The Honorable Michael E. Horowitz  
Inspector General  
U.S. Department of Justice  
Office of Inspector General  
1425 New York Avenue, NW  
Washington, DC 20530

Dear Mr. Horowitz:

Enclosed is our report on the system of quality control for your audit organization.

On behalf of my office, I would like to extend my thanks to your staff for their courtesies and cooperation during our review.

Eric M. Thorson  
Inspector General

Enclosure
OIG-CA-16-011

To the Honorable Michael E. Horowitz, Inspector General
U.S. Department of Justice

We reviewed the system of quality control for the audit organization of the
U.S. Department of Justice Office of the Inspector General (Justice OIG) in effect
for the year ended September 30, 2015. A system of quality control encompasses
Justice OIG’s organizational structure and the policies adopted and procedures
established to provide it with reasonable assurance of conforming with Government
Auditing Standards. The elements of quality control are described in Government
Auditing Standards. Justice OIG is responsible for establishing and maintaining a
system of quality control that is designed to provide Justice OIG with reasonable
assurance that the organization and its personnel comply with professional
standards and applicable legal and regulatory requirements in all material respects.
Our responsibility is to express an opinion on the design of the system of quality
control and Justice OIG’s compliance therewith based on our review.

Our review was conducted in accordance with Government Auditing Standards and
the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Guide for
Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector
General. During our review, we interviewed Justice OIG personnel and obtained an
understanding of the nature of Justice OIG’s audit organization, and the design of
Justice OIG’s system of quality control sufficient to assess the risks implicit in its
audit function. Based on our assessments, we selected audits and administrative
files to test for conformity with professional standards and compliance with Justice
OIG’s system of quality control. The audits selected represented a reasonable
cross-section of Justice OIG’s audit organization, with emphasis on higher-risk
audits. Prior to concluding the review, we reassessed the adequacy of the scope of
the peer review procedures and met with Justice OIG’s management to discuss the
results of our review. We believe that the procedures we performed provide a
reasonable basis for our opinion.

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

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and 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 our opinion, the system of quality control for the audit organization of Justice OIG in effect for the year ended September 30, 2015, has been suitably designed and complied with to provide Justice OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Audit organizations can receive an External Peer Review rating of pass, pass with deficiencies, or fail. Justice OIG has received an External Peer Review rating of pass.

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 CIGIE related to Justice OIG’s monitoring of audits performed by Independent Public Accountants (IPA) under contract where the IPA served as the auditor. It should be noted that monitoring of audits 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 Justice 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 Justice OIG’s monitoring of work performed by IPAs.

The Enclosure to this report identifies audits performed by Justice OIG and monitoring files of Justice OIG’s contracted audits that we reviewed.

Eric M. Thorson, Inspector General

Enclosure
SCOPE AND METHODOLOGY

We tested compliance with the U.S. Department of Justice Office of Inspector General (Justice OIG) audit organization's system of quality control to the extent we considered appropriate. Our tests included a review of 15 of 79 audit reports issued during the period October 1, 2014, through September 30, 2015. We also reviewed one Quality Control Review issued on September 29, 2015, as part of our review of the internal quality control reviews performed by Justice OIG.

In addition, we reviewed Justice OIG’s monitoring of audits performed by Independent Public Accountants (IPA) where the IPA served as the auditor during the period October 1, 2014, through September 30, 2015. During the period, Justice OIG contracted for the audit of its agency’s fiscal year 2014 financial statements. Justice OIG also contracted for certain other audits that were to be performed in accordance with Government Auditing Standards.

Table 1: Reviewed Engagements Performed by Justice OIG

<table>
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<tr>
<th>Report Number</th>
<th>Report Title</th>
<th>Report Date</th>
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<tbody>
<tr>
<td>15-01</td>
<td>Audit of the Department of Justice’s Management of International Fugitive Removal Activities</td>
<td>11/12/2014</td>
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<tr>
<td>GR-40-15-003</td>
<td>Audit of the City of Sunrise Police Department’s Equitable Sharing Program Activities, Sunrise, Florida</td>
<td>11/19/2014</td>
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<tr>
<td>GR-60-15-006</td>
<td>Audit of the Office of Justice Programs Bureau of Justice Assistance Developing and Enhancing Statewide Automated Victim Information and Notification Program Grants Awarded to the County Sheriffs of Colorado, Littleton, Colorado</td>
<td>2/11/2015</td>
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<tr>
<td>GR-90-15-002</td>
<td>Audit of Compliance with Standards Governing Combined DNA Index System Activities at the Honolulu Police Department Scientific Investigation Section Forensic Laboratory Honolulu, Hawaii</td>
<td>3/17/2015</td>
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<td>15-11</td>
<td>Audit of the Department of Justice’s Use and Support of Unmanned Aircraft Systems</td>
<td>3/25/2015</td>
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<td>15-15</td>
<td>Audit of the Federal Bureau of Prisons Contract No. DJB1PC007 Awarded to Reeves County, Texas to Operate the Reeves County Detention Center I/II, Pecos, Texas</td>
<td>4/22/2015</td>
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SCAPE AND METHODOLOGY

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<tr>
<td>GR-60-15-012</td>
<td>Audit of the Office of Justice Programs Services for Victims of Human Trafficking Grant Awarded to Catholic Charities, Archdiocese of San Antonio, Inc., Texas</td>
<td>6/2/2015</td>
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<td>15-21</td>
<td>Audit of the Office of Justice Programs' Processing of Public Safety Officers' Benefit Programs Claims</td>
<td>7/6/2015</td>
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<td>15-28</td>
<td>Audit of the Drug Enforcement Administration's Confidential Source Policies And Oversight of Higher-Risk Confidential Sources</td>
<td>7/21/2015</td>
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<tr>
<td>GR-70-15-007</td>
<td>Audit of the Office of Justice Programs and Office on Violence Against Women Grants Awarded to the Penobscot Indian Nation, Indian Island, Maine</td>
<td>9/30/2015</td>
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Reviewed Monitoring Files of Justice OIG for Contracted Audits

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<tr>
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<tr>
<td>15-02</td>
<td>Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2014</td>
<td>12/9/2014</td>
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