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# Audit Peer Review

## What is a peer review?

A peer review is a process by which experienced professionals review each other's work against the standards governing their profession. Offices of Inspector General (OIG) that conduct engagements in accordance with GAO's *Government Auditing Standards (GAGAS)* are required to obtain an external peer review at least once every 3 years. CIGIE administers the audit peer review program for its member OIGs. The audit peer review process is outlined in the *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General* (the Guide).

## What is an external versus a modified peer review?

There are 2 types of Audit peer reviews: External and Modified.

If the OIG performs GAGAS engagements during the three-year period, they receive an external peer review. This is the peer review provides an OIG with reasonable assurance that their system of quality control is designed and operating effectively to comply with GAGAS.

If an OIG did not conduct GAGAS engagements during the three-year period since the prior peer review, they receive a modified peer review. If an OIG contracted with an IPA to have GAGAS engagements performed on their behalf, the OIG's monitoring activities over the IPA would be within the scope of the Modified Peer Review. The modified peer review may also cover the OIG's policies and procedures for the audit function, if it maintains any in anticipation of performing such work. OIGs may not have audit policies and procedures because the OIG does not intend to perform GAGAS engagements. The objective of this review is to tell an OIG if their policies and procedures, as designed, would comply with GAGAS if they were to start conducting GAGAS engagements.

## Who do I contact if I have a question about a peer review that is not currently covered in the Guide or this FAQ?

The Audit Peer Review Subcommittee responds to questions about the peer review process on behalf of CIGIE member organizations. The group serves as source of resolving report disputes, requesting schedule changes, and requesting extensions on reporting requirements. All questions and requests should be made to [CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV](mailto:CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV).

## When do peer reviews occur?

Peer reviews are scheduled during 6-month periods that coincide with the Semiannual reporting cycles (the start or middle of a fiscal year).

## Who schedules the peer review?

CIGIE's Audit Peer Review Subcommittee is assigned the responsibility for establishing and managing the 3-year cycle peer review schedule. The *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General* outlines the timeframe assigned for the peer review, including start dates and dates for issuance of final peer review reports. The subcommittee categorizes OIGs and then assigns an OIG from the same category (small, medium, or large) to perform the review. The current schedule for audit peer reviews is posted at <https://ignet.gov/content/ig-peer-reviews>

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### How do I request a change to the peer review schedule?

Please send a letter addressed to the Audit Committee Chair officially requesting the change, and whether the change needs to be coordinated with GAO. The Audit Committee Chair will coordinate the request with GAO if your OIG's work (since the creation of your OIG) includes GAGAS engagements performed by OIG staff. Please email the request for extension to [CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV](mailto:CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV). The Subcommittee will analyze the current and previous schedules, contact potential candidates who might be able to accommodate the request, and propose a change in the peer review schedule to the Chair of the Audit Committee for approval. Once approved by the Chair, the Subcommittee contacts the impacted OIG to obtain concurrence on the changes. Updates are made to the schedule on CIGIE's webpage after all approvals are finalized.

### What can I expect once I have been assigned as either the reviewed or reviewing OIG of a peer review for the upcoming cycle?

Both the reviewing and reviewed OIG on the schedule will prepare for the upcoming review by establishing points of contact, attending training, gathering preliminary information, and completing a memorandum of understanding. The process is outlined in more detail in the peer review guide. Once the OIGs have signed the MOU, they can begin. The reviewing OIG will work with the reviewed OIG to complete the applicable appendices. A report is issued on the results of the review and those results are disclosed to the appropriate parties.

### Who should sign the peer review MOU and other related paperwork?

The engagement letter is signed by the Inspector General of the reviewing agency to initiate the peer review and request a formal entrance conference. (*Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General, Section 2: Guide for Conducting Peer Reviews, Planning and Performing the Peer Review, Initiation of the Peer Review and Administrative Matters, paragraph 12.*)

The MOU is drafted by the reviewing OIG, discussed at the entrance conference, and signed by both Inspectors General prior to the initiation of fieldwork. (*Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General, Section 2: Guide for Conducting Peer Reviews, Planning and Performing the Peer Review, Written Agreement for Peer Review, paragraph 20.*)

If the reviewed OIG cannot provide the requested engagement documentation within a reasonable timeframe, the review team should request a written statement signed by the head of the reviewed OIG audit organization. (*Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General, Section 2: Guide for Conducting Peer Reviews, Planning and Performing the Peer Review, Selection of Offices and Nature and Extent of Testing GAGAS Engagements for the External Peer Review, paragraph 32*)

For the draft and final reports, signature is agreed upon by both the reviewing OIG and the reviewed OIG in the Memorandum of Understanding (MOU). The designated signer(s) of the report(s) identified in the MOU should be consistent with the reviewing OIG's delegation of authority, and policies and procedures. (*Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General, Sample Memorandum of Understanding and Transmittal Memorandum*)

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### How long does it take to plan/conduct fieldwork during the review?

How long depends on the scope of the review that you are planning to conduct. Keep in mind that the peer review report has a due date. See [When is the peer review report due?](#) You should plan the work to be completed so that the report can be issued by the due date.

### What peer review guide and appendices should we use to evaluate an organization that conducted engagements during the scope period under both the 2011 Standards as well as the 2018 Standards?

The March 2020 CIGIE Guide must be used for conducting audit peer reviews of an audit organization's system of quality control in effect for the year ended on or after March 31, 2020. This Guide's related appendices should be used to assess the adequacy of audit policies and procedures and compliance of performance audits completed using the 2018 *Government Auditing Standards*. For audits completed using the 2011 *Government Auditing Standards*, the peer reviewer *could* use the September 2014 Guide's appendices to determine compliance with standards and related policies and procedures. Note that in either case, the appendices are considered guidance and are not intended to supplant the review team's professional judgment as to the specific approach to take or procedures needed to be performed and reported. In this regard, the team may modify the appendices to fit the review's circumstances. The team's risk assessment and selection of engagements to provide a reasonable cross section of GAGAS work conducted by the reviewed OIG and may result in the selection of engagements conducted under the 2011 and 2018 standards.

### When might Appendix G in the Audit Peer Review Guide be used?

GAGAS states that the review team should include, as an element in the scope of the External Peer Review, interviews with selected members of the audit organization's personnel in various roles to assess their understanding of and compliance with relevant audit policies and procedures. Appendix G, *Optional Audit Staff Survey*, provides a survey template that can be used to accomplish the interviews. Peer Reviewers are also permitted to use other methods to conduct the interviews, Appendix G is provided as an example and template for the reviewers to use. Other methods to conduct the interviews could include interviewing staff during project reviews, e-mailing questions to staff, using other survey tools, etc.

The interview (survey or appendix G) results may be used, along with evidence gathered during fieldwork, to help assess risk and to determine whether the system of quality control meets its objectives and whether the reviewed OIG complied with the system of quality control and GAGAS.

### What are the most common issues identified during peer reviews?

The issues identified during a peer review are different with each review and are based on the review team's professional judgment and the agencies compliance with their policies and procedures and professional standards.

### What are the options for resolving conflict during a peer review?

The dispute resolution process is detailed in the *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General, Section 2: Guide for Conducting Peer Reviews, Reporting the Peer Review Results, General Considerations*, paragraph 46.

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## When is the peer review report due?

An audit organization not already subject to a peer review requirement should obtain an external peer review at least once every 3 years. The report should be issued within six months after the end of the period under review. For example, if the end period under review is 09/30/21, the report is due by 03/30/22.

## How do we request a due date extension?

The OIG being reviewed should request an extension by submitting a formal request to [CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV](mailto:CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV). The request for an extension of a peer review report due date should be prepared on the reviewed OIG's letterhead to the Chair of the Audit Committee and explain the reason(s) for the delay.

Extensions up to three months can be granted by the Chair of the Audit Committee. Such extensions are typically granted automatically.

For the External Peer Review, an extension of the deadline for obtaining the peer review report exceeding three months beyond the due date must be granted by the CIGIE Audit Committee with concurrence by GAO. The reviewed OIG must submit another formal request to the subcommittee through [CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV](mailto:CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV). The Subcommittee will coordinate the requests with the Chair of the Audit Committee who will obtain the necessary concurrences from GAO.

For the Modified Peer Review, an extension of the deadline must be granted by the CIGIE Audit Committee. These extensions do not require GAO coordination.

## The Audit Peer Review guide states copies of the final peer review report should go to the Chair of the CIGIE and the Chair of the CIGIE Audit Committee. What email address should individuals use to submit these reports?

The peer review report can be submitted to the Audit Peer Review Subcommittee at [CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV](mailto:CIGIE-AUDIT-PEERREVIEW@LIST.NIH.GOV). The Subcommittee will coordinate distribution and filing for the CIGIE Chair and the CIGIE Audit Committee Chair.