BPS
Agenda Item No. 1(F)1

BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

MEMORANDUM

TO: Honorable Chairman Dennis C. Moss, and
Members, Board of County Commissioners

FROM: Charles Anderson
Commission Auditor

DATE: June 9, 2009

SUBJECT: Office of the Commission Auditor Peer Review

We are pleased to report that, during the week of May 18, 2009, a peer review team from the Association of Local Government Auditors (ALGA) found the Office of the Commission Auditor (OCA) to be in full compliance with Government Auditing Standards, which are established by the Comptroller General of the United States.

The enclosed report, "External Quality Control Review of the Office of the Commission Auditor, Miami-Dade Board of County Commissioners," includes three components.

- The opinion letter. It expresses "reasonable assurance of compliance with Government Auditing Standards." This is ALGA's standard "full compliance" letter, verbatim.

- The companion letter (a.k.a. management letter). This letter compliments OCA in several areas and offers suggestions to further enhance OCA's audits and attestation engagements.

  - Among noteworthy comments, the letter specifically mentioned that "OCA is committed to developing a top auditing organization and is very receptive to improving its processes to ensure compliance with Government Auditing Standards."

- OCA's response letter. In it, we indicate that we concur with and will implement the peer review's recommendations.

In accordance with generally accepted government auditing standards (GAGAS), as a result of completion of the peer review, OCA is eligible to use an unmodified GAGAS compliance statement in its audit and attestation engagement reports. Continued compliance with GAGAS will require that OCA's next peer review occur in approximately three (3) years.

We thank the Board for their continued support.

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External Quality Control Review

of the
Office of the Commission Auditor
Miami-Dade Board of County Commissioners

Conducted in accordance with guidelines of the
Association of Local Government Auditors
for the period
October 1, 2006 through September 30, 2008

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Association of Local Government Auditors

May 22, 2009

Mr. Charles Anderson, CPA
Commission Auditor
Miami-Dade Board of County Commissioners
111 N.W. First Street, Suite 1030
Miami, Florida 33128-1963

Dear Mr. Anderson,

We have completed a peer review of the Office of the Commission Auditor, Miami-Dade County Board of County Commissioners, for the period October 1, 2006 to September 30, 2008. In conducting our review, we followed standards and guidelines in the Peer Review Guide published by the Association of Local Government Auditors.

We reviewed your organization's internal quality control system 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. 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 Commission 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 October 1, 2006 to September 30, 2008.

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

Mike Edmonds, CIA
Team Leader

Brent Godshalk, CPA, CFE
City of Gainesville, Florida

Dan Sooker, CPA, CFE
South Florida Water
Management District

Association of Local Government Auditors

May 22, 2009

Mr. Charles Anderson, CPA
Commission Auditor
Miami-Dade Board of County Commissioners
111 N.W. First Street, Suite 1030
Miami, Florida 33128-1963

Dear Mr. Anderson,

We have completed a peer review of the Office of the Commission Auditor (OCA), Miami-Dade County, for the period October 1, 2006 through September 30, 2008 and issued our report dated May 22, 2009. 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:

- OCA is committed to developing a top auditing organization and is very receptive to improving its processes to ensure compliance with Government Auditing Standards.
- OCA's policies and procedures are well-written and fully address compliance with Government Auditing Standards.
- Staff is well-qualified and most have advanced degrees and/or professional certifications.
- Reports are concise and well-written.

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

Observation #1: Section 3.46 of Government Auditing Standards states "Auditors performing work under Government Auditing Standards should maintain their professional competence through continuing professional education (CPE)." Government Auditing Standards require that auditors obtain, at least 80 hours of CPE every two years and at least 20 hours of CPE each year within the two year period. Furthermore, auditors must obtain at least 24 hours of CPE that directly relates to the government auditing environment. Government Auditing Standards Guidance on Continuing Professional Education states that the audit organization is responsible for maintaining documentation of CPE hours completed by each auditor subject to the CPE requirements. Although OCA staff satisfied the CPE requirements, our review noted that appropriate documentation for CPE courses attended was not always available.

Recommendation #1: We suggest that OCA develop and implement a written procedure to ensure that appropriate documentation for CPE courses taken is properly maintained.

Observation #2: Section 8.30 of Government Auditing Standards states that when auditors comply with applicable requirements, they should use specified language in the audit report to indicate they performed the audit in accordance with Government Auditing Standards. We noted inconsistent application of this standard in several of the audit files we reviewed.

Recommendation #2: We suggest that OCA management include prescribed language in each audit report performed in accordance with Government Auditing Standards.

Observation #3: Section 7.80c of Government Auditing Standards states that auditors should document evidence of supervisory review, before the audit is issued, of the work performed that supports findings, conclusions and recommendations contained in the audit report. Some of the audit files we reviewed did not adequately document supervisory review processes until after the audit report was issued.

Recommendation #3: We suggest that OCA management improve the process of documenting supervisory review occurring during the audit phases and at completion of the draft report phase. Staff may want to consider establishing a workpaper requirement to document significant discussions between supervisory and audit staff.

Observation #4: Section 3.54 of Government Auditing Standards states "Audit organizations should summarize the results of its monitoring procedures at least annually, with identification of any systematic issues needing improvement, along with recommendations for corrective action. Our review noted that OCA has not established a procedure for summarizing its monitoring procedures at least annually.

Recommendation #4: We suggest that OCA develop a written procedure for summarizing the results of its monitoring procedures at least annually, to identify any systematic issues needing improvement, along with recommendations for corrective action.

Observation #5: Section A8.02 of Government Auditing Standards provides supplemental guidance to assist auditors in developing and writing audit reports. The guidance indicates that timely issuance of audit reports is an important goal for auditors and that the evidence provided in the report is more helpful if it is current. We noted instances where significant time lapses occurred between completion of fieldwork and issuance of the draft audit report.

Recommendation #5: We suggest that OCA management reference report timeliness in their policies and procedures manual and consider documenting the causes of significant delays in the audit workpapers.

Sincerely,

Mike Edmonds, CIA
Team Leader

Brent Godshalk, CPA, CFE
City of Gainesville, Florida

Dan Sooker, CPA, CFE
South Florida Water
Management District

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Charles Anderson, CPA
Commission Auditor

May 21, 2009

Mr. Mike Edmonds, CIA
Mr. Brent Godshalk, CPA, CFE
Mr. Dan Sooker, CPA, CFE

RE: PEER REVIEW AND MANAGEMENT LETTER RESPONSE

Thank you for participating in the Association of Local Government Auditors (ALGA) Peer Review of the Miami-Dade County Office of the Commission Auditor. We greatly appreciate your time and the expertise that you brought to this endeavor.

We are pleased that your review found the Office of the Commission Auditor to be in full compliance with *Government Auditing Standards* (GAS). As the first peer review that this audit organization has undergone, your input throughout the review has proven to be an invaluable, quality enhancing asset for our staff. The extensive preparations involved and the ALGA Peer Review Guide's emphasis on standards were particularly valuable in our recently completed update to our Policies and Procedures Manual. Your recognition of our commitments to building a high quality audit organization and to our development of GAS-compliant policies and procedures is appreciated.

We concur with and will implement your recommendations in the management letter. Your examples on ways to enhance our documentation of compliance with standards and on how to incorporate some of the newer GAS standards into our procedures will be particularly helpful.

Our entire staff found the peer review to be a valuable and constructive process. We greatly appreciate the professionalism that you displayed and the insights that you shared with us from your experiences.

Thank you again for participating in our peer review.

Charles Anderson, CPA
Commission Auditor

STEPHEN P. CLARK CENTER · 111 N.W. FIRST STREET · SUITE 1030 · MIAMI, FLORIDA 33128-1994
TEL. (305) 375-4354 · FAX (305) 375-3096