



**OFFICE OF INSPECTOR GENERAL**

United States Department of Agriculture



March 24, 2025

David Case  
Acting Inspector General  
U.S. Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, D.C. 20420

Subject: System Review Report on the Department of Veterans Affairs Office of Inspector General Audit Organization

Dear Mr. Case:

Attached is the System Review Report on the Department of Veterans Affairs Office of Inspector General audit organization's system of quality control. We conducted this peer review in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency *Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*. Your response to the report, dated March 5, 2025, is included as Enclosure 2 at the end of the report.

We appreciate the courtesies and cooperation extended to us by members of your staff.

A handwritten signature in blue ink, appearing to read "Janet Sorensen", with a long horizontal flourish extending to the right.

Janet Sorensen  
Acting Inspector General  
U.S. Department of Agriculture

Attachment



## System Review Report

March 24, 2025

David Case  
Acting Inspector General  
U.S. Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, D.C. 20420

Dear Mr. Case:

We have reviewed the system of quality control for the audit organization of Department of Veterans Affairs (VA) Office of Inspector General (OIG) in effect for the year ended September 30, 2024. A system of quality control encompasses VA 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 VA OIG in effect for the year ended September 30, 2024, has been suitably designed and complied with to provide VA 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*. VA 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 VA OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagements) 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 VA 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 VA OIG's monitoring of work performed by IPAs.



## **Letter of Comment**

We have issued a letter dated March 24, 2025, that sets forth findings that were 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 VA OIG personnel and obtained an understanding of the nature of the VA OIG audit organization, and the design of VA 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 VA OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of VA OIG audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the VA OIG audit organization. In addition, we tested compliance with VA OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of VA 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 VA OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. The enclosure to this report provides a description of the work we performed, and a list of VA OIG engagements we reviewed.

## **Responsibilities and Limitation**

VA OIG is responsible for establishing and maintaining a system of quality control designed to provide VA 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 VA 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



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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.

We appreciate the courtesies and cooperation extended to us by members of your staff.

A handwritten signature in blue ink, appearing to read "Janet Sorensen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Janet Sorensen  
Acting Inspector General  
U.S. Department of Agriculture

Enclosures



### **Scope and Methodology**

We tested compliance with VA OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 6 of 98 engagement reports conducted in accordance with generally accepted government auditing standards (GAGAS engagement) issued from October 1, 2023, through September 30, 2024. We also reviewed 1 of 9 terminated GAGAS engagements performed by VA OIG.

In addition, we reviewed VA OIG's monitoring of one GAGAS engagement performed by an IPA where the IPA served as the auditor from October 1, 2023, through September 30, 2024. During the period, VA OIG contracted for two GAGAS engagements that were performed in accordance with *Government Auditing Standards*.

We invited all staff from the VA OIG Office of Audits and Evaluations to complete a survey designed to determine the extent to which quality control policies and procedures were effectively communicated to staff and to obtain their views about several factors related to the agency's adherence to those policies and procedures. We also reviewed the internal quality assurance reviews performed by VA OIG, as well as the training records of selected employees to determine whether they had obtained the required continuing professional education credits.

We performed our external peer review between October 2024 and February 2025. Throughout this period, we met with VA OIG personnel to discuss the review.

**Table 1: Reviewed GAGAS Engagements Performed by VA OIG**

<b>Report Number</b>	<b>Report Date</b>	<b>Report Title</b>
24-00723-190	6/24/2024	Independent Audit Report of a Contract Extension Proposal Submitted under a Contract
23-02534-29	11/17/2023	Independent Audit Report of a Proposal Submitted under a Solicitation
23-03503-58	1/31/2024	Independent Audit Report of a Proposal Submitted under a Solicitation
23-03356-196	9/3/2024	Independent Review of VA's Special Disabilities Capacity Report for Fiscal Year 2022
24-00122-247	9/19/2024	VA Continues Moving toward Full Compliance with Geospatial Data Covered Agency Responsibilities
22-03522-209	10/19/2023	VBA Generally Helped Veterans Obtain Damaged or Destroyed Records

Source: USDA OIG

**Table 2: Reviewed Monitoring Files of VA OIG for Contracted GAGAS Engagement**

Report Number	Report Date	Report Title
23-01105-69	5/14/2024	Federal Information Security Modernization Act Audit for Fiscal Year 2023

Source: USDA OIG

**Table 3: Reviewed GAGAS Engagement Terminated by VA OIG**

Project Number	Terminated Date	Project Title
2022-02073-AE-0089	1/29/2024	Audit of VHA's Medical Care Funding

Source: USDA OIG



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**Enclosure 2**

**Department of Veterans Affairs Office of Inspector General  
Response to the System Review Report**



DEPARTMENT OF VETERANS AFFAIRS  
INSPECTOR GENERAL  
WASHINGTON, DC 20420



March 5, 2025

Janet Sorensen  
Acting Inspector General  
U.S. Department of Agriculture  
1400 Independence Avenue SW  
Washington, D.C. 20250

Dear Ms. Sorensen:

Thank you for the opportunity to comment on the draft System Review Report dated March 4, 2025, that present the results of your office's External Peer Review of the Department of Veterans Affairs, Office of Inspector General, Office of Audits and Evaluations. We are pleased that your office issued a pass rating on our system of quality controls for the period October 1, 2023, through September 30, 2024. We are satisfied that your review determined the quality control function was appropriately designed and in compliance with the quality standards established by the Council of Inspectors General on Integrity and Efficiency.

We wish to express our appreciation for the professionalism and thoroughness your team demonstrated while conducting the review. If you have any questions, please contact me at (202) 461-4725.

Sincerely,

Digitally signed by LARRY  
REINKEMEYER  
Date: 2025.03.05 13:28:28 -05'00'

Larry Reinkemeyer  
Assistant Inspector General for Audits and Evaluations