



External Quality Control Review

of the
Office of the Metro Auditor
Portland, OR

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

for the period November 1, 2009 to October 31,
2012



Association of Local Government Auditors

December 7, 2012

Suzanne Flynn, Metro Auditor
600 NE Grand Avenue
Portland, OR 97232-2736

Dear Ms. Flynn,

We have completed a peer review of the Office of the Metro Auditor for the period November 1, 2009 to October 31, 2012. 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 your office's written policies and procedures.
- Reviewing your office's internal monitoring procedures.
- Reviewing a sample of your office's completed audits and the associated working papers.
- Reviewing documents related to independence, training, and development of your office's staff.
- Interviewing members of your office 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 Office of the Metro 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 November 1, 2009 to October 31, 2012.

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

David G. Jones
Seattle City Auditor

Richard L. Springsteen
Dallas/Fort Worth International Airport



Association of Local Government Auditors

December 7, 2012

Suzanne Flynn, Metro Auditor
600 NE Grand Avenue
Portland, OR 97232-2736

Dear Ms. Flynn,

We have completed a peer review of the Office of the Metro Auditor for the period November 1, 2009 through October 31, 2012, and issued our report thereon dated December 7, 2012. We are issuing this companion letter to offer certain observations and a suggestion based on our peer review.

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

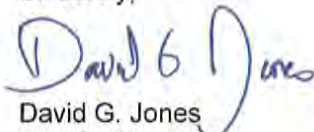
- Your office produces insightful, well-written audit reports as evidenced by the two Association of Local Government Auditors Knighton awards that it received for its 2009 report *Oregon Zoo Construction* and the 2011 report *Large Contract Administration*.
- You have developed and implemented a thoughtful, well-designed set of policies and procedures in accordance with the 2011 revised *Government Auditing Standards* to guide the office's operations and to help ensure that it produces high quality products.
- You have hired talented staff with diverse backgrounds that are well equipped to produce high quality audit reports on a variety of topics.
- The *Supervisory Log* working paper clearly evidences your oversight of audit projects and provides a summarized record of the audit teams' considerations and approach.

We offer the following observation and suggestion to further enhance your organization's demonstrated adherence to *Government Auditing Standards (GAS) 2011 Revision*:

- GAS Standard 3.02 states in all matters relating to the audit work, the audit organization and the individual auditor, whether government or public must be independent. GAS Standard 3.59 states in part that documentation of independence considerations provides evidence of the auditor's judgments in forming conclusions regarding compliance with independence requirements. In reviewing the Office's work papers, we observed that the individual designated as the Independent Reviewer is not required to sign the Independence Statement. We recommend that the Independent Reviewer sign the Independence Statement for each audit report.

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

Sincerely,


David G. Jones
Seattle City Auditor


Richard L. Springsteen
Dallas/Fort Worth International Airport



Suzanne Flynn
Metro Auditor

600 NE Grand Ave
Portland, OR 97232-2736
TEL 503 797 1892, FAX 503 797 1831

December 7, 2012

David G. Jones
Peer Review Team Leader
Seattle City Auditor

Richard L. Springsteen
Dallas/Fort Worth International Airport

Dear Mr. Jones and Mr. Springsteen:

I have reviewed the report of December 7, 2012 containing the results of your review of my office's operations to determine if we comply with *Government Auditing Standards*. I am pleased that you have found our office in compliance with these standards. The Metro Code requires my office to comply with these standards, so I greatly value your work and this finding.

I observed that you reviewed our policies, procedures and practices thoroughly and therefore, believe your comments to be accurate and valuable. I appreciated the opportunity to hear your feedback and suggestions. I especially appreciated your recognition of the quality of our work, the talent of my staff and my involvement in all aspects of the audit process.

I am glad that you have brought to my attention an oversight in our audit procedures and practice. You suggested that we require the Independent Reviewer for each audit report sign the Independence Statement. I will immediately revise our Policies and Procedures and implement this practice.

Thank you for volunteering to participate with the Association of Local Government Auditors in the Peer Review Program. I appreciate your time and dedication to this effort.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Suzanne Flynn'.

Suzanne Flynn
Metro Auditor
