



Peer Review of the San Jose City Auditor's Office

**Making Government
Work Better
Committee**

October 20, 2005



Presentation Overview

- I. Government Auditing Standards**
- II. The National Association of Local Government Auditors**
- III. The Peer Review Team**
- IV. Review Objectives**
- V. Results of the Review**

National Association of Local Government Auditors



Government Auditing Standards

- I Government Auditing Standards**
 - II N.A.L.G.A.**
 - III The Peer Review Team**
 - IV Review Objectives**
 - V Results of the Review**
- **Issued by the Comptroller General of the United States**
 - **Applicable for federal, state and local government organizations, programs, activities and functions**

National Association of Local Government Auditors



General Standards

- I Government Auditing Standards**
 - II N.A.L.G.A.**
 - III The Peer Review Team**
 - IV Review Objectives**
 - V Results of the Review**
- **Independence:**
 - **Personal impairments**
 - **External impairments**
 - **Organizational impairments**
 - **Organizational impairment considerations when reporting externally to third parties**

National Association of Local Government Auditors



General Standards

- I Government Auditing Standards**
 - II N.A.L.G.A.**
 - III The Peer Review Team**
 - IV Review Objectives**
 - V Results of the Review**
- **Professional judgment:**
 - **Competence:**
 - **Technical knowledge and competence**
 - **Continuing Professional Education**
 - **Quality Control and Assurance**

National Association of Local Government Auditors



Engagement Standards

- I Government Auditing Standards**
 - II N.A.L.G.A.**
 - III The Peer Review Team**
 - IV Review Objectives**
 - V Results of the Review**
- **Field Work Standards:**
 - **Planning**
 - **Supervision**
 - **Evidence**
 - **Audit Documentation**

National Association of Local Government Auditors



Engagement Standards

- I Government Auditing Standards
- II N.A.L.G.A.
- III The Peer Review Team
- IV Review Objectives
- V Results of the Review

- Reporting standards:
 - Report Content
 - Report Quality Elements
 - Report Issuance and Distribution

National Association of Local Government Auditors



Quality Control Standards

- I Government Auditing Standards
- II N.A.L.G.A.
- III The Peer Review Team
- IV Review Objectives
- V Results of the Review

“Each audit organization conducting audits in accordance with these standards should have an appropriate internal quality control system in place and undergo an external quality control review.”

National Association of Local Government Auditors



Quality Control Standards

- I Government Auditing Standards
- II N.A.L.G.A.
- III The Peer Review Team
- IV Review Objectives
- V Results of the Review

“Audit organizations performing audits and/or attestation engagements in accordance with GAGAS should have an external peer review at least once every 3 years by reviewers independent of the organization being reviewed.”

National Association of Local Government Auditors



Quality Control Standards

- I Government Auditing Standards
- II N.A.L.G.A.
- III The Peer Review Team
- IV Review Objectives
- V Results of the Review

“The peer review should determine whether the audit organization’s internal quality control system was adequate and whether policies and procedures were being complied with to provide reasonable assurance of conforming with professional standards.”

National Association of Local Government Auditors



Review Team Requirements

- I Government Auditing Standards
- II N.A.L.G.A.
- III The Peer Review Team
- IV Review Objectives
- V Results of the Review

- Knowledge of GAGAS and the government environment.
- Independent of the audit organization being reviewed.
- Knowledge of how to perform a peer review.

National Association of Local Government Auditors



The National Association of Local Government Auditors

- I Government Auditing Standards
- II N.A.L.G.A.
- III The Peer Review Team
- IV Review Objectives
- V Results of the Review

- Professional Organization:
 - Over 400 organizations
 - Over 1,300 members
- N.A.L.G.A. Objectives:
 - Improve local government auditing
 - Provide a forum for exchanging information and ideas
 - Encourage and uphold highest professional standards

National Association of Local Government Auditors



The National Association of Local Government Auditors

I Government Auditing Standards

- Peer Review Program is one means of achieving N.A.L.G.A.'s objectives

II N.A.L.G.A.

III The Peer Review Team

IV Review Objectives

V Results of the Review

National Association of Local Government Auditors



The Peer Review Team

I Government Auditing Standards

Alan Ash, Team Leader

- Director, Toronto Office of the Auditor General
- City Auditor, Gainesville, FL-1989-2004
- N.A.L.G.A. Past President
- N.A.L.G.A. Peer Review Committee
- Region Coordinator for N.A.L.G.A. Peer Review Program
- Participated on 7 prior peer reviews
- CIA, CFE, CGFM

II N.A.L.G.A.

III The Peer Review Team

IV Review Objectives

V Results of the Review

National Association of Local Government Auditors



The Peer Review Team

I Government Auditing Standards

LaVonne Griffin-Valade

- Deputy Auditor, Multnomah County, OR
- 7 years of auditing experience
- N.A.L.G.A. Peer Review Committee
- Participated in two prior peer reviews
- CIA, CGAP

II N.A.L.G.A.

III The Peer Review Team

IV Review Objectives

V Results of the Review

National Association of Local Government Auditors



The Peer Review Team

I Government Auditing Standards

Drew Harmon

- City Auditor, Roanoke, VA
- 15 years of auditing experience
- N.A.L.G.A. Peer Review Committee
- Participated in 4 prior peer reviews
- CPA, CIA

II N.A.L.G.A.

III The Peer Review Team

IV Review Objectives

V Results of the Review

National Association of Local Government Auditors



Review Objectives

I Government Auditing Standards

- Assess the adequacy of the audit organization's internal quality control system:

II N.A.L.G.A.

III The Peer Review Team

IV Review Objectives

V Results of the Review

National Association of Local Government Auditors

- Policies and procedures are adequately designed to address the standards



Review Objectives

I Government Auditing Standards

- Assess whether Government Auditing Standards were followed:

II N.A.L.G.A.

III The Peer Review Team

IV Review Objectives

V Results of the Review

National Association of Local Government Auditors

- Examined work papers for a representative sample of audit engagements
- Reviewed continuing professional education files
- Interviewed audit personnel



Results of the Review

I Government
Auditing
Standards

II N.A.L.G.A.

III The Peer
Review Team

IV Review
Objectives

V **Results of the
Review**

- **Peer Review Report:**

- **Will be issued at the MGWB meeting on October 20, 2005**