



INSPECTOR GENERAL

DENALI COMMISSION
OFFICE OF INSPECTOR GENERAL
ANCHORAGE, ALASKA 99501

Modified Peer Review Report

July 30, 2024

Clayton Fox, Inspector General
Appalachian Regional Commission
Office of Inspector General
1666 Connecticut Avenue, NW, Suite 700
Washington, DC 20009-1068

We reviewed established policies and procedures for the audit function of the Appalachian Regional Commission Office of Inspector General (ARC OIG) in effect at March 31, 2024. Established policies and procedures are one of the components of a system of quality control to provide ARC OIG with reasonable assurance of conforming with applicable professional standards. The components of a system of quality control are described in the Government Auditing Standards.

Based on our review, the established policies and procedures for the audit function at March 31, 2024, were current and consistent with applicable professional standards as stated. During the period reviewed of April 1, 2021, through March 31, 2024, the audit function of ARC OIG did not perform any GAGAS engagements.

In addition to reviewing established policies and procedures for the audit function of ARC OIG, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General related to ARC OIG's monitoring of GAGAS engagements performed 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; therefore, it is not subject to the requirements of Government Auditing Standards. The purpose of our limited procedures was to determine whether ARC OIG had adequate controls in place 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 ARC OIG's monitoring of work performed by IPAs. Based on the results of our review, we determined that the ARC OIG had adequate controls in place to ensure that the IPAs performed contracted work in accordance with professional standards.

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Our review was conducted in accordance with the CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General for assessing established audit policies and procedures.

During our review, we (1) obtained an understanding of the nature of the ARC OIG's audit function and (2) assessed established audit policies and procedures for ARC OIG's IPA monitoring process. We reviewed the following IPA monitoring projects:

1. Financial Statement Audit Fiscal Year 2023, Monitoring Engagement IG-24-02; and
2. Audit of Grant Award to Marshall University, Monitoring Engagement 24-17.

Roderick H. Fillinger
Inspector General



Office of Inspector General

Appalachian Regional Commission

July 30, 2024

Roderick H. Fillinger
Inspector General
Denali Commission
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Anchorage, AK 99501

Inspector General Fillinger:

Thank you for providing the opportunity to respond to the Draft Modified Peer Review Report for the Appalachian Regional Commission, Office of Inspector General. Your report concluded that the established policies and procedures for the audit function of our office were current and consistent with applicable standards. We concur with your conclusion.

We appreciate the professionalism of your staff in their conduct of this review.

Sincerely,

Clayton Fox
Inspector General