



August 29, 2017

Mayor Ted Wheeler
Commissioner Chloe Eudaly
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Dan Saltzman

Dear Mayor and Commissioners:

Outside auditors conducted a peer review of Audit Services' quality control procedures and concluded they were working appropriately to ensure Portland's performance audits meet professional standards. This "audit of the auditors" provides assurance to the public that Audit Services conforms to the requirements in *Government Auditing Standards*.

A peer review typically takes up to a week to perform. The team selected a sample of seven audits published during fiscal years 2014-15 through 2016-17 and reviewed work papers and interviewed staff to detect gaps in compliance. Their opinion letter is attached.

City Charter requires that our performance audits follow professional standards, which establish requirements for auditor independence, continuing professional education, supervision, and reporting. The standards also require Audit Services to maintain systems of quality control and have an external review once every three years.

While we always look for ways to improve, we are pleased to have our office's professionalism confirmed by our peers.

Sincerely,

Mary Hull Caballero

Attachments





External Quality Control Review

of the
Audit Services Division
Office of the City Auditor
Portland, Oregon

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**
for the period July 2014 through June 2017



Association of Local Government Auditors

August 24, 2017

Mary Hull Caballero, City Auditor
Kari Evans Guy, Interim Audit Services Director
Office of the City Auditor
Audit Services Division
1221 S.W. 4th Avenue, Room 310
Portland, Oregon 97204

Dear Ms. Caballero and Ms. Guy,

We have completed a peer review of the City of Portland's Audit Services Division for the period July 2014 through June 2017. 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 whether 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 Portland's Audit Services Division 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 from July 2014 through June 2017.

Jennifer An, CPA, CFE
City of Los Angeles
Police Department

Jon Goodman, CPA, CFE
Miami-Dade County
Public Schools

Charisma Fojas, CFE
City and County of Honolulu



August 25, 2017

Jennifer An
Peer Review Team Leader
Los Angeles Police Department, Audits Division
1200 W. 7th Street, Suite 410
Los Angeles, CA 90017

Dear Ms. An:

We reviewed your report with the results of your external quality control review of the City of Portland Audit Services Division, Office of the City Auditor. We are pleased that once again, an independent peer review team found that our office conducts our work in full compliance with generally accepted government auditing standards.

We would like to extend our personal thanks to you and to Jon Goodman, from the Miami-Dade County Public Schools, and Charisma Fojas from the City and County of Honolulu. We appreciate your participation in the peer review process and taking the time to visit our office and to review our operations. We will share your report with our Mayor and City Council, and make it available to the media and the public.

Sincerely,

Mary Hull Caballero
City Auditor

Kari Guy
Interim Director of Audit Services

