

City of Wilmington



MICHAEL S. PURZYCKI
Mayor

September 27, 2019

Steven Harper, Team Leader
Internal Auditor
Fulton County Schools
6201 Powers Ferry Road
Atlanta, GA 30339

Dear Steven,

We certainly value your participation in the Association of Local Government (ALGA) peer review program. The City of Wilmington, Auditor's office would like to express our gratitude of having the peer review team members, Steven Harper and Vivian Walker for the external quality control review of our audits conducted during the period of July 1, 2016 to June 30, 2019. The peer review team was very helpful in identifying improvements for our department and very professional with interacting with staff. We appreciate the sacrifices of time and travel to perform this review.

The peer review process helps us assess our internal control systems and our compliance with Government Auditing Standards (GAS). Having an independent external peer review confirms the Auditor's office is an organization with high ethics and integrity.

We appreciate the observations and suggestions shared in your letter dated September 26, 2019 and our responses are included below:

- 1) Standard 3.91 (5.22 2018 GAS revision) requires that audit organizations should establish policies and procedures for audit performance, documentation, and reporting that are designed to provide the audit organization with reasonable assurance that audits are performed and reports are issued in accordance with professional standards and legal and regulatory requirements.

In reviewing the office's policies and procedures, we observed that the policies and procedures manual did not reference all key requirements of GAS for planning, evidence, and reporting.

We recommend that the policies and procedures be revised to include all key requirements of GAS.

Response:

This recommendation will be implemented. We understand the importance of meeting the requirements of the standards as well as the importance of having policies and procedures that reflect the standards. We are in the process of updating our policies and procedures to reflect the 2018 Yellow Book revision. In the process, we will be sure to include references to all key requirements of GAS for planning, evidence, and reporting. We anticipate having all updates and revisions to the policies and procedures by December 31, 2019.

- 2) GAS 3.76 (4.16 2018 GAS revision) requires individual auditors to complete at least 80 hours of continuing professional education (CPE) in every 2-year period, with at least 24 of those hours directly related to government auditing, and at least 20 hours each year.

We noted three staff members had not completed the required hours of CPE during the measurement period of July 1, 2016 through June 30, 2018.

We recommend that all audit staff who participate on GAS audit projects obtain the required hours of training necessary to comply with GAS standards.

Response:

This recommendation will be implemented. We had made concerted efforts to get all staff members the required training. During the period that is deficient the department experienced a lot of staff transitioning which led to CPE hours being deficient. However, staff members with a certification did meet their annual 40 hour CPE reporting requirement for certification. After discussion with the peer review team the office plans to change from a fiscal year to a calendar year for CPE's. This will be consistent with the IIA requirements for reporting hours annually for certifications. The new reporting period will be documented in the revised policy and procedure manual.

- 3) Standard 6.66 (8.98 2018 GAS revision) requires that auditors should assess the sufficiency and appropriateness of computer-processed information regardless of whether this information is provided to auditors or auditors independently extract it.

In reviewing the office's workpapers, we found the auditors did not document that an assessment of computer-processed data had been performed.

We recommend the office updates its checklists to document evaluation of computer- processed information.

Response:

We will update our checklists to document evaluation of computer- processed information.

Sincerely,



Terence J. Williams
City Auditor

Cc. Tanya Washington, Chief of Staff, Mayors Office, Wilmington, Delaware
Marchelle Basnight, Chief of Staff, City Council
Mary Jo Emanuele, Audit Manager, Kansas City, Missouri