

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF INSPECTOR GENERAL**

System Review Report

September 30, 2024

Mr. Ben Wagner
Acting Inspector General
Office of Inspector General
Railroad Retirement Board
844 N. Rush Street
Chicago, IL 60611

Dear Mr. Wagner:

We have reviewed the system of quality control for the audit organization of Railroad Retirement Board (RRB) Office of Inspector General (OIG) in effect for the fiscal year (FY) ended March 31, 2024. A system of quality control encompasses RRB OIG's organizational structure. The policies adopted and procedures established provide RRB OIG with reasonable assurance of conforming, in all material respects, with *Government Auditing Standards*¹ 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 RRB OIG in effect for FY 2024 has been suitably designed and complied with to provide RRB OIG with reasonable assurance of performing and reporting in conformity, in all material respects, with applicable professional standards and applicable legal and regulatory requirements.

Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. RRB 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

¹ *Government Auditing Standards*, GAO-18-568G, 2018 Revision dated April 2021.

with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to RRB OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS) by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that the 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 RRB OIG had controls to ensure that 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 RRB OIG's monitoring of work performed by IPAs.

Letter of Comment

We issued a letter dated September 18, 2024, that sets forth a finding and other matter that were not considered to be of sufficient significance to affect our report results.

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*.²

During our review, we interviewed RRB OIG personnel. We obtained an understanding of the nature of the RRB OIG audit organization and the design of RRB 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 RRB OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the RRB 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 RRB OIG audit organization. In addition, we tested compliance with RRB OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of RRB 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.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with RRB OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis

² Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General dated March 2020

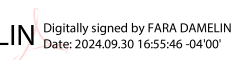
for our opinion. Enclosure 1 to this report identifies the RRB OIG engagements we reviewed. Enclosure 2 to this report includes RRB's response to the System Report.

Responsibilities and Limitations

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

We would like to thank you and your staff for the cooperation and assistance provided during the peer review.

 FARA DAMELIN
/s/
Fara Damelin, Inspector General
Enclosures

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Date: 2024.09.30 16:55:46 -04'00'

Enclosure 1

Scope and Methodology

We reviewed RRB's Policies and Procedures Manual and RRB's standard templates for performance audits conducted by RRB staff and Independent Public Accountants (IPA) audits monitored by RRB staff. We tested RRB OIG's compliance with its system of quality control to the extent we considered appropriate. Additionally, we tested RRB OIG's compliance with the Government Accountability Office (GAO) Government Auditing Standards, 2018 Revision dated April 2021, GAO-21-368G, and CIGIE guidance.

Those tests included a review of 2 of 7 reports for audits conducted by RRB staff in accordance with generally accepted government auditing standards (GAGAS) issued from April 1, 2021 through March 31, 2024. We also reviewed RRB OIG's Quality Assurance Review program.

In addition, we reviewed 2 of 16 reports where RRB OIG monitored GAGAS engagements performed by IPAs. During the review period, RRB OIG contracted for audits of RRB's fiscal year 2023 financial statements performance audits of RRB organizational structure and field services operations.

Audits performed by RRB OIG and reviewed by FCC OIG:

Report No.	Report Date	Report Title
23-04	May 19, 2023	The Railroad Retirement Board Complied with the Payment Integrity Information Act for Fiscal Year 2022
22-09	June 24, 2022	Controls over Recoverable Unemployment and Sickness Overpayments Need Improvement

Monitoring Files for Contracted Audits Reviewed by FCC OIG:

Report No.	Report Date	Report Title
24-01	November 15, 2023	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2023
24-03	February 08, 2024	Audit of the Railroad Retirement Board's Organizational Structure and Field Service Operations

Enclosure 2

RRB's response to the System Review Report



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

September 26, 2024

Via Electronic Mail

The Honorable Fara Damelin
Inspector General
Federal Communications Commission
45 L Street, NE
Washington, DC 20554

Dear Ms. Damelin:

Thank you for the opportunity to comment on the draft *System Review Report*, received September 23, 2024, of the Railroad Retirement Board Office of Inspector General's (RRB OIG) audit organization. We acknowledge the results of your review. I am very pleased that your independent review of our system of quality control for the period ended March 31, 2024, resulted in a peer review rating of pass. We have no comments on the draft *System Review Report*.

On behalf of RRB OIG, I would like to thank you and your peer review team for the professionalism demonstrated in conducting the external peer review. We appreciate the dedication and efforts of your staff during this peer review.

Sincerely,

A handwritten signature in black ink that reads "Ben R. Wagner".

Ben R. Wagner
Acting Inspector General