



of the
County of Chester
Internal Audit Department

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

for the period January 1, 2012 to December 31,
2014



Association of Local Government Auditors

July 23, 2015

Ms. Sharon Kaye Jones, CIA, Internal Audit Manager
County of Chester Internal Audit Department
313 Market Street, Suite 6302
West Chester, PA 19380

Dear Ms. Jones,

We have completed a peer review of the County of Chester Internal Audit Department for the period January 1, 2012, through December 31, 2014. 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 County of Chester Internal Audit 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 period January 1, 2012, through December 31, 2014.

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

Trevor L. Williams, CPA
Miami-Dade County Public Schools

Roslyn Walker, CGAP, CICA
Prince Georges County Public Schools



Association of Local Government Auditors

July 23, 2015

Ms. Sharon Kaye Jones, CIA, Internal Audit Manager
County of Chester Internal Audit Department
313 Market Street, Suite 6302
West Chester, PA 19380

Dear Ms. Jones,

We have completed a peer review of the County of Chester Internal Audit Department for the period January 1, 2012, through December 31, 2014 and issued our report thereon dated July 23, 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 audit staff individually and collectively possess the qualifications, skills, and abilities, which enable them to complete effective audits and agreed-upon procedures engagements.
- Audit and agreed-upon procedures reports are clear, concise, and provide actionable recommendations to the audited entity's management.
- The checklists and documentation—Index of Workpaper, SAS No. 99 Required Documentation, and Work Paper Review Questionnaire—are very thorough and contribute to your office producing compelling evidence of adequate documentation.

We offer the following observations and suggestions to help your organization achieve full compliance with *Government Auditing Standards*:

- Standard 3.93 requires audit organizations to establish policies and procedures for monitoring quality in the audit organization. Appendix A3.10c states that monitoring is an ongoing, periodic assessment of audits designed to provide management of the audit organization with reasonable assurance that the policies and procedures related to the system of quality control are suitably designed and operating effectively in practice. Further, Standard 3.95 requires the audit organization to analyze and summarize the results of its monitoring process at least annually, with identification of any systemic or repetitive issues needing improvement, along with recommendations for corrective actions.

During our review, we observed that your office has policies and procedures providing guidance for the conduct of financial audits and agreed-upon procedures engagements as well as other quality control matters. However, we observed that your office does not have policies and procedures for monitoring quality in the audit organization and for analyzing and summarizing the results from such monitoring process at least annually.


We recommend that you establish policies and procedures for monitoring quality in your office, including analyzing and summarizing the results of the monitoring process at least annually.

- Standard 3.105 requires external audit organization to make its most recent peer review report publicly available. We observed that the results of your most recent peer review are not made available to the public or posted on your office's website.

We recommend that you make the results of your most recent peer review available to the public by posting the peer review report and management letter, if any, on your office's website.

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,



Trevor L. Williams, CPA
Miami-Dade County Public Schools



Roslyn Walker, CGAP, CICA
Prince Georges County Public Schools



COUNTY OF CHESTER OFFICE OF THE CONTROLLER

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CONTROLLER

July 23, 2015

Trevor L. Williams, CPA, Peer Review Team Leader
Roslyn Walker, CGAP, CICA, Peer Review Team Member

Your review of our organization was a valuable part of our effort to improve the quality of audits for the County of Chester. I am extremely pleased that you found that our work meets *Government Auditing Standards*.

Just as importantly, you have provided recommendations in two areas that should improve our work and strengthen our commitment to excellence. We are in complete agreement with these recommendations and will develop an action plan to address these matters. This action plan will focus on establishing policies and procedures for monitoring quality in the audit organization and for analyzing and summarizing the results from this monitoring process at least annually. In addition, effective immediately, we will make the results of our peer reviews available to the public by way of a press release and/or by posting the peer review reports on the Office of the Controller's website.

The staff and I were very pleased to have had the opportunity to meet with you and solicit new ideas. Thank you very much for your time and assistance.

Sincerely,

SHARON KAYE JONES, CIA
Internal Audit Manager
The County of Chester