



# External Quality Control Review

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of the  
City of Tallahassee  
Office of the City Auditor

Conducted in accordance with guidelines of the  
**Association of Local Government  
Auditors**

for the period October 1, 2008, through  
September 30, 2011

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## Association of Local Government Auditors

December 8, 2011

Sam M. McCall, City Auditor  
City of Tallahassee, Office of the City Auditor  
300 S. Adams Street  
Mail Box A-22  
Tallahassee, FL 32301

Dear Mr. McCall,

We have completed a peer review of the City of Tallahassee, Office of the City Auditor, for the period October 1, 2008, to September 30, 2011. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide* published by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine if your internal quality control system operated to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our procedures included:

- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of audit and attestation engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff, management, and members of the Audit Committee to assess their understanding of, and compliance with, relevant quality control policies and procedures.

Due to variances in individual performance and judgment, compliance does not imply adherence to standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that the City of Tallahassee, Office of the City Auditor's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits and attestation engagements during the period October 1, 2008, to September 30, 2011.

We have prepared a separate letter offering suggestions to further strengthen your internal quality control system.

Kathy Knox  
Director of Audit  
Los Angeles County Metro  
Transportation Authority

Lynn Stokes  
Director of Internal Audit  
City of Clarksville

Gary S. Chapman  
Senior Auditor  
City of Tampa



## Association of Local Government Auditors

December 8, 2011

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300 S. Adams Street  
Mail Box A-22  
Tallahassee, FL 32301

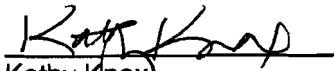
Dear Mr. McCall,

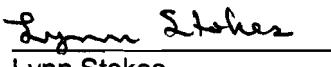
We have completed a peer review of the City of Tallahassee, Office of the City Auditor, for the period October 1, 2008, to September 30, 2011. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with International Standards for the Professional Practice of Internal Auditing*, published by the Association of Local Government Auditors (ALGA).

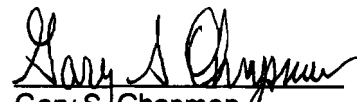
We reviewed the internal quality control system of your audit organization and conducted tests in order to determine if your internal quality control system operated to provide reasonable assurance of conformance with *the International Standards for the Professional Practice of Internal Auditing (the Standards)* issued by the Institute of Internal Auditors as part of their *Professional Practices Framework*. Due to variances in individual performance and judgment, conformance does not imply adherence to standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that the City of Tallahassee, Office of the City Auditor, internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with *the Standards* for assurance and consulting engagements for the period October 1, 2008, to September 30, 2011.

We have prepared a separate letter offering suggestions to further strengthen your internal quality control system.

  
Kathy Knox  
Director of Audit  
Los Angeles County Metro  
Transportation Authority

  
Lynn Stokes  
Director of Internal Audit  
City of Clarksville

  
Gary S. Chapman  
Senior Auditor  
City of Tampa



## Association of Local Government Auditors

December 8, 2011

Sam M. McCall, City Auditor  
City of Tallahassee, Office of the City Auditor  
300 S. Adams Street  
Mail Box A-22  
Tallahassee, FL 32301

Dear Mr. McCall,

We have completed a peer review of the City of Tallahassee, Office of the City Auditor, for the period October 1, 2008, to September 30, 2011, and issued our report thereon dated December 8, 2011. We are issuing this companion letter to offer certain observations and suggestions stemming from our peer review.

We would like to mention three observations in which we believe your office excels:

- We commend your efforts to ensure that issued reports are accurate and complete. The Office performs a number of detailed report reviews and provides management with several opportunities to comment on the contents of reports prior to issuance. In the audit reports, the Office also includes management's Action Plan, which responds to the audit's recommendations. The Office's reporting process results in the issuance of fair and balanced audit reports.
- We also commend the Office's ability to report very technical issues in a way that is easily understood. The Office presents the issues clearly and effectively and in a format which helps the reader locate important information quickly.
- We wish to recognize the City of Tallahassee's governance body's respect and high regard for the work performed by the Office of the City Auditor. It was evident that the Office's activities are considered value added services that assists the governance body with improving City operations.

We offer the following observation and suggestion to enhance your organization's demonstrated adherence to *Government Auditing Standards (GAS)* and or the *International Standards for the Professional Practice of Internal Auditing*:

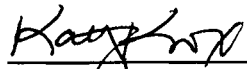
### Audit Documentation

GAS 7.80c requires auditors to document "evidence of supervisory review, before the audit report is issued, of the work performed that supports findings, conclusions, and recommendations contained in the audit report." For the audits reviewed, we found that issued audit reports were always supported by sufficient, appropriate evidence. However, when Audit Managers act as the Auditor-in-Charge on engagements, supervisory review occurs in the form of discussions between the Audit Director and Audit Managers along with a limited review of the work performed. GAS 7.54 allows "the nature and extent of the supervision of staff and the review of audit work" to vary depending on a number of factors, including the experience of the staff.

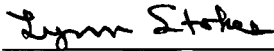
Because these discussions substitute for a detailed supervisory review of the work performed, we recommend that when Audit Managers act as the Auditor-in-Charge on engagements, that in addition to discussions with the Audit Director, his further review of the working papers be documented to demonstrate adherence to this Standard.

We extend our thanks to you and your staff for the hospitality and cooperation extended to us during our review.

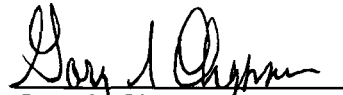
Sincerely,



Kathy Knox  
Director of Audit  
Los Angeles County Metro  
Transportation Authority



Lynn Stokes  
Director of Internal Audit  
City of Clarksville



Gary S. Chapman  
Senior Auditor  
City of Tampa



December 8, 2011

Ms. Kathy Knox, CFE, CGFM  
Director of Audit  
Los Angeles County Metro Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012

Dear Ms. Knox:

I am responding to the Association of Local Government Auditors' (ALGA) external quality control report issued on the Office of the City Auditor of Tallahassee. The review addressed audits issued during the period October 1, 2008, through September 30, 2011. We are pleased that the review team concluded that the system of quality control for audits issued during the period was working effectively and that audits and procedures performed by the Office of the City Auditor complied with Government Auditing Standards issued by the Comptroller General of the United States and the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.

In addition to your opinion report, the review team issued a separate letter report indicating strengths in our quality control review system and provided one recommendation for further improvement. We are pleased that you identified three areas where our office excels to include the process followed to insure audits are accurate, complete, and fair; the reporting of technical issues in an understandable manner; and recognition that our value-added services assist the City Commission in improving City operations.

I continue to be appreciative for ALGA's willingness to accommodate our desire to demonstrate that our work complied with both Government Auditing Standards and the Standards for the Professional Practice of Internal Auditing. We also thank the ALGA Peer Review team for their observations and verbal suggestions on how we can further improve our quality control process.

The ALGA team made one recommendation to improve our system of quality control. The recommendation and our response is as follows:

#### **Recommendation:**

#### **Audit Documentation**

**GAS 7.80c requires auditors to document "evidence of supervisory review, before the audit report is issued, of the work performed that supports findings, conclusions, and recommendations contained in the audit report." For the audits reviewed, we found that issued audit reports were always supported by sufficient, appropriate evidence. However, when Audit Managers act as the Auditor-in-Charge on engagements, supervisory review occurs in the form of discussions between the Audit Director and Audit Managers along with a limited review of the work performed. GAS 7.54 allows "the nature and extent of the supervision of staff and the review of audit work" to vary depending on a number of factors, including the experience of the staff.**

December 8, 2011

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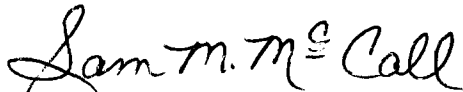
**Because these discussions substitute for a detailed supervisory review of the work performed, we recommend that when Audit Managers act as the Auditor-in-Charge on engagements, that in addition to discussions with the Audit Director, his further review of the working papers be documented to demonstrate adherence to this Standard.**

**City Auditor Response:**

***We concur.***

We are extremely pleased with this report. We thank the ALGA team members that took time from their busy schedules to travel to Tallahassee, for their professionalism while conducting the review, and for the helpful verbal suggestions provided throughout the review.

Sincerely,

A handwritten signature in cursive script that reads "Sam M. McCall".

Sam M. McCall  
City Auditor

Copy: Lynn Stokes, CPA  
Gary Chapman, CIA, CGAP, CFE, CICA  
Mayor and City Commission  
Appointed Officials  
City Audit Committee