



CITY AUDITOR

7447 E. Indian School Rd, Suite 205
Scottsdale, AZ 85251

PHONE 480-312-7756
WEB ScottsdaleAZ.gov
INTEGRITY LINE 480-312-8348

October 5, 2021

Honorable Mayor and City Council Members:

Attached is the report resulting from the external peer review of my Office, which was completed on October 1, 2021. The Association of Local Government Auditors (ALGA) assigned the team of Tenzin Gonta, Performance Auditor III for the City of Portland, Oregon, and Ty Elliott, City Auditor for the City of College Station, Texas, to conduct the review.

I am pleased to report that the external peer review team determined that my Office was in full compliance with *Government Auditing Standards* during the three years reviewed, January 2018 through December 2020.

The City Charter and Scottsdale Revised Code both require the City Auditor to follow generally accepted government auditing standards. To comply with these standards, external peer reviews are required once every three years. A peer review evaluates whether the Office has a quality control system that is both suitably designed and effectively operating to provide reasonable assurance of compliance with these standards.

This report also includes the peer review team's management letter, which comments that my Office excels in its quality control, risk and internal control assessment and productivity, and my response to the review team.

If you have any questions regarding this report, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Sharron Walker".

Sharron E. Walker, CPA, CFE, CLEA
City Auditor



External Quality Control Review

of the
City Auditor's Office
Scottsdale, Arizona

Conducted in accordance with guidelines of the
Association of Local Government Auditors
for the period January 1, 2018 through December 31, 2020



Association of Local Government Auditors

October 1, 2021

Sharron Walker, CPA, CFE
City Auditor
City Auditor's Office
7447 E. Indian School Road, Suite 205
Scottsdale, AZ 85251

Dear Ms. Walker,

We have completed a peer review of the City Auditor's Office of Scottsdale, Arizona, for the period January 1, 2018 through December 31, 2020. In accordance with generally accepted government auditing standards peer review requirements, 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 was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States and applicable legal and regulatory requirements. Our procedures included:

- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of audit and attestation engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff, management, and members of the Audit Committee 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. Organizations can receive a rating of pass, pass with deficiencies, or fail. The City Auditor's Office has received a rating of pass.

Further, based on the results of our review, it is our opinion that the City Auditor's Office's internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* and applicable legal and regulatory requirements for audits and attestation engagements during the review period of January 1, 2018 through December 31, 2020.

Tenzin Gonta
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Date: 2021.10.04 08:40:43 -07'00'

Tenzin Gonta, CIA
Performance Auditor III
City of Portland

Ty Elliott
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Ty Elliott, CIA, CGAP, CFE
City Auditor
City of College Station



Association of Local Government Auditors

October 1, 2021

Sharron Walker, CPA, CFE
City Auditor
City Auditor's Office
7447 E. Indian School Road, Suite 205
Scottsdale, AZ 85251

Dear Ms. Walker,

We have completed a peer review of the City Auditor's Office of Scottsdale, Arizona, for the period January 1, 2018 through December 31, 2020 and issued our report thereon dated October 1, 2021. 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:

- **Quality Control:** The City Auditor's Office's Policies and Procedures Manual is well-constructed, relating quality control procedures to applicable Government Auditing Standards. Workpapers contain extensive evidence of appropriate supervisory interaction and review. The combination of written guidance and engaged oversight results in well-organized audit evidence supporting audit report contents.
- **Risk and Internal Control Assessment:** The City Auditor's Office effectively evaluates risk and internal controls to identify audit objectives; applies well-designed procedures in fieldwork; and integrates this approach throughout planning, fieldwork, and reporting.
- **Audit Work Productivity:** The City Auditor's Office efficiently produces quality audit work. The ability to recruit and retain experienced, qualified staff; use contracted specialists; and standardize audit processes has contributed to this efficiency.

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

Sincerely,

Tenzin Gonta

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Date: 2021.10.04 08:39:17 -07'00'

Tenzin Gonta, CIA
Performance Auditor III
City of Portland

Ty Elliott

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DN: cn=Ty Elliott, o=City of College Station, ou=City Internal Auditor, email=te Elliott@csbx.gov, c=US
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Ty Elliott, CIA, CGAP, CFE
City Auditor
City of College Station



CITY AUDITOR

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October 1, 2021

Ms. Tenzin Gonta
Mr. Ty Elliott

Thank you for performing the external quality control review of the Scottsdale City Auditor's Office. We value our continued compliance with Government Auditing Standards, and I appreciate your conclusion that our quality control system was designed and operating effectively during the period January 1, 2018, through December 31, 2020.

As well, thank you for recognizing the role that our quality control system and risk and internal control assessment practices play in the consistency and high quality of our work. I heartily agree that my experienced, qualified staff are key to achieving this level of audit results.

I realize you dedicated a significant amount of time to conducting this review. I thank you for your professionalism and thoroughness in carrying out these responsibilities.

Sincerely,

A handwritten signature in blue ink that reads "Sharron Walker".

Sharron E. Walker, CPA, CFE, CLEA
City Auditor

cc: Ms. Corrie Stokes