



Department of Energy
Washington, DC 20585

April 14, 2025

MEMORANDUM FOR THE SECRETARY

A handwritten signature in blue ink that reads "Sarah Nelson".

FROM: Sarah Nelson
Assistant Inspector General for Management and Administration
Performing the Duties of the Inspector General
Office of Inspector General

SUBJECT: External Quality Control Review Report on the Audit Organization of the
Office of Inspector General

As issued by the Comptroller General of the United States, *Government Auditing Standards* prescribe that all audit organizations must have an external peer review performed by an independent organization once every 3 years. The Social Security Administration Office of Inspector General conducted the required peer review of my audit organization. Under *Government Auditing Standards*, it is our responsibility to circulate the results of the peer review to the responsible agency head and oversight and governing bodies.

Enclosed for your information is a copy of the recently completed peer review. I am pleased to report that the Social Security Administration Office of Inspector General found that the system of quality control for the audit organization had been designed in accordance with professional standards and that it provided reasonable assurance that those standards were adhered to in all material respects.

Please contact me if you have any questions about this report.

Attachment

cc: Chief of Staff




Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: March 31, 2025

To: Sarah Nelson
Performing the Duties of the Inspector General
U.S. Department of Energy
Office of Inspector General
1000 Independence Ave, SW
Washington, DC 20585

From: Jeffrey Brown 
Deputy Assistant Inspector General for Audit

Subject: Report on the External Quality Control Review of the Audit Organization of the Department of Energy, Office of the Inspector General

Dear Ms. Nelson:

Attached is the System Review Report, *Report on the External Quality Control Review of the Audit Organization of the Department of Energy, Office of the Inspector General*, conducted in accordance with Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency's *Guide for Conducting Peer Reviews of Federal Offices of Inspector General*. Your response to the report is included as an appendix.

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

Please contact me at jeffrey.brown@ssa.gov with any questions you may have.

Attachment

cc:
Matthew Dove, Assistant Inspector General for Audits, Department of Energy

Report on the External Quality Control Review of the Audit Organization of the Department of Energy, Office of the Inspector General

We have reviewed the system of quality control for the audit organization of the Department of Energy (DOE) Office of the Inspector General (OIG) in effect for the Fiscal Year (FY) ended September 30, 2024. The system of quality control encompasses DOE OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance it conforms 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 DOE OIG in effect for the FY ended September 30, 2024, has been suitably designed and complied with to provide DOE OIG reasonable assurance it is performing and reporting on audits 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*. We have given DOE OIG an External Peer Review rating of *pass*.

Monitoring Generally Accepted Government Auditing Standards 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 DOE OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS) by Independent Public Accountants (IPA) under contract where the IPA served as the auditor. It should be noted that monitoring GAGAS engagements performed by IPAs is not an audit and therefore is not subject to the *Government Auditing Standards' requirements*. The purpose of our limited procedures was to determine whether DOE OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion and, accordingly, we do not express an opinion on DOE OIG's monitoring of work performed by IPAs.

Letter of Comment

We have issued a letter dated March 31, 2025 that sets forth findings that we did not consider 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 obtained information from DOE OIG personnel and obtained an understanding of the nature of DOE OIG's audit organization and the design of DOE 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 DOE OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of DOE OIG's audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for DOE OIG's audit organization. In addition, we tested compliance with DOE OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of DOE 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.

Before concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with DOE OIG management to discuss the results of our review. We believe the procedures we performed provided a reasonable basis for our opinion. The Appendix to this report identifies the engagements we reviewed.

Responsibilities and Limitation

DOE OIG is responsible for establishing and maintaining a system of quality control designed to provide DOE OIG with reasonable assurance 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 DOE 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.



Jeffrey T. Brown

Deputy Assistant Inspector General
for Audit

Appendix A – SCOPE AND METHODOLOGY

We tested compliance with the Department of Energy (DOE) Office of the Inspector General (OIG) audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 4 of 14 audit reports performed by DOE OIG under generally accepted government auditing standards (GAGAS) engagements. The tests were conducted in accordance with GAGAS issued from October 1, 2023, through September 30, 2024. DOE OIG terminated six audits during our review period and we determined all six were terminated under peer review guidelines. We also reviewed the internal quality control reviews performed by DOE OIG.

Reviewed Engagements Performed by DOE OIG

Report Number	Report Date	Report Title
DOE-OIG-24-35	9/30/2024	The Department of Energy Has Made Little Progress Implementing the Geospatial Data Act of 2018
DOE-OIG-24-23	7/8/2024	The National Nuclear Security Administration's Energy Savings Performance Contract with NORESO, LLC at the Pantex Plant
DOE-OIG-24-29	9/23/2024	UChicago Argonne, LLC Costs Claimed Under Department of Energy Contract No. DE-AC02-06CH11357 for Fiscal Year 2019
DOE-OIG-24-13	3/11/2024	Bechtel National, Inc.'s Compliance with Contract Terms Relating to Self-Performed Work and Subcontracting for the Waste Treatment and Immobilization Plant

In addition, we reviewed one of six financial statement audits performed under DOE OIG's monitoring of GAGAS engagements performed by Independent Public Accountants (IPA) where the IPA served as the auditor for Fiscal Year 2024, from October 1, 2023 through September 30, 2024. We selected one additional review performed under DOE OIG's monitoring of engagements performed by IPAs, *Audit of The Regents of the University of California's Management and Operating Contract of Lawrence Berkeley National Laboratory Statement of Costs Incurred and Claimed Submissions for Fiscal Years Ended September 30, 2019, and September 30, 2020*, issued on September 6, 2024. However, we could not review this engagement because the workpapers documenting the monitoring were inadequate. We addressed this issue in our letter of comment and DOE OIG is taking corrective action.

Reviewed Monitoring Files of DOE OIG for Contracted GAGAS Engagements

Report Number	Report Date	Report Title
DOE-OIG-24-04	11/15/2023	The Department of Energy's Fiscal Year 2023 Consolidated Financial Statements

All reviews were completed remotely. We interviewed staff members using an online survey to determine whether DOE OIG's quality control and assurance policies and procedures were effectively communicated to staff. We also reviewed selected employees' training records to determine whether those employees had obtained the required continuing professional education credits and they collectively possessed the knowledge and skills needed to conduct audits.

Appendix B – AGENCY COMMENTS



Department of Energy
Washington, DC 20585

March 28, 2025

Mr. Jeffrey T. Brown
Deputy Assistant Inspector General for Audit
Office of Inspector General
Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235-0001

Subject: Draft Report on the "External Quality Control Review of the Audit Organization of the Department of Energy, Office of Inspector General"

Dear Mr. Brown:

Thank you for the opportunity to respond to the subject report. We are pleased that our audit organization received a rating of *pass*. Therefore, we have no specific comments to offer relating to the report. Notably, we appreciated the professionalism and diligent work of the team conducting the engagement. If you have questions relating to our response, you may contact me at (202) 603-1074 or Todd Wisniewski, Deputy Assistant Inspector General for Cyber, Financial, and Eastern Audits Division at (412) 386-4157.

A handwritten signature in blue ink, appearing to read "MDJ", is positioned above the typed name of the signatory.

Matthew D. Dove
Assistant Inspector General for Audits
Office of Inspector General

cc: Sarah Nelson, Assistant Inspector General for Management
Lewe Sessions, Assistant Inspector General for Investigations
Todd Wisniewski, Deputy Assistant Inspector General for Cyber, Financial,
and Eastern Audits Division
Carlos Diaz, Deputy Assistant Inspector General for Incurred Cost and Western Audits
Division