



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of
Inspector General

July 19, 2007

The Honorable Kent Nilsson
Inspector General
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

Subject: Report on the External Quality Control Review of the Federal Communications
Commission's Inspector General Audit Organization

Dear Mr. Nilsson:

This report presents the results of our External Quality Control Review of the Federal Communications Commission's Inspector General Audit Organization. Your comments are attached as Attachment #1. We thank you and all your staff that we dealt with for your assistance and cooperation during the conduct of the review.

Sincerely,

A handwritten signature in dark ink, appearing to read "Aletha L. Brown", with a long horizontal flourish extending to the right.

Aletha L. Brown
Inspector General

Attachments



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of
Inspector General

July 19, 2007

Mr. Kent R. Nilsson, Inspector General
Federal Communications Commission
445 12th St. SW, Room 2-C762
Washington, DC 20554

Dear Mr. Nilsson:

We have reviewed the system of quality control for the audit function of the Federal Communications Commission in effect for the year ended March 31, 2007. A system of quality control encompasses the OIG's organizational structure, and the policies adopted and procedures established to provide it with reasonable assurance of conforming with generally accepted government auditing standards (GAGAS). The elements of quality control are described in GAGAS, promulgated by the Comptroller General of the United States. The design of the system, and compliance with it in all material respects, are the responsibility of the Federal Communications Commission. Our objective was to determine whether the internal quality control system was adequate as designed and complied with to provide reasonable assurance that applicable auditing standards, policies, and procedures were met. Our responsibility is to express an opinion on the design of the system and the OIG's compliance with the system based on our review.

Our review was conducted in accordance with the guidelines established by the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency. In performing our review, we obtained an understanding of the system of quality control for the extent we considered appropriate. These tests included the application of the OIG's policies and procedures on selected audits. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it. Nevertheless, we believe that the procedures we performed provide a reasonable basis for our opinion. Our scope and methodology appears as Exhibit A.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with policies or procedures may deteriorate.

In our opinion, the system of quality control for the audit function of the Federal Communications Commission in effect for the year ended March 31, 2007, has been designed to meet the requirements of the quality control standards established by the Comptroller General of the United States for a Federal Government audit organization and was complied with during the year ended to provide the OIG with reasonable assurance of conforming with applicable auditing standards, policies and procedures.

I would like to thank you and your staff for their assistance during our review.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Aletha L. Brown', written in a cursive style.

Aletha L. Brown
Inspector General

Peer Review Scope and Methodology (Exhibit A)

Scope and Methodology

We tested compliance with the Office of Inspector General's system of quality control to the extent we considered appropriate. These tests included a review of 9 of 97 audit reports issued during the September 30, 2006 and March 31, 2007 semiannual reporting periods. In addition, we reviewed the financial statement audit and monitoring activities covering the FY 2006 financial statement audit of the Federal Communications Commission that was performed under contract by Clifton Gunderson, LLC.

OIG Office Reviewed

Headquarters, Federal Communications Commission, Washington, DC

Audit Reports Reviewed

| <u>Report Number</u> | <u>Report Date</u> | <u>Report Title</u> |
|----------------------|--------------------|---|
| 06-AUD-06-03 | Nov.15, 2006 | Audit of the Federal Communications Commission FY 2006 Consolidated Financial Statements |
| O4-AUD-03-01 | October 10, 2006 | Brevard County School District |
| SL-2005-BE-049 | Sept. 28, 2006 | La Joya Independent School District |
| SL-2005-BE-084 | Mar. 2, 2007 | United Independent School District |
| SL-2004-BE-032 | Sept.28, 2006 | Cincinnati City School District |
| SL-2004-BE-029 | Sept.28, 2006 | Denver Public Schools |
| SL-2005-BE-068 | Mar. 7, 2007 | Richland County School District #1 |
| SL-2005-BE-017 | Sept. 28, 2006 | Buchanan County School District |
| SL-2005-BE-071 | Sept. 28, 2006 | San Bernadino City Unified School District |



**Office of Inspector General
Federal Communications Commission
Washington, DC 20554**

July 17, 2007

Ms. Aletha L. Brown
Inspector General
U.S. Equal Employment Opportunity Commission
Washington, DC 20507

Aletha

Dear Ms. ~~Brown~~:

We have received your draft report summarizing the results of your review of my office's system of quality control for the year ended March 31, 2007. We concur with the results of your review.

I would like to thank you for this peer review and to express my sincere appreciation for the experienced perspective and professionalism your staff exhibited throughout their review. I am especially appreciative of the feedback they provided to my staff during the course of the review. I look forward to receiving your final report on this matter and I hope for many opportunities to work with you in the future.

If you have any questions, please contact me at (202) 418- 0845 or Tom Cline, Assistant Inspector General for Policy and Planning, at (202) 418-7890.

Kent

Kent R. Nilsson
Inspector General