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# External Quality Control Review

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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 2012 to October 31, 2015

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## Association of Local Government Auditors

December 10, 2015

Brian Evans, Metro Auditor  
600 NE Grand Avenue  
Portland, OR 97232-2736

Dear Mr. Evans,

We have completed a peer review of the Office of the Metro Auditor for the period November 1, 2012 to October 31, 2015. 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 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 audit engagements during the period November 1, 2012 to October 31, 2015.

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

  
Eileen Donahue  
City of Glendale, CA

  
Leif Engstrom  
City of Albany, NY



## Association of Local Government Auditors

December 10, 2015

Brian Evans, Metro Auditor  
600 NE Grand Avenue  
Portland, OR 97232-2736

Dear Mr. Evans,

We have completed a peer review of the Office of the Metro Auditor for the period November 1, 2012 to October 31, 2015 and issued our report thereon dated December 10, 2015. 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:

- New employee orientation that provides an opportunity for employees to learn and become familiar with your policies and procedures.
- Development of extensive documentation on all aspects of the audit work performed and demonstration of professional judgments.
- Commitment to continuing education training for all employees.

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

- Standard 6.11e requires that auditors assess audit risk and significance by gaining an understanding of ongoing investigations or legal proceedings within the context of the audit objectives. We observed that the Office's work papers do not include evidence to support that the auditor's assessment of audit risk include gaining an understanding of the ongoing investigations and legal proceedings within the context of the audit objectives and the Office's policies do not address this requirement.

We recommend that audit documentation and policies and procedures include the assessment of audit risk by gaining an understanding of ongoing investigations or legal proceedings within the context of the audit objectives.

- Standard 6.35 states when investigations or legal proceedings are initiated or in process, auditors should evaluate the impact on the current audit. The policies and procedures do not address the process for complying with requirements regarding investigations or legal proceedings that are initiated or in process that may impact the current audit.

We recommend that policies and procedures be developed to include the evaluation of investigations or legal proceedings that are initiated or in process regarding the impact of the current audit.

Sincerely,

  
Eileen Donahue  
City of Glendale, CA

  
Leif Engstrom  
City of Albany



**Brian Evans**  
**Metro Auditor**

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

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December 10, 2015

Eileen Donahue, Internal Audit Manager  
City of Glendale  
Peer Review Team Leader

Leif C. Engstrom, Chief City Auditor  
City of Albany

Dear Ms. Donahue and Mr. Engstrom:

I have reviewed the report of December 10, 2015 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 effectiveness of new employee orientation, quality of audit documentation, and commitment to continuing professional education.

I am glad that you have brought to my attention an oversight in our audit procedures and practice. You suggested that we assess the impact of ongoing investigations or legal proceedings related to our audit objectives. 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 black ink, appearing to read "Brian Evans".

Brian Evans  
Metro Auditor

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