



CITY AUDITOR

7447 E. Indian School Rd, Suite 205  
Scottsdale, AZ 85251

PHONE 480-312-7756  
WEB [ScottsdaleAZ.gov](http://ScottsdaleAZ.gov)  
INTEGRITY LINE 480-312-8438

May 30, 2018

Honorable Mayor and City Council Members:

Attached is the report resulting from the external peer review of my Office, which was completed on May 24, 2018. Jim Williamson, City Auditor for Oklahoma City, and Stephanie Noble, Program Performance Auditor for the City of San Jose, California, were the team assigned by the Association of Local Government Auditors (ALGA) to conduct the review.

I am pleased to report that the external peer review team determined that my Office was in full compliance with government auditing standards during the three years reviewed, January 2015 through December 2017.

The City Charter and Scottsdale Revised Code both require the City Auditor to follow generally accepted government auditing standards. To comply with these standards, external peer reviews are required once every three years. A peer review evaluates whether the Office has a quality control system that is both suitably designed and effectively operating to provide reasonable assurance of compliance with these standards.

In addition to the peer review team's opinion letter, the report includes the team's management letter, which recognizes some areas in which my Office excels, and my response.

If you have any questions regarding this report, please contact me.

Sincerely,

Sharron E. Walker, CPA, CFE, CLEA  
City Auditor



The Association of Local Government Auditors  
Awards this

# *Certificate of Compliance*

to

**Scottsdale  
City Auditor's Office**

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 January 1, 2015, through December 31, 2017.

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Erin J. Kenney  
ALGA Peer Review Committee Chair

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Tina Adams  
ALGA President



# External Quality Control Review

of the  
City Auditor's Office  
Scottsdale, Arizona

Conducted in accordance with guidelines of the

## **Association of Local Government Auditors**

for the period

January 1, 2015 through December 31, 2017



## Association of Local Government Auditors

May 24, 2018

Sharron Walker, CPA, CFE  
City Auditor  
City Auditor's Office  
7447 E. Indian School Road  
Scottsdale, AZ 85251

Dear Ms. Walker,

We have completed a peer review of the City Auditor's Office of Scottsdale, Arizona for the period January 1, 2015 through December 31, 2017. 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).

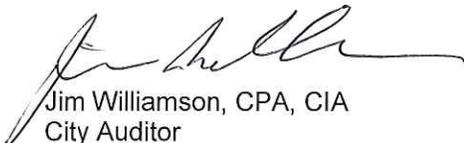
We reviewed the internal quality control system of your audit organization and conducted tests to determine whether your internal quality control system operated to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures included:

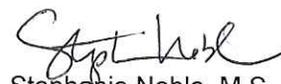
- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of audit and attestation engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing 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 internal quality control system of the City Auditor's Office was suitably designed and effectively operating to provide reasonable assurance of compliance with *Government Auditing Standards* for audits and attestation engagements during the review period of January 1, 2015 through December 31, 2017.

We have prepared a separate letter noting particular areas of strength in your internal quality control system.

  
Jim Williamson, CPA, CIA  
City Auditor  
Oklahoma City

  
Stephanie Noble, M.S.  
Program Performance Auditor  
City of San Jose



## Association of Local Government Auditors

May 24, 2018

Sharron Walker, CPA, CFE  
City Auditor  
City Auditor's Office  
7447 E. Indian School Road  
Scottsdale, AZ 85251

Dear Ms. Walker,

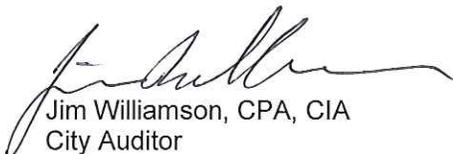
We have completed a peer review of the City Auditor's Office of Scottsdale, Arizona for the period January 1, 2015 through December 31, 2017 and issued our report thereon dated May 24, 2018. We are issuing this companion letter to offer certain observations stemming from our peer review.

We would like to mention some of the areas in which we believe your office excels:

- **Audit Framework:** The Scottsdale City Charter provides a strong structure for the City Auditor to independently carry out audit responsibilities. City ordinances effectively establish the City Auditor's authority and both audit and management responsibilities in the audit process. The City Auditor's website describes the audit process in a reader friendly manner. All of these attributes contribute to good communication with and cooperation from audit clients, which provides the foundation for productive audit results.
- **Quality Control:** The City Auditor's Office Policies and Procedures Manual is well-constructed, relating quality control procedures to applicable *Government Auditing Standards*. Workpapers contain extensive evidence of appropriate supervisory interaction and review. The combination of written guidance and engaged oversight results in well-organized audit evidence supporting audit report contents and demonstrating compliance with applicable audit standards for each of the wide variety of engagement types and audit objectives carried out by the City Auditor's Office.

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

Sincerely,

  
Jim Williamson, CPA, CIA  
City Auditor  
Oklahoma City

  
Stephanie Noble, M.S.  
Program Performance Auditor  
City of San Jose



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May 24, 2018

Mr. Jim Williamson  
Ms. Stephanie Noble

Thank you for performing the external quality control review of the Scottsdale City Auditor's Office. We recognize the importance of continued compliance with Government Auditing Standards, and I am pleased with your conclusion that my Office was in full compliance for the period January 1, 2015, through December 31, 2017.

As well, thank you for recognizing that the City's charter and ordinances provide a strong framework for our independent audit function, and for noting my Office's commitment to excellence via a well-constructed quality control system.

I appreciate the time you took from your own offices to conduct this review. And I thank you for your professionalism and thoroughness in conducting this review.

Sincerely,

Sharron E. Walker, CPA, CFE, CLEA  
City Auditor

cc: Ms. Corrie Stokes