' attestation engagement report conform with the following AICPA reporting standards: (AT 101.63-.90, AT 201.31-.36)</p> <ul style="list-style-type: none"> <li>a. The auditors identified the subject matter or the assertion being reported on and state the character of the engagement in the report? (AT 101.63)</li> <li>b. 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? (AT 101.66)</li> <li>c. 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? (AT 101.72)</li> <li>d. The auditor stated in the report that the report is intended for use by specific</li> </ul>				

	Yes	No	N/A	Remarks and Findings
<p>parties when appropriate? (AT 101.78)</p> <p>e. The auditor included the appropriate elements required for the type of attestation engagement: examination, review, or agreed-upon procedures in the report? (AT 101.84-.90, AT 201.31-.36)</p>				
<b>3. EXAMINATION ENGAGEMENTS</b>				
<b>Additional Fieldwork Standards</b>				
<p>3.1 Did the auditors communicate pertinent information that, in the auditors' professional judgment, needed to be communicated to individuals contracting for or requesting the examination engagement and to cognizant legislative committees when auditors perform the examination engagement pursuant to a law or regulation, or they conduct the work for the legislative committee that has oversight of the entity? (GAS, 5.04)</p>				
<p>3.2 When there is not a single individual or group that both oversees the strategic direction of the reviewed entity and the fulfillment of its accountability obligations or in other situations where the identity of those charged with governance is not clearly evident, did the auditors document the process followed and conclusions reached for identifying the appropriate individuals to receive the required auditor communications? (GAS, 5.05)</p>				
<p>3.3 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 examination engagement? (GAS, 5.06)</p>				
<p>3.4 Did the auditors use the information gathered in regards to findings and recommendations from previous engagements in planning the examination engagement and assessing risk to determine the nature, timing, and extent of current</p>				

	Yes	No	N/A	Remarks and Findings
engagement work? (GAS, 5.06)				
3.5 In planning examination engagements, did the auditors assess the risk and design the engagement to detect fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that may have a material effect on the subject matter or the assertion thereon of the examination engagement? (GAS, 5.07)				
3.6 If auditors became aware of abuse that could be quantitatively or qualitatively material, did the auditors apply procedures to determine the potential effect on the subject matter, or the assertion thereon, or other data significant to the objective of the examination engagement? (GAS, 5.09)				
3.7 If applicable, did the auditors evaluate whether initiated or on-going investigations or legal proceedings may impact the examination engagement? (GAS, 5.10)				
3.8 If deficiencies in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements; fraud; or abuse 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 examination engagement objectives? (GAS, 5.11-5.15)				
3.9 Does the examination engagement documentation contain sufficient information to enable an experienced auditor having no previous connection with the engagement to understand from the documentation the nature, extent, and results of procedures performed and the evidence obtained and its source; and the conclusions reached including evidence that supports the auditors' significant judgments and conclusions? (GAS, 5.16a)				

	Yes	No	N/A	Remarks and Findings
3.10 Does the examination engagement documentation contain evidence of supervisory review, before the date of the examination engagement report, of the evidence that supports findings, conclusions, and recommendations contained in the report? (GAS, 5.16b)				
3.11 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 examination engagement documentation include the departure, and the impact on the engagement and on the auditors' conclusions when the examination engagement is not in compliance with applicable GAGAS requirements due to law, regulation, scope limitations, restrictions on access to records, or other issues impacting the engagement? (GAS, 5.16c)				
<b>Additional Reporting Standards</b>				
3.12 If applicable, did auditors make appropriate staff, as well as attestation documentation, available upon request and in a timely manner to other auditors or reviewers? (GAS, 5.17)				
3.13 Based on the work performed, does the report properly include: (GAS, 5.20-5.21, 5.24)  a. Significant deficiencies and material weaknesses in internal controls?  b. Instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the subject matter or an assertion about the subject matter and any other instances that warrant the attention of those charged with governance?  c. Noncompliance with provisions of contracts or grant agreements that has a				

	Yes	No	N/A	Remarks and Findings
<p>material effect on the subject matter or an assertion about the subject matter or the examination engagement?</p> <p>d. Instances of abuse that have a material effect on the subject matter or an assertion about the subject matter of the examination engagement?</p> <p>e. Reference to a separate report, if one is issued?</p>				
3.14 If the auditors identified internal control deficiencies that were considered to be significant deficiencies or material weaknesses, were they included in the examination engagement report, including those communicated early? (GAS, 5.22)				
3.15 Did the auditors communicate, to those charged with governance, instances of noncompliance with provisions of contracts and grant agreements or abuse that have an effect on the subject matter or an assertion about the subject matter that are less than material but warrant their attention? (GAS, 5.25)				
3.16 Were examination engagement findings presented in accordance with GAGAS, including the requirements of the elements of a finding, and by placing the findings in a proper perspective? (GAS, 5.27-5.28)				
3.17 Did auditors report known or likely fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse directly to parties outside the reviewed entity when management fails to (i) report such information to satisfy legal or regulatory requirements or (ii) take timely and appropriate steps to respond to such information? (GAS, 5.29-5.31)				
3.18 For reported findings related to internal control deficiencies; fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse, did the auditors obtain and report the views of responsible officials as well as planned				

	Yes	No	N/A	Remarks and Findings
corrective action? (GAS, 5.32, 5.34-5.35)				
3.19 If the reviewed entity's comments are inconsistent with, or in conflict with, the auditors' findings, conclusions, or recommendations, did the auditors evaluate the validity of such comments and explain the reasons for any disagreements or modify their report if comments are valid? (GAS, 5.37)				
3.20 If the reviewed entity refused to provide comments or was unable to do so in a timely manner, did the auditors indicate as such in their report? (GAS, 5.38)				
<b>4. REVIEW ENGAGEMENTS AND AGREED-UPON PROCEDURES ENGAGEMENTS</b>				
<b>Additional Fieldwork Standards</b>				
4.1 If significant deficiencies; material weaknesses; instances of fraud; a noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse came to the auditors' attention that warrant the attention of those charged with governance, did the auditors (i) communicate such matters to the reviewed entity officials and (ii) determine whether the existence of these items affected the auditors' ability to conduct or report on the review? (GAS, 5.49, 5.59)				
4.2 Did the auditors establish and document an understanding on the services to be performed, including the engagement objectives, management's responsibilities, the auditor's responsibilities, and limitations of the engagement? (GAS, 5.54, 5.64)				
<b>Additional Reporting Standards</b>				
4.3 Did the auditors issue the attestation engagement report in the form of negative assurance and the agreed-upon procedures engagement report in the form of procedures and findings? (GAS, 5.56, 5.66)				

	Yes	No	N/A	Remarks and Findings
<p>4.4 When the auditors issue the review report or the agreed-upon procedures report, did the auditors include:</p> <p>a. In the review report, a statement that the review engagement is substantially less in scope than an audit and examination engagement and other limitations? (GAS, 5.57)</p> <p>b. In an agreed-upon procedures report, a statement that the agreed-upon procedures engagement is substantially less in scope than an audit and examination and review engagements and other limitations? (GAS, 5.67)</p>				
<b>5. OIG QUALITY CONTROL POLICIES AND PROCEDURES</b>				
<p>5.1 Did the auditors follow the OIG’s system of quality control for attestation engagements (e.g., use of checklists, independent report referencing, etc.)? (GAS, 3.93a) 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 reported as a finding in the letter of comment and not impact the peer review rating.</p>				
<b>END OF CHECKLIST</b>				