



External Quality Control Review

of the
City of Chesapeake Audit
Services Department

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**



Association of Local Government Auditors

June 8, 2017

Jay Poole, City Auditor
City of Chesapeake Audit Services Department
306 Cedar Road, P. O. Box 15225
Chesapeake, VA 23328-5225

Dear Jay Poole,

We have completed a peer review of the City of Chesapeake Audit Services Department for the period April 1, 2014 to March 31, 2017. 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, 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.

Based on the results of our review, it is our opinion that the City of Chesapeake Audit Services Department's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits conducted during the period of April 1, 2014 to March 31, 2017.

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

Lori Brooks, CPA, CIA, CGAP, CRMA
Team Leader
City Auditor's Office
City of Arlington, TX

Bradford Smith, CFE, CICS
Team Member
Office of the City Auditor
City of Norfolk, VA



Association of Local Government Auditors

June 8, 2017

Jay Poole, City Auditor
City of Chesapeake Audit Services Department
306 Cedar Road, P. O. Box 15255
Chesapeake, VA 23328-5225

Dear Jay Poole,

We have completed a peer review of the City of Chesapeake Audit Services Department for the period April 1, 2014 to March 31, 2017 and issued our report thereon dated June 8, 2017. 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:

- The audit staff members are dedicated to adding value to the City through their audits
- The audit staff members are knowledgeable about *Government Auditing Standards* and how the standards are incorporated into the work they perform
- The Audit Services Department is respected and well received by the Audit Committee, which reflects on the professionalism and credibility of the entire staff

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

- Standard #6.83 requires that "auditors should document supervisory review, before the audit report is issued, of the evidence that supports the findings, conclusions, and recommendations contained in the audit report." In reviewing the audit work papers, we observed a number of work papers and supervisory reviews dated subsequent to the date of the audit report.

We recommend that work papers and supervisory reviews be completed in a timely manner in all instances.

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

Sincerely,

Lori Brooks, CPA, CIA, CGAP, CRMA
Team Leader
City Auditor's Office
City of Arlington, TX

Bradford Smith, CFE, CICS
Team Member
Office of the City Auditor
City of Norfolk, VA

Audit Services Department
306 Cedar Road
Post Office Box 15225
Chesapeake, Virginia 23328-5225
(757) 382-8511
Fax. (757) 382-8860

June 8, 2017

Ms. Lori Brooks
Team Leader
City Auditor, City of Arlington, TX
101 West Abram Street
Arlington, TX 76004

Dear Ms. Brooks,

We have reviewed the conditions and recommendation from your ALGA Peer Review Committee's external quality review of the City of Chesapeake Audit Services Department for audits conducted during the period April 1, 2014 to March 31, 2017. Enclosed is the response to your Management Comment. We plan to implement the recommendation.

Recommendation:

- Standard #6.83 requires that "auditors should document supervisory review, before the audit report is issued, of the evidence that supports the findings, conclusions, and recommendations contained in the audit report." In reviewing the audit work papers, we observed a number of work papers and supervisory reviews dated subsequent to the date of the audit report.

We recommend that work papers and supervisory reviews be completed in a timely manner in all instances.

Response:

Although we believe that the timeliness of workpaper completion improved towards the end of the peer review period, we concur that, overall, the workpapers need to be completed in a more timely fashion. To comply, we will move our completion deadlines forward. Furthermore, our Fiscal Year 2018 budget contains funding for an automated workpaper system, and we will pursue this aggressively.

Thank you and Brad again for your hard work, thoughtful insight, and valuable assistance on this peer review. Please call if you have questions

Sincerely



Jay Poole,
City Auditor
City of Chesapeake, Virginia

c:Bradford Smith,
Paul Geib