



OFFICE OF THE  
INSPECTOR GENERAL

UNITED STATES

NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

September 23, 2015

The Honorable Martin J. Dickman  
Inspector General  
Railroad Retirement Board  
844 North Rush Street  
Chicago, IL 60611-2092

Dear Mr. Dickman:

Attached is the External Peer Review Report of the Railroad Retirement Board Office of Inspector General audit organization. The review was conducted in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*.

Our review resulted in a peer review rating of pass. This means no material weaknesses were identified and there were no restrictions on the scope of the auditors work during the review. Your response to the draft report is included as Enclosure 2.

If you have any questions regarding the attached report, please contact Steven Zane, Deputy Assistant Inspector General for Audits at 301-415-5912, or Stephen D. Dingbaum, Assistant Inspector General for Audits at 301-415-5915.

We appreciate the cooperation extended by you and your staff during the review.

Sincerely,

*/RA/*

Hubert T. Bell  
Inspector General

Attachments: As stated



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**OFFICE OF THE  
INSPECTOR GENERAL**

September 23, 2015

**SYSTEM REVIEW REPORT**

The Honorable Martin J. Dickman  
Inspector General  
Railroad Retirement Board  
844 North Rush Street  
Chicago, IL 60611-2092

Dear Mr. Dickman:

We have reviewed the system of quality control for the audit organization of the Office of Inspector General (OIG), Railroad Retirement Board (RRB) in effect for the year ended March 31, 2015. A system of quality control encompasses RRB 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. The RRB OIG is responsible for establishing and maintaining a system of quality control that is designed to provide the RRB 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 the RRB 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 RRB OIG personnel and obtained an understanding of the nature of the RRB OIG audit organization and the design of the RRB OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected audit engagements and administrative files to test for conformity with professional standards and compliance with the RRB OIG's system of quality control. The audits selected represented a

reasonable cross-section of the RRB OIG's audit organization, with emphasis on higher-risk engagements. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with RRB 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 the RRB OIG's audit organization. In addition, we tested compliance with the RRB OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the RRB OIG's policies and procedures on selected 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.

There are inherent limitations in the effectiveness of any system of quality control, and 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.

Enclosure 1 to this report identifies the RRB OIG office that we visited and the audits that we reviewed.

In our opinion, the system of quality control for the audit organization of RRB OIG in effect for the year ended March 31, 2015, has been suitably designed and complied with to provide the RRB OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail. RRB OIG has received a peer review rating of pass.

Hubert T. Bell

***R/A***

Inspector General

U. S. Nuclear Regulatory Commission

Enclosures

**SCOPE AND METHODOLOGY**

We tested compliance with the RRB OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of four audit reports issued during the period April 1, 2014, through March 31, 2015, and semiannual reporting periods corresponding to that timeframe. We also reviewed the internal quality control reviews performed by the RRB OIG.

We performed this review at the RRB OIG office in Chicago, Illinois.

**Reviewed Engagements Performed by the RRB OIG**

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
14-07	05/06/2014	Audit of Payment Controls Over Medicare Claims Submitted by Physical Therapists
14-12	09/30/2014	Audit of the Data Management Application Controls and Selected General Controls in the Financial Management Integrated System
15-01	11/17/2014	Report on the Railroad Retirement Board's Fiscal Year 2014 Financial Statements
15-04	03/16/2015	Fiscal Year 2014 Audit of Information Security at the Railroad Retirement Board



## UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

September 21, 2015

The Honorable Hubert T. Bell  
Inspector General  
U.S. Nuclear Regulatory Commission  
11555 Rockville Pike  
Rockville, MD 20852

Dear Mr. ~~Bell~~: **HUBERT**

Thank you for the opportunity to respond to the draft report dated September 17, 2015, on the results of your review of the system of quality control for the audit organization of the Railroad Retirement Board, Office of Inspector General (RRB OIG). I am very pleased that your independent review of our system of quality control for the period ended March 31, 2015, resulted in a peer review rating of "pass" and concluded that the system of quality control for the audit organization of RRB OIG was suitably designed and complied with, to provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

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.

Sincerely,

Martin J. Dickman  
Inspector General