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# External Quality Control Review

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of the  
City of Wilmington's City Auditor's  
Office

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

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## Association of Local Government Auditors

September 26, 2019

Mr. Terence Williams  
City Auditor  
City of Wilmington  
800 N. French Street, 5<sup>th</sup> Floor  
Wilmington, Delaware 19801

Dear Mr. Williams,

We have completed a peer review of the City of Wilmington's City Auditor's Office 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 and non-audit service 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 the City of Wilmington's City Auditor's Office's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits 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.

  
Steven Harper  
Fulton County Schools

  
Vivian N. Walker  
City of Tampa



## Association of Local Government Auditors

September 26, 2019

Mr. Terence Williams  
City Auditor  
City of Wilmington  
800 N. French Street, 5<sup>th</sup> Floor  
Wilmington, Delaware 19801

Dear Mr. Williams,

We have completed a peer review of the City of Wilmington's City Auditor's Office for the period July 1, 2016 through June 30, 2019 and issued our report thereon dated September 26, 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:

- Your Charter was approved by the Delaware state legislature and clearly defines the authority and responsibilities of the office.
- The audit workpapers were very thorough in documenting the 1) nature and extent of audited programs and user needs; 2) design and implementation of internal controls; 3) legal, regulatory, contract, and grant provisions; and 4) results of previous audits.
- Your office's ongoing communication between management and staff maintains focus on project status and completion.

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

- 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.

- 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.

- 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.

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

Sincerely,

  
Steven Harper  
Fulton County Schools

  
Vivian N. Walker  
City of Tampa