



External Quality Control Review

of the
City of Shreveport Internal Audit
Office

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

for the period January 1, 2015, through December
31, 2015



Association of Local Government Auditors

March 3, 2016

Leanis L. Steward, CPA, CIA
City Internal Auditor
PO Box 31109
Shreveport, LA 71130-1109

Dear Ms. Steward,

We have completed a peer review of the City of Shreveport Internal Audit Office for the period of January 1, 2015, through December 31, 2015. 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 attestation 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 Shreveport Internal Audit Office's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits and attestation engagements during the period of January 1, 2015, through December 31, 2015.

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

Sharron E. Walker, CPA, CFE, CLEA
City Auditor
City of Scottsdale, AZ

Mark Coolidge, CPA, CIA
Senior Auditor
City of Miami Beach, FL



Association of Local Government Auditors

March 3, 2016

Leanis L. Steward, CPA, CIA
City Internal Auditor
PO Box 31109
Shreveport, LA 71130-1109

Dear Ms. Steward,

We have completed a peer review of the City of Shreveport Internal Audit Office for the period of January 1, 2015, through December 31, 2015, and issued our report thereon dated March 3, 2016. 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:

- well-qualified staff and your encouragement of their professional development, including attaining professional certifications
- focus on improvement, including the recent design and implementation of electronic workpapers

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

- Standard 3.76 requires that auditors should complete every two years at least 80 hours of continuing professional education (CPE). In reviewing CPE records, we noted that one of your seven staff did not meet this requirement because some reported hours did not qualify as continuing professional education.

We suggest putting into place interim monitoring reviews to ensure all staff complete the required CPE hours each year.

- Standards 6.06 – 6.27 require certain elements to be assessed in planning a performance audit and used in designing audit procedures to be performed. We also noted that the Internal Audit Office's procedures similarly require that audit objectives and procedures be based on areas of greatest risk or potential significance. In reviewing selected audits' working papers, we observed this process was not clearly documented.

We suggest developing a risk assessment working paper that clearly documents the link between risks identified during the planning of the audit and the subsequent audit procedures designed to meet the audit objective.

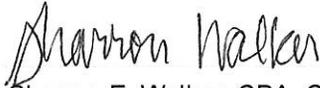
- Standards 3.34, 3.59 and related sections require an assessment of whether a nonaudit service would create an independence threat on any audit performed under generally accepted government auditing standards, either by itself or in the aggregate, be completed using the Conceptual Framework. For one nonaudit service (hotline allegation) with a related performance audit, although

no independence threat was apparent, the working papers did not contain documentation of such an assessment.

We suggest ensuring that the auditor's assessment of the impact of nonaudit services on any audit performed under generally accepted government auditing standards be documented. This assessment may be incorporated into the existing policy and procedures applying to nonaudit services-hotline allegations or within the individual audit's working papers.

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,



Sharron E. Walker, CPA, CFE, CLEA
City Auditor
City of Scottsdale, AZ



Mark Coolidge, CPA, CIA
Senior Auditor
City of Miami Beach, FL



The Council
City of Shreveport

Leanis L. Steward, CPA, CIA
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March 3, 2016

Sharron E. Walker, CPA, CFE, CLEA
City Auditor
City of Scottsdale, AZ

Mark Coolidge, CPA, CIA
Senior Auditor
City of Miami Beach, FL

Dear Ms. Walker and Mr. Coolidge:

On behalf of the City of Shreveport Internal Audit Office, I would like to thank both of you for conducting the independent peer review coordinated through the Association of Local Government Auditors (ALGA). I am pleased that the peer review team concluded that the City of Shreveport Internal Audit Office is in full compliance with *Government Auditing Standards*.

This is the first time our office has undergone an ALGA peer review, and the experience has been of great benefit and value. We appreciate the team reporting on those areas that we excelled, as well as offering suggestions for those areas that will improve documentation compliance. We agree with your suggestions, and will implement the following:

Standard 3.76: We will establish monitoring procedures to ensure auditors are completing acceptable CPE to comply with government auditing standards.

Standards 6.06-6.27: We will develop a risk assessment work paper that clearly documents the link between the planning phase and the related audit procedures that meet the audit objective.

Standards 3.34, 3.59: We will revise our policies and procedures for fraud hotline allegations to document the auditor's assessment of the independence threat for this activity overall on any audit performed under government auditing standards.

We appreciate the thorough work of the peer review team and the professionalism demonstrated. The assistance you provided will help to improve our audit process.

Sincerely,

Leanis L. Steward, CPA, CIA
City Internal Auditor



The Association of Local Government Auditors
Awards this

Certificate of Compliance

to

*City of Shreveport, Louisiana
Internal Audit Office*

Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audit and attestation engagements during the period January 1, 2015 through December 31, 2015.

Matt Weller
ALGA Peer Review Committee Chair

Kymber Waltmunson
ALGA President