

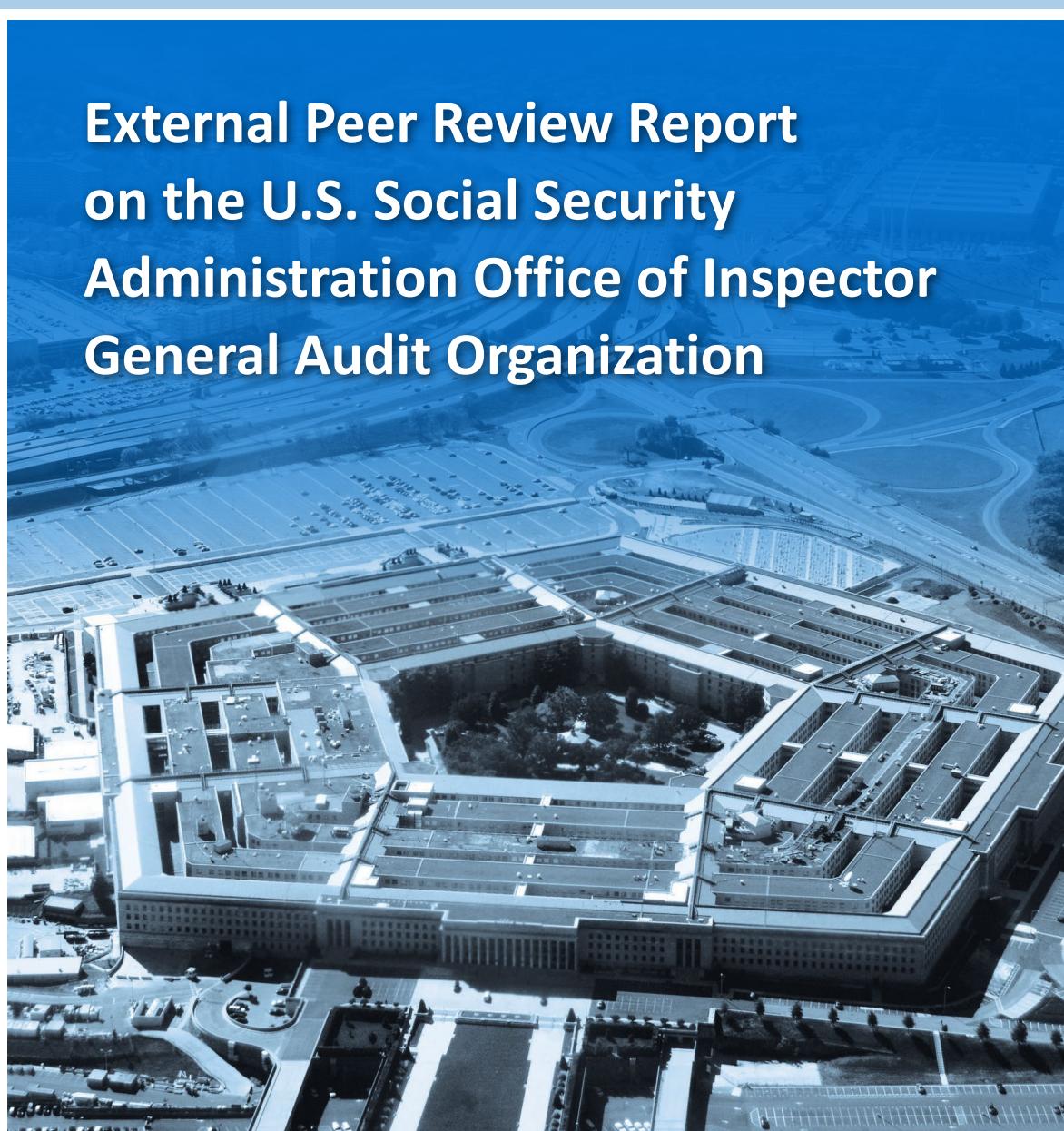


INSPECTOR GENERAL

U.S. Department of Defense

SEPTEMBER 28, 2021

External Peer Review Report on the U.S. Social Security Administration Office of Inspector General Audit Organization



INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

September 28, 2021

The Honorable Gail S. Ennis, Inspector General
U.S. Social Security Administration
6401 Security Boulevard, Mail Stop 3-ME-4
Baltimore, Maryland 21235

Subject: External Peer Review Report on the U.S. Social Security Administration Office of
Inspector General Audit Organization

Dear Ms. Ennis,

Attached is the System Review Report of the U.S. Social Security Administration Office of Inspector General audit organization, conducted in accordance with Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency "Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General." Your response to the report is included as an exhibit with excerpts incorporated into the relevant sections of the report.

We appreciate the cooperation and courtesies extended to our staff during the review.

Sean W. O'Donnell
Sean W. O'Donnell
Acting Inspector General
Department of Defense

Attachment:
As stated





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

September 28, 2021

The Honorable Gail S. Ennis, Inspector General
U.S. Social Security Administration
6401 Security Boulevard, Mail Stop 3-ME-4
Baltimore, Maryland 21235

Subject: System Review Report

We have reviewed the system of quality control for the audit organization of the U.S. Social Security Administration Office of Inspector General (SSA OIG) in effect for the year ended March 31, 2021. The system of quality control encompasses the SSA OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming in all material respects with Government Auditing Standards and applicable legal and regulatory requirements. The elements of quality control are described in Government Auditing Standards.

In our opinion, the system of quality control for the audit organization of the SSA OIG in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the SSA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects.

Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. The SSA OIG has received an External Peer Review rating of *pass*.

Monitoring of GAGAS Engagements Performed by Independent Public Accountants

In addition to reviewing its system of quality control to ensure adherence with Government Auditing Standards, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to the SSA OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS) by independent public accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of GAGAS engagements performed by IPAs is not an audit and, therefore, is not subject to the

requirements of Government Auditing Standards. The purpose of our limited procedures was to determine whether the SSA OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion; accordingly, we do not express an opinion on the SSA OIG's monitoring of work performed by IPAs.

Letter of Comment

We issued a letter on September 28, 2021, describing a finding that was not considered to be of sufficient significance to affect our opinion expressed in this report.

Basis of Opinion

Our review was conducted in accordance with Government Auditing Standards and the CIGIE "Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General."

During our review, we interviewed SSA OIG personnel and obtained an understanding of the nature of the SSA OIG audit organization, and the design of the SSA OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected GAGAS engagements and administrative files to test for conformity with professional standards and compliance with the SSA OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the SSA OIG audit organization.

In performing our review, we obtained an understanding of the system of quality control for the SSA OIG audit organization. In addition, we tested compliance with the SSA OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the SSA OIG's policies and procedures on selected GAGAS engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with SSA OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report identifies the SSA OIG offices and engagements we reviewed.

Responsibilities and Limitation

The SSA OIG is responsible for establishing and maintaining a system of quality control designed to provide the SSA OIG with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the system of quality control and the SSA OIG's compliance, based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In response to a draft of this report, the SSA Inspector General stated that she was pleased that the DoD OIG review team concluded that the SSA OIG audit organization designed and complied with its quality control system to provide reasonable assurance of performing and reporting audit work in conformity with applicable professional standards and legal and regulatory requirements in all material respects and had no comments on the System Review Report. Enclosure 2 to this report contains the SSA OIG response.



Sean W. O'Donnell
Acting Inspector General
Department of Defense

Enclosures:
As stated

Enclosure 1

Scope and Methodology

We tested compliance with the SSA OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 4 of 34 engagement reports conducted in accordance with GAGAS issued from April 1, 2020, through March 31, 2021, and one terminated audit. We also reviewed the internal quality control reviews performed by the SSA OIG.

We reviewed the SSA OIG's monitoring of two of three GAGAS engagements performed by IPAs where the IPA served as the auditor from April 1, 2020, through March 31, 2021. During the period, the SSA OIG contracted for audits of the SSA Financial Report for FY 2020 and the associated audit of the SSA's Information Security Program and Practices for FY 2020. The SSA OIG also contracted for another GAGAS engagement that was performed in accordance with Government Auditing Standards.

We interviewed and sent questionnaires to personnel at SSA OIG offices in Baltimore, Maryland; Chicago, Illinois; San Francisco, California; Dallas, Texas; Arlington, Virginia; and Boston, Massachusetts.

Table 1. Reviewed GAGAS Engagements Performed by the SSA OIG

Report No.	Report Date	Report Title
A-15-18-50680	October 16, 2020	Match of Virginia Death Information Against the Social Security Administration Records
A-05-19-50796	May 6, 2020	Agency Processing of Duplicate Payment Detection Alerts
A-12-19-50883	September 10, 2020	Agency Actions After the Huntington Fraud Scheme
A-09-18-50603	June 11, 2020	The Social Security Administration's Actions to Resolve Potentially Fraudulent Internet Claims

Table 2. SSA OIG Monitoring of Independent Public Accounting Work Reviewed

Report No.	Report Date	Report Title
A-15-19-50843	November 10, 2020	The Social Security Administration's Financial Report for Fiscal Year 2020
A-14-19-50854	October 23, 2020	The Social Security Administration's Information Security Program and Practices for Fiscal Year 2020

Table 3. SSA OIG Terminated Project Reviewed

Report No.	Report Date	Report Title
A-06-18-50323	March 2, 2021	Beneficiaries in Current Payment Status at Least 7 Years After a Terminal Illness Diagnosis

Enclosure 2

U.S. Social Security Administration Office of Inspector General Comments



Office of the Inspector General SOCIAL SECURITY ADMINISTRATION

September 2, 2021

Mr. Richard B. Vasquez
Assistant Inspector General for Audit
Readiness and Global Operations
Department of Defense
Office of Inspector General
4800 Mark Center Drive
Alexandria, VA 22350-1500

Dear Mr. Vasquez,

We reviewed your draft report on our quality control system. We are pleased with your conclusion that we designed and complied with our quality control system to provide reasonable assurance of performing and reporting audit work in conformity with applicable professional standards and legal and regulatory requirements in all material respects. We have no comments on the System Review Report.

We appreciate the efforts of your staff in completing this review in a thorough and timely fashion.

If you have any questions, [REDACTED]
[REDACTED] I look forward to receiving your final report.

Sincerely,

Gail S. Ennis
Inspector General

Attachment



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U.S. DEPARTMENT OF DEFENSE

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For more information about DoD OIG reports or activities, please contact us:

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