



Association of Local Government Auditors

November 8, 2006

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Alexis Dow, Metro Auditor
Office of the Auditor
600 Northeast Grand Avenue
Portland, Oregon 97232-2736

Dear Ms. Dow,

We have completed a peer review of the Metro Auditor for the period June 1, 2004 through October 31, 2006 and issued our report thereon dated November 8, 2006. 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:

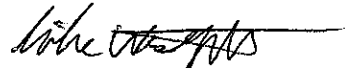
- This peer review is the fourth for the Metro Auditor, an achievement that demonstrates a consistent commitment to professionalism and quality.
- Metro Auditor's dedication to staff training and development represents a strong investment in the quality of the work. We observed that all staff had achieved full compliance with Government Auditing Standards' continuing education requirements.
- The audit response template used to capture the views of responsible officials provides a useful tool to organize the key comments. In particular, the final item on the form—a request for the respondent to consider how he or she will prevent a repetition of the original finding—is an innovation we have not seen before.
- We noted that your communications on audit results, including audit reports as well as your annual *Metro Audit Report* and *Status of Audit Recommendations* provided clear, concise, and useful information to the full range of potential audiences.
- The routine approach of including observations of effective controls provides balance and perspective to the audit results.

We offer the following observations and suggestions to enhance your organization's demonstrated adherence to government auditing standards:

- Ensure that audit reports prepared by consultants include reference to compliance with *Government Auditing Standards*, or disclose which applicable standards were not followed and why. This requirement of the *Standards* is included in the Office of the Auditor's *Policies and Procedures Manual*, and was met in all in-house audit reports in our review. However, the standard was not met in the report of an audit conducted under contract to the Office that we reviewed.
- Office of the Auditor's *Policies and Procedures Manual* might be strengthened by adding guidance on the Office of the Auditor's standards for reporting timeliness. All other report quality elements from the *Government Auditing Standards* are included in the *Manual* except references to timeliness.

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

Sincerely,



Mike Westfall, CPA, CFE
Assistant Director
Office of Internal Audit
Chesterfield County, Virginia



Colleen G. Waring, CIA, CGAP
Deputy City Auditor
Office of the City Auditor
Austin, Texas



METRO

AUDITOR

ALEXIS DOW, CPA

November 13, 2006

To the Metro Council and citizens of the Metro region:

The accompanying report covers the external quality control review of Metro Auditor operations. Professional standards require such a peer review of auditor operations every three years. This was the fourth successful review of the Metro Auditor Office since its inception in 1995, an achievement that demonstrates a consistent commitment to professionalism and quality. Previous peer reviews were completed in 1998, 2001 and 2004.

Auditors affiliated with the Association of Local Government Auditors conducted the review to determine whether the Metro Auditor Office complied with Government Auditing Standards. Their complete report is attached.

The peer reviewers concluded that the Metro Auditor Office complied with government auditing standards in the performance of its work. They recognized the Metro Auditor's dedication to staff training and development, which represents a strong investment in the quality of work. In addition, they recognized our innovative audit response template and communication of audit results, which provide clear, concise and useful information to the full range of potential audiences.

I am happy to receive a positive report from the peer reviewers, which reflects the Metro Auditor Office's commitment to the high standards of the auditing profession.

Very truly yours,

A handwritten signature in cursive script that reads "Alexis Dow".

Alexis Dow, CPA
Metro Auditor