



# *Association of Local Government Auditors*

March 13, 2008

Patrice Randle, CPA  
City Auditor  
City of Arlington  
101 W. Abrams St.  
PO Box 90231  
Arlington, TX 76004-3231

Dear Ms. Randle,

We have completed a peer review of the City Auditor's Office for the period October 1, 2004 through September 30, 2007 and issued our report thereon dated March 13, 2008. 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:

- Having comprehensive policies and procedures to guide auditors.
- Maintaining well organized and concise but comprehensive documentation for audit projects, that facilitates compliance with standards and assists in the peer review process.
- Using the *Government Auditing Standards* checklist which promotes completeness of audit evidence and ensures a quality audit process and product.
- Formally assessing City risks and vulnerabilities to create an annual audit plan that ensures the City Auditor's Office produces relevant and effective work.

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

We noted that the policies and procedures do not address the classification of audit and non-audit services. We recommend that your office develop a process for determining whether a project constitutes an audit service or non-audit service by using ALGA's flowchart regarding personal impairment and non-audit

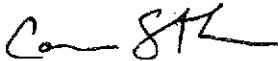
services. If a project is determined to be a non-audit project, the Office should document consideration of whether the project violates the over-arching principles described in the standards and whether any safeguards are needed to preserve independence.

Though your office asks management to provide an action plan for complying with audit recommendations, management's opportunity to state whether they agreed with the original audit findings is limited. We suggest that in future you provide management with draft reports and invite them to state in writing whether they agree or disagree with the findings.

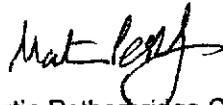
This review covered a three-year period from 2004 to 2007. In order to ensure compliance with *Government Auditing Standards* the Office should have a review in late 2010 that covers the period October 2007 through September 2010.

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.

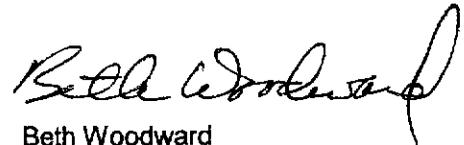
Sincerely,



Corrie Stokes, CIA, CGAP  
Office of the City Auditor  
City of Austin, TX



Martin Petherbridge CIA, CPA  
Internal Audit Office  
City of Raleigh, NC



Beth Woodward  
Office of the City Auditor  
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