



The Association of Local Government Auditors
Awards this

Certificate of Compliance

to

City of Garland, Texas
Internal Audit

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 October 1, 2012 through September 30, 2015.

Matt Weller
ALGA Peer Review Committee Chair

Kymber Waltmunson
ALGA President



External Quality Control Review

of the
City of Garland Internal Audit

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors** for the period October 1,
2012, through September 30, 2015



Association of Local Government Auditors

October 29, 2015

Mr. Jed Johnson, City Auditor
City of Garland, Internal Audit
800 Main Street, Suite 122
Garland, TX 75040

Dear Mr. Johnson:

We have completed a peer review of the City of Garland, Internal Audit for the period October 1, 2012, to September 30, 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, management, the City Manager, and the Audit Committee Chair 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 Garland Internal Audit'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 October 1, 2012, to September 30, 2015.

Mr. Jed Johnson, City Auditor
October 29, 2015
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We have prepared a separate letter offering suggestions to further strengthen your internal quality control system.



Mel Marcella
Tennessee DOT



Janet McWilliams
Oklahoma City, Office of the City Auditor



Association of Local Government Auditors

October 29, 2015

Mr. Jed Johnson, City Auditor
City of Garland, Office of Internal Audit
800 Main Street, Suite 122
Garland, TX 75040

Dear Mr. Johnson:

We have completed a peer review of the City of Garland Office of Internal Audit for the period October 1, 2012, to September 30, 2015, and issued our report thereon dated October 29, 2015. 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 Office is well respected by City management, which provides for an independent and collaborative relationship with City management.
- The Office has a comprehensive Internal Audit Manual that is designed well and written in understandable terms that incorporate sound internal methodologies. The Internal Audit Manual helps to ensure all audit work is conducted in compliance with prevailing *Government Auditing Standards* (GAS).
- The staff is very knowledgeable and professional and provides quality audits and engagements that critical for enhancing operations within the City of Garland.
- The Office's emphasis on extensive staff training and professional development consistently meets or exceeds requirements set forth by GAS.
- The Office has a well-documented and consistently applied quality monitoring procedure that is designed to continuously improving internal processes and compliance with GAS.

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

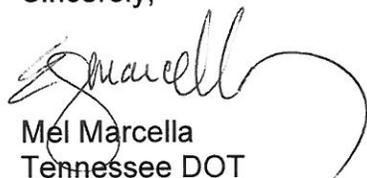
Standard 6.12 f requires that during planning, auditors should also prepare a written audit plan.

In reviewing your Office's work papers, we observed that all follow-up performance audits did not address planning requirements to the full extent as required by GAS. We recommend the City Auditor's Office establish and incorporate, into its policies and procedures manual, a process for developing a detailed audit plan sufficient to address the audit objectives for follow-up performance audit engagements.

Mr. Jed Johnson, City Auditor
October 29, 2015
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We extend our thanks and appreciation to you, your staff, the City Manager, and the Audit Committee Chair for the hospitality and cooperation extended to us during our review.

Sincerely,



Mel Marcella
Tennessee DOT



Janet McWilliams
Oklahoma City, Office of the City Auditor



GARLAND

INTERNAL AUDIT

October 29, 2015

Mel Marcella
Tennessee Department of Transportation
505 Deaderick Street, Suite 1800
Nashville, TN 37243

Janet McWilliams
Office of the City Auditor
200 N Walker
Oklahoma City, OK 73102

Mr. Marcella and Ms. McWilliams,

I would like to thank you and the Association of Local Government Auditors for the time and effort you expended in performing our 2015 peer review, as well as, for providing constructive feedback. We appreciate your sharing of your audit experience and GAGAS knowledge. We are pleased to know that you find our office to be in compliance with the Government Auditing Standards.

In response to the observation made in the management letter dated October 29, 2015, I would like to inform you that recent follow-up performance audit engagements had more detailed audit plans, sufficient to address the engagement objectives developed. We will continue to use this methodology, and update the audit manual to apply this method consistently.

Again, we appreciate your service to our City.

Sincerely,

A handwritten signature in black ink, appearing to read "Jed Johnson", with a long horizontal line extending to the right.

Jed Johnson, CIA, CGAP
City Auditor