

Written by Nick Sanders

Friday, 11 December 2015 00:00

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On November 2, 2015, the Department of Defense Office of Inspector General issued [audit report](#) number DODIG-2016-007. In that report, the DoD OIG issued its opinion after reviewing “the system of quality control for the Defense Contract Management Agency’s Internal Review Team.” The DoD OIG review “was conducted in accordance with *Government Auditing Standards* and the Council of the Inspector Generals on Integrity and Efficiency *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Office of Inspector General*.”

As part of its review, the DoD OIG audit team reviewed three of nine audit reports issued by the DCMA’s Internal Review Team during the period, for a 33% sample. In its review, the DoD OIG audit team “tested compliance with the requirements for continuing professional education hours” and they “interviewed personnel to determine their understanding of and compliance with quality control policies and procedures.” In addition, the DCMA Internal Review Team’s audit policies and procedures, which were issued in May, 2013, were reviewed.

Based on that methodology and scope, the DoD OIG issued an opinion stating that “the system of quality control for the Defense Contract Management Agency’s Internal Review Team in effect for the year ended May 31, 2015, has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.”

In other words, the DCMA Internal Review Team received a rating of “pass” from the DoD Office of Inspector General’s independent external peer review.

See DCAA? It doesn’t have to be that difficult.

*Oh, wait.* You say DCAA issues more than nine audit reports in any given year, and thus has many more chances for noncompliance? You say DCAA has many more auditors than the DCMA Internal Review Team, and thus has many more chances for any given individual to give a wrong answer during an interview?

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*Yes, all that is true.* DCAA has many more opportunities to fail its independent external peer review.

And yet, the fundamental requirements applicable to both the DCMA Internal Review Team and DCAA are very much the same.

The requirements are the same, but *how* each DoD agency chooses to comply with those requirements is quite different. One DoD agency keeps it simple and passes easily; whereas the other DoD agency has interpreted GAGAS in such a way that passing is much more difficult.

*Which approach makes more sense?* The answer to that question will be left as an exercise for the reader.