



External Quality Control Review

of the
Audit Services Division
Auditor's Office
Clark County, Washington

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**
for the period July 1, 2016 through June 30, 2019



Association of Local Government Auditors

September 19, 2019

Mr. Greg Kimsey, County Auditor
Mr. Larry Stafford, Audit Services Manager
Audit Services Division
Clark County Washington Auditor's Office
1300 Franklin Street
Vancouver, WA 98666-5000

Dear Messrs. Kimsey and Stafford,

We have completed a peer review of the Clark County Auditor's Office, Audit Services Division, Clark County Washington, for the period July 1, 2016 through June 30, 2019. 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, non-audits, 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 Clark County Audit Services Division'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 July 1, 2016 through June 30, 2019.

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

Hannah Morgan, CIA
Team Leader
Performance Audit Manager
City Auditor's Office
City of Long Beach, CA

Craig Hunt, CPA
Team Member
Principal Auditor
Multnomah County Auditor's Office
Multnomah County, OR



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Mr. Larry Stafford, Audit Services Manager
Audit Services Division
Clark County Washington Auditor's Office
1300 Franklin Street
Vancouver, WA 98666-5000

Dear Messrs. Kimsey and Stafford,

We have completed a peer review of the Clark County Auditor's Office, Audit Services Division, Clark County Washington, for the period July 1, 2016 through June 30, 2019 and issued our report thereon dated September 19, 2019. 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:

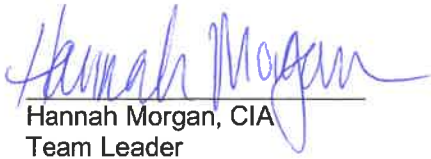
- ❖ Professional staff who are knowledgeable of the Office's policies and procedures as well as auditing standards.
- ❖ Very strong internal and external communication, particularly shown in the message agreement workpaper, frequent meetings between staff, and well written reports.
- ❖ Strong audit planning procedures and documentation, shown through the use of the assignment planning checklist, work plan, scope plan, and design matrix workpapers.

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

- ❖ GAS 3.34 states *Before an auditor agrees to provide a nonaudit service to an audited entity, the auditor should determine whether providing such a service would create a threat to independence, either by itself or in aggregate with other nonaudit services provided, with respect to any GAGAS audit it performs.* We found that a list of non-audit services (internal control reviews) were attached to the staff's annual independence statements. This independence statement does ask if auditors are, in fact or in appearance, independent related to the past year's audit work and the upcoming year's nonaudits (internal control reviews). However, the independence statement does not walk the auditors through the consideration in GAS 3.34 about the effect of the nonaudits on the independence for audits. We recommend that for future nonaudit services the Audit Services Division fill out the ALGA non-audit service checklist annually to document their assessment of these factors. This would provide an opportunity to adjust for any changes to internal control review objectives, scope, or methodology between years.

We extend our thanks to you, your staff and the other county officials we met for the hospitality and cooperation extended to us during our review.

Sincerely,



Hannah Morgan, CIA
Team Leader
Performance Audit Manager
City Auditor's Office
City of Long Beach, CA



Craig Hunt, CPA
Team Member
Principal Auditor
Multnomah County Auditor's Office
Multnomah County, OR

AUDITOR
Greg Kimsey



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CLARK COUNTY
WASHINGTON

September 19, 2019

Hannah Morgan
Performance Audit Manager
City Auditor's Office
City of Long Beach, CA

Craig Hunt
Principal Auditor
Multnomah County Auditor's Office
Multnomah County, OR

Dear Ms. Morgan and Mr. Hunt,

Thank you for your thorough review of the Audit Services Division of the Clark County Auditor's Office for July 2016 to June 2019. We are pleased you found our quality control system to be effective and that our work was conducted in full compliance with Generally Accepted Government Auditing Standards.

We appreciate you identified that our office excels in audit planning, communication, and reporting. These comments reflect our goals to help improve Clark County government and inform citizens.

We also appreciate your observations and suggestions to further enhance our adherence to Government Auditing Standards. We will incorporate ALGA's updated non-audit service checklist into our annual assessment of independence. This will clarify the intent of that evaluation and assist future peer review teams.

Thank you both for taking the time to participate in this peer review. The insights you've shared will be valuable as we continue to improve our operations.

Sincerely,

Larry Stafford
Audit Services Manager