



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

September 30, 2024

George A. Scott
Acting Inspector General
National Aeronautics and Space Administration
300 E Street, SW
Washington, DC 20546-0001

Subject: System Review Report on the National Aeronautics and Space Administration's Office of Inspector General Audit Organization

Dear Acting Inspector General Scott:

Attached is the System Review Report of the National Aeronautics and Space Administration's Office of Inspector General conducted 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 is included as an exhibit.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Lee Greenblatt".

Mark Lee Greenblatt, Inspector General
U.S. Department of the Interior

Enclosure



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

System Review Report

September 30, 2024

George A. Scott, Acting Inspector General
National Aeronautics and Space Administration

We have reviewed the system of quality control for the audit organization of the National Aeronautics and Space Administration Office of Inspector General (NASA OIG) in effect for the year ended March 31, 2024. A system of quality control encompasses NASA 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 NASA OIG in effect for the year ended March 31, 2024, has been suitably designed and complied with to provide NASA 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*. NASA 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 NASA 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 NASA 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 NASA OIG's monitoring of work performed by IPAs.

Letter of Comment

We have issued a letter dated September 30, 2024, 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 NASA OIG personnel and obtained an understanding of the nature of the NASA OIG audit organization, and the design of NASA 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 NASA OIG's system

of quality control. The GAGAS engagements selected represented a reasonable cross-section of NASA 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 NASA OIG's audit organization. In addition, we tested compliance with NASA OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of NASA 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 NASA 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 identifies the engagements we reviewed.

Responsibilities and Limitations

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

Sincerely,



Mark Lee Greenblatt, Inspector General
U.S. Department of the Interior

Enclosure

Scope and Methodology

We tested compliance with NASA OIG's audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 5 of 13 engagements' reports conducted in accordance with generally accepted government auditing standards (GAGAS engagements) issued from April 1, 2023, through March 31, 2024 (see Figure 1). We also reviewed the internal quality control reviews NASA OIG performed and one GAGAS engagement issued prior to April 1, 2023, that had been included in an internal quality control review.

In addition, we reviewed NASA OIG's monitoring of GAGAS engagements performed by IPAs where the IPA served as the auditor from April 1, 2023, through March 31, 2024 (see Figure 2). During the period, NASA OIG contracted for the audit of its agency's fiscal year 2023 financial statements.

We performed this review remotely.

Figure 1. Reviewed GAGAS Engagements Performed by NASA OIG

Report No.	Report Date	Report Title
IG-22-012	06/09/2022	<i>NASA's Management of the Mobile Launcher 2 Contract</i>
IG-23-015	05/25/2023	<i>NASA's Management of the Space Launch System Booster and Engine Contracts</i>
IG-23-016	07/12/2023	<i>Audit of NASA's Deep Space Network</i>
IG-23-018	09/05/2023	<i>NASA's Earth System Science Pathfinder Program</i>
IG-24-006	12/19/2023	<i>NASA's Privacy Program</i>
IG-24-008	02/28/2024	<i>Audit of the Mars Sample Return Program</i>

Figure 2. Reviewed Monitoring Files of NASA OIG for Contracted GAGAS Engagements

Report No.	Report Date	Report Title
IG-24-004	11/15/2023	<i>Audit of NASA's Fiscal Year 2023 Financial Statements</i>



NASA OFFICE OF INSPECTOR GENERAL

SUITE 8U71, 300 E ST SW
WASHINGTON, D.C. 20546-0001

September 27, 2024

The Honorable Mark Lee Greenblatt
Inspector General
U.S. Department of the Interior
Office of Inspector General
1849 C Street, NW
Washington, DC 20240


Dear Inspector General Greenblatt:

Thank you for the opportunity to respond to the draft System Review Report summarizing the results of your office's review of the NASA Office of Inspector General's (OIG) Office of Audits. We are pleased with the "pass" rating and the opinion that our system of quality control has been suitably designed and complied with to provide reasonable assurance that NASA OIG is performing its audits and reporting the results in conformity with applicable professional standards and legal and regulatory requirements in all material respects.

I would like to thank your staff for their time, dedication, and professionalism during this review. We appreciate their diligent efforts to analyze our system of quality control and offer constructive suggestions for improvements.

We value your independent review and the peer review process and consider it a significant element of our audit organization's quality control efforts. If you have any questions about our response, please contact Kimberly Benoit, Assistant Inspector General for Audits, at 202-358-0378 or kimberly.f.benoit@nasa.gov.

Sincerely,

 Digitally signed by
George Scott
Date: 2024.09.27
07:43:10 -04'00'

George A. Scott
Deputy Inspector General