



External Quality Control Review

of the
Audit Services Division
Auditor's Office
Clark County, Washington

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**
for the period July 1, 2019 through December 31, 2022



Association of Local Government Auditors

April 20, 2023

Mr. Greg Kimsey, County Auditor
Mr. Larry Stafford, Audit Services Manager
Audit Services Division
Clark County Washington Auditor's Office
1300 Franklin Street
Vancouver, WA 98666-5000

Dear Messrs. Kimsey and Stafford,

We have completed a peer review of the Clark County Auditor's Office, Audit Services Division, Clark County Washington, for the period July 1, 2019 through December 31, 2022. In accordance with generally accepted government auditing standards peer review requirements, we followed the standards and guidelines contained in the *Peer Review Guide* published by the Association of Local Government Auditors (ALGA).

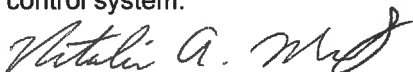
We reviewed the internal quality control system of your audit organization and conducted tests in order to determine whether your internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States and applicable legal and regulatory requirements. Our procedures included:


- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of audit engagements, nonaudits, 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. Organizations can receive a rating of pass, pass with deficiencies, or fail. Clark County Auditor's Office, Audit Services Division, Clark County Washington has received a rating of pass.

Further, based on the results of our review, it is our opinion that the Clark County Auditor's Office, Audit Services Division, Clark County Washington internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* and applicable legal and regulatory requirements for audit and nonaudit engagements during July 1, 2019 through December 31, 2022.

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


Natalie A. Martinez, MPA, CTCM
Team Leader
Auditor
City Auditor's Office
City of Dallas, TX


Arushi Kumar, MPP
Team Member
City Auditor
Office of the City Auditor
City and County of Honolulu, HI



Association of Local Government Auditors

April 20, 2023

Mr. Greg Kimsey, County Auditor
Mr. Larry Stafford, Audit Services Manager
Audit Services Division
Clark County Washington Auditor's Office
1300 Franklin Street
Vancouver, WA 98666-5000

Dear Messrs. Kimsey and Stafford,

We have completed a peer review of the Clark County Auditor's Office, Audit Services Division, Clark County Washington, for the period July 1, 2019 through December 31, 2022 and issued our report thereon dated April 20, 2023. 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:

- Very strong internal and external communication that include collaborative discussions concerning updates and revisions to standards and the office's Operations Manual.
- Including the Framework for Independence as part of the Auditor Independence Statement.
- Strong audit planning procedures and documentation, shown through the use of the performance audit checklist, assignment planning checklist, assignment reporting checklist, and ALGA checklist.

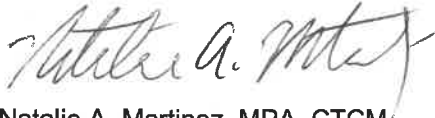
We offer the following observations and suggestions to enhance your organization's demonstrated adherence to *Government Auditing Standards*:

- Standard 8.71 states, *Auditors should assess the risk of fraud occurring that is significant within the context of the audit objectives. Audit team members should discuss among the team fraud risks, including factors such as individuals' incentives or pressures to commit fraud, the opportunity for fraud to occur, and rationalizations or attitudes that could increase the risk of fraud. Auditors should gather and assess information to identify the risk of fraud that is significant within the scope of the audit objectives or that could affect the findings and conclusions.* In reviewing the Office's work papers, we observed that the assessment and discussion of risk and fraud likely occurs but is not fully reflected by the workpapers. We suggest utilizing the workpapers to document more of the risk assessment and fraud discussion.
- Standard 8.72 states, *Assessing the risk of fraud is an ongoing process throughout the audit. When information comes to the auditors' attention indicating that fraud, significant within the context of the audit objectives, may have occurred, auditors should extend the audit steps and procedures, as necessary, to (1) determine whether fraud has likely occurred and (2) if so, determine its effect on the audit findings.* In reviewing the Office's work papers, we observed that the assessment and discussion of risk and fraud is likely ongoing throughout

the audit, but this is not fully reflected in the workpapers. We suggest utilizing a risk and fraud assessment summary to provide updates.

We extend our thanks to you, your staff, and the other officials we met for the hospitality and cooperation extended to us during our review.

Sincerely,



Natalie A. Martinez, MPA, CTCM
Team Leader
Auditor
City Auditor's Office
City of Dallas, TX



Arushi Kumar, MPP
Team Member
City Auditor
Office of the City Auditor
City and County of Honolulu, HI

AUDITOR
Greg Kimsey



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CLARK COUNTY
WASHINGTON

April 20, 2023

Ms. Natalie Martinez, City of Dallas – City Auditor’s Office
Ms. Arushi Kumar, City and County of Honolulu Office of the City Auditor

Dear Ms. Martinez and Mrs. Kumar,

Thank you for your thorough review of the Audit Services Division of the Clark County Auditor’s Office and our compliance with Generally Accepted Government Auditing Standards (GAGAS) for July 2019 through December 2022. We are pleased you found our quality control system to be effective and that our work was conducted in full compliance with auditing standards.

We appreciate you identified that our office excels in communication, audit planning, and protecting our independence. These comments reflect our goals to help improve Clark County government and inform our residents.

We also appreciate your observations and suggestions to further enhance our adherence to Government Auditing Standards. We will develop a new template that better documents the fraud risk assessments and related procedures we conduct during our audits.

Thank you both for taking the time to participate in this peer review. The insights you’ve shared will be valuable as we continue to improve our operations and serve our community.

Sincerely,

Larry Stafford
Audit Services Manager