



External Quality Control Review

of the
College Station City
Auditor's Office

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**
for the period
October 1, 2015 to October 31, 2017



Association of Local Government Auditors

July 24, 2018

Ty Elliott, CPA, CIA, CFE
City Internal Auditor
City of College Station
1101 Texas Avenue, 5th Floor
College Station, Texas 77840

Dear Mr. Elliott,

We have completed a peer review of the City of College Station City Auditor's Office for the period October 1, 2015 through October 31, 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 engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff and management 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 College Station City Auditor's Office internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits during the period October 1, 2015 through October 31, 2017.

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

Sincerely,


Jay Poole, CPA, CIA, CFE, CGMA
City Auditor
Chesapeake, VA


Courtney Smith, CPA, CIA, CFE
City Auditor
Houston, TX



Association of Local Government Auditors

July 24, 2018

Ty Elliott, CPA, CIA, CFE
City Internal Auditor
City of College Station
1101 Texas Avenue
College Station, Texas 77804

Dear Mr. Elliott,

We have completed a peer review of the City of College Station City Auditor's Office for the period October 1, 2015 through October 31, 2017 and issued our report thereon dated July 24, 2018. We are issuing this companion letter to offer certain observations and suggestions stemming from our peer review.

We would like to mention some of the areas in which we believe your office excels:

- Your audit materials were very well organized, particularly for a shop undergoing its first peer review. This made the review very easy to complete.
- The reports themselves are exemplary in that they are unusually well researched and very well written. It's quite unusual for a small audit shop to issue reports with that level of depth, and even more unusual for the details to be explained in such a generally understandable manner. For a very small audit shop, your office has completed some very impressive large project audits, such as Street Maintenance and Water Demand Forecasting.
- The Audit Committee was engaged, asked probing questions, and was very supportive of the office, which demonstrates their interest in the quality of your work.

We offer the following observations and suggestions to enhance your organization's demonstrated adherence to *Government Auditing Standards (GAS)*:

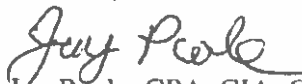
- GAS 7.30 indicates that auditors should use certain language that illustrates their compliance with GAS. It also indicates that, when auditors do not comply with all applicable GAS requirements, they should include a modified GAS statement in their report. While your office consistently noted that it had not yet met the peer review requirement, in several instances it did not reference the remainder of the compliance statement and in one case omitted it in its entirety.

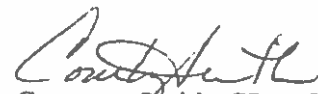
Now that your office has successfully completed its initial peer review, we recommend that all audits include the complete compliance paragraph. If future circumstances require a compliance modification, the modification should be included along with the remainder of the full compliance paragraph.

- GAS 3.76 requires individual auditors to complete at least 80 hours of continuing professional education (CPE) in a two-year period, and suggests that auditors complete at least 20 hours each year. We noted that one staff member met the 80-hour requirement over the two-year period but did not meet the 20-hour requirement in one of those years.

We recommend that all audit staff who participate on GAGAS audit projects obtain at least 20 hours of CPE each year, to help ensure that staff completes the required training as expeditiously as possible.

Sincerely


Jay Poole, CPA, CIA, CFE, CGMA
City Auditor
Chesapeake, VA


Courtney Smith, CPA, CIA, CFE
City Auditor
Houston, TX



TO: Association of Local Government Auditors Peer Review Team
Jay Poole, CPA, CIA, CFE, CGMA Courtney Smith, CPA, CIA, CFE
City Auditor City Auditor
Chesapeake, VA Houston, TX

FROM: Ty Elliott, City Internal Auditor

DATE: July 26, 2018

SUBJECT: City of College Station Internal Audit Office External Quality Control Review

Thank you for performing the City of College Station Internal Audit Office's external quality control review for the period October 1, 2015 through October 31, 2017. We appreciate your opinion that our audit quality control system complied with *Government Auditing Standards*. We also value the suggestions that you provided to help us excel and improve the quality of our audit process. Our responses to the recommendations contained in the management letter are as follows:

Recommendation: "Now that your office has successfully completed its initial peer review, we recommend that all audits include the complete compliance paragraph. If future circumstances require a compliance modification, the modification should be included along with the remainder of the full compliance paragraph."

Response: *We concur and will include the complete compliance paragraph in all future audits. If future circumstances require a compliance modification, the modification will be included along with the remainder of the full compliance paragraph.*

Recommendation: "We recommend that all audit staff who participate on GAGAS audit projects obtain at least 20 hours of CPE each year, to help ensure that staff completes the required training as expeditiously as possible."

Response: *We concur and will ensure that all audit staff who participate on GAGAS audit projects obtain at least 20 hours of CPE each year.*

It was a pleasure working with a knowledgeable and skilled review team during this external quality review.

Sincerely,

CIA, CFE, CGAP
City Internal Auditor
City of College Station, TX

TY ELLIOTT
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Nate Sharp

