



---

# 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 2010 through June 2013

---



## Association of Local Government Auditors

June 20, 2013

Greg Kimsey, County Auditor  
Linda Bade, Operations Manager, Audit Services  
Auditor's Office  
Clark County, Washington

Dear Mr. Kimsey and Ms. Bade:

We have completed a peer review of the Clark County Auditor's Office, Audit Services unit for the period July 2010 through June 2013. 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 Clark County's Audit Services unit's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for performance audits during the period July 2010 through June 2013.

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

Kristine Adams-Wannberg  
City of Portland, OR

Eileen Donahue  
City of Glendale, CA



## Association of Local Government Auditors

June 20, 2013

Greg Kimsey, County Auditor  
Linda Bade, Operations Manager, Audit Services  
Auditor's Office  
Clark County, Washington

Dear Mr. Kimsey and Ms. Bade:

We have completed a peer review of the Clark County Auditor's Office, Audit Services unit for the period July 2010 through June 2013 and issued our report thereon dated June 20, 2013. 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 does well:

- Qualified and professional staff, some with years of experience
- Development of high impact, quality audit reports
- Awareness of independence issues

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

Standard 3.76 requires that auditors performing work in accordance with GAGAS, including planning, directing, performing audit procedures, or reporting on an audit conducted with GAGAS should maintain their professional competent through continuing professional education. The standard further states that auditors should obtain 80 hours of CPE in every 2-year period. In our review we found that the former Finance Director did not obtain sufficient hours to comply with the standards. We recommend that all auditors involved with GAGAS work, even those in management positions, since they plan and direct audit work, obtain the required CPE hours.

Standard 3.34 – 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 the aggregate with other nonaudit services provided, with respect to any GAGAS audit it performs. This did not occur in the non-audit service we reviewed. We recommend that the evaluation occur for each non-audit service and be carefully documented.

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

Sincerely,

A handwritten signature in blue ink, reading "Kristine Adams-Wannberg". The signature is written in a cursive style with a large initial 'K'.

Kristine Adams-Wannberg  
City of Portland, OR

A handwritten signature in blue ink, reading "Eileen Donahue". The signature is written in a cursive style with a large initial 'E'.

Eileen Donahue  
City of Glendale, CA



proud past, promising future

CLARK COUNTY  
WASHINGTON

AUDITOR  
Greg Kimsey

June 20, 2013

Ms. Kristine Adams-Wannberg  
Auditor's Office  
City of Portland, Oregon

Dear Ms. Adams-Wannberg,

I would like to express our appreciation for the peer review work performed over our county's auditing function for the period of July 2010 through June 2013. We were pleased that you found no significant weaknesses in our auditing practices or in our quality control system designed to ensure compliance with *Government Auditing Standards*.

I am also pleased that the peer review team spoke directly to the high quality of our people and our audit reports. Our audit team strives for high impact reporting. They exhibit a great deal of professionalism in doing their work and interacting with county departments and staff. Your acknowledgement is appreciated.

We will be incorporating the peer review team's recommendations to strengthen our internal quality control system. We agree that each member of the team, including management who participate in planning and reporting on audit work, should meet the continuing education standards provided by *Government Auditing Standards*.

We appreciate the steps the peer review team took to understand that a portion of our work better meets the definition of "other." We will be updating our procedures and processes to reflect the nature of that work. We will continue to assess our independence for both non-audit and other work and strive to better document those assessments.

We wish to thank you and fellow auditor, Eileen Donahue, for your professionalism and openness in performing this peer review. We appreciated your insights and perspective regarding standards implementation and learned a great deal during the short week you were here.

Sincerely,

  
Greg Kimsey  
Clark County Auditor