



# CITY OF ORLANDO

---

## MEMORANDUM

To: The Honorable Buddy Dyer, Mayor

From: Beryl H. Davis, Director  
Office of Audit Services and Management Support

Date: February 8, 2008

Subject: External Quality Control Review of the Office of Audit Services and  
Management Support

**The Office of Audit Services and Management Support has received an external quality control review for audits issued during the period January 1, 2005 to December 31, 2007.** This review was conducted under the standards and guidelines published by the Association of Local Government Auditors (ALGA) in the *Peer Review Guide*. As prescribed by the guide, the review team assessed the internal quality control system of the Office and tested a sample of audits for compliance with Government Auditing Standards issued by the Comptroller General of the United States. City Policies and Procedures state that our audits will be conducted according to these standards.

Attached is the report of the review team, which was made up of auditors from two peer local governments. **The team concluded that the system of internal quality control in the Office of Audit Services and Management Support is suitably designed and operating effectively to provide reasonable assurance that the applicable standards are followed.** These standards pertain to the auditor's professional qualifications, the quality of the audit effort, and the characteristics of professional and meaningful audit reports.

The review team commended the Office for its qualified and experienced staff and its organized, thorough and consistent working papers. The review team also made one recommendation to enhance our quality control system. Our response to this recommendation is included in the attachments. We will make every effort to improve our processes to ensure that we continue to provide quality service to the City of Orlando.

BHD/am

Attachment

c: City Commissioners  
Audit Board Members  
Byron W. Brooks, Chief Administrative Officer  
Joseph M. Robinson, Chief of Staff  
Mayanne Downs, City Attorney  
Rebecca W. Sutton, Chief Financial Officer  
Brie N. Turek, Deputy Chief of Staff



## Association of Local Government Auditors

February 7, 2008

Beryl Davis, CPA, CGFM  
Director, Audit Services and Management Support  
Orlando City Hall  
400 S. Orange Avenue  
Orlando, Florida 32801

Dear Ms. Davis,

We have completed a peer review of the Orlando Audit Services and Management Support Department for the period January 1, 2005 through December 31, 2007. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide* published in May, 2004, by the National Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine if 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. 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 Orlando's Audit Services and Management Support Department'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 January 1, 2005 through December 31, 2007 review period.

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

Lisa Skapura, CIA, CFE, CGAP, CICA  
Team Leader  
County of Summit, Ohio

Kelly Stefanko, CPA  
Team Member  
City of Norfolk, Virginia



## Association of Local Government Auditors

February 7, 2008

Beryl Davis, CPA, CGFM  
Director, Audit Services and Management Support  
Orlando City Hall  
400 S. Orange Avenue  
Orlando, Florida 32801

Dear Ms. Davis:

We have completed a peer review of the City of Orlando's Audit Services and Management Support Department for the period January 1, 2005 through December 31, 2007 and issued our report thereon dated February 7, 2008. We are issuing this companion letter to offer certain observations and suggestions stemming from our peer review.

We would first like to mention some of the substantial positive aspects of the City of Orlando's Audit Services and Management Support Department:

- The management staff was well qualified and provided a very stable environment with a great deal of experience and a broad background in governmental auditing.
- The department's work papers were very well organized, thorough and consistent. We commend the entire staff on the quality of their work.
- All previous peer review recommendations were implemented.

We offer the following observations and suggestions to enhance your organization's demonstrated adherence to government auditing standards:

### **Non-Audit Services:**

During the peer review period the department had three non-audit services engagements. It is noted that the department does not perform a significant amount of non-audit work; however, in reviewing the non-audit services that were performed, the department did not follow its policy on non-audit services contained in the Operations Manual. These safeguards, which incorporate Yellow Book Standards 2.14 and 3.17, include documenting the scope of services performed and consideration of independence impairment.

We recommend that the department adhere to government auditing standards, as well as their internal Operations Manual, regarding documentation requirements for non-audit services.

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

Sincerely,

Lisa Skapura, CIA, CFE, CGAP, CICA  
Team Leader  
County of Summit, Ohio

Kelly Stefanko, CPA  
Team Member  
City of Norfolk, Virginia



# CITY OF ORLANDO

---

February 7, 2008

Lisa Skapura  
County of Summit, Ohio

Kelly Stefanko  
City of Norfolk, Virginia

Dear Peer Review Team:

Thank you for your work in performing an external quality control review of the Office of Audit Services and Management Support in the City of Orlando. We offer the following response to your specific recommendation.

*We concur with your recommendation to improve our documentation of our consideration of the Government Auditing Standards (Yellow Book) requirements concerning non-audit services.*

We will review our Operations Manual chapter on non-audit services and revise it to comply with the language of the Government Auditing Standards July 2007 Revision.

Thank you for your time and effort spent on the external quality control review. We appreciate your insights and commitment to our profession. We believe this quality control review will further enhance the effectiveness of our office and add value to City government.

Sincerely,

Beryl H. Davis, CPA, CGFM  
Director, Audit Services and Management Support

BHD/am

c: ALGA Peer Review Committee Chairman  
ALGA Peer Review Region II Coordinator