



External Quality Control Review

of the
Milwaukee County Audit Services
Division

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**
for the period July 1, 2019, through June 30, 2022



Association of Local Government Auditors

May 17, 2023

Jennifer Folliard
Director of Audits
633 W. Wisconsin Ave., Suite 904
Milwaukee, WI 53203

Dear Mrs. Folliard,

We have completed a peer review of the Milwaukee County Audit Services Division for the period July 1, 2019, through June 30, 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 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. The Milwaukee County Audit Services Division has received a rating of pass.

Further, based on the results of our review, it is our opinion that the Milwaukee County Audit Service's Division 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 audits during the period of July 1, 2019, through June 30, 2022.

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

Jed Johnson, CIA, CGAP
City Auditor
City of Garland - Office of the City Auditor

Alexandria Lee, CPA
Public Accounts Auditor II
City of Jacksonville – Office of the City Auditor



Association of Local Government Auditors

May 17, 2023

Jennifer Folliard
Director of Audits
633 W. Wisconsin Ave., Suite 904
Milwaukee, WI 53203

Dear Mrs. Folliard,

We have completed a peer review of the Milwaukee County Audit Services Division for the period July 1, 2019 through June 30, 2022 and issued our report thereon dated (May 17, 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:

The Director of Audits and her Management staff have demonstrated a strong commitment to comply with the Government Auditing standards by:

- Developing a comprehensive Policies and Procedures Manual
- Performing Quality Control Reviews
- Providing relevant trainings to develop staff
- Obtaining an external peer review

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

- Standards 3.27 requires auditors to apply the conceptual framework at the audit organization, engagement team, and individual auditor levels to identify threats of independence, evaluate the significance of threats identified and apply safeguards as necessary. Standards 8.82 further requires the engagement team to assess the independence of a specialist if they intend to use the work of a specialist. Our review of the engagement workpapers identified that the Audit Division's Audit Forensic Manager is either preparing or approving the risk assessment forms during the planning phase of the audit. However, a personal impairment form was not prepared by the Audit Forensic Manager for any of the projects reviewed.

We recommend the office ensure every engagement team member completes a personal impairment form during the initiation of an audit engagement.

- Standard 9.14 requires that, when sample testing significantly supports the auditors' findings and conclusions, the report include a description of the sample design, the reason the design was chosen, and whether the results can be projected to the intended population. The auditors performed a number of sample testing during an audit, and these testing significantly supported auditor's findings. However, the audit report did not describe the required details.

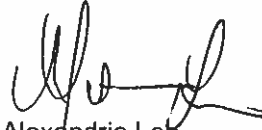
We recommend the office revise its policies and procedures manual and design procedures to ensure auditors document and include language in the report any sampling methodology used, the reason they chose the design methodology and how they chose the sample, and whether the results can be projected to the intended population.

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,



Jed Johnson
City Auditor, CIA, CGAP
City of Garland – Office of the City Auditor



Alexandria Lee
Public Accounts Auditor II, CPA
City of Jacksonville – Office of the City Auditor



Office of the Comptroller
Audit Services Division

Milwaukee County

Jennifer L. Folliard
Molly Pahl

• Director of Audits
• Deputy Director of Audits

May 17, 2023

Mr. Jed Johnson
City Auditor
City of Garland
200 N. Fifth Street
Garland, Texas 75040

Dear Mr. Johnson,

On behalf of the entire staff of the Milwaukee County Office of the Comptroller – Audit Services Division, I would like to acknowledge the professionalism and courtesy exhibited by you and Ms. Alexandria Lee during this engagement. Your review was both comprehensive and thorough. The management team is especially appreciative of the kind remarks expressed in your management letter.

We concur with the two suggestions contained in the management letter. Specifically:

Comments

- Standards 3.27 requires auditors to apply the conceptual framework at the audit organization, engagement team, and individual auditor levels to identify threats of independence, evaluate the significance of threats identified and apply safeguards as necessary. Standards 8.82 further requires the engagement team to assess the independence of a specialist if they intend to use the work of a specialist. Our review of the engagement workpapers identified that the Audit Division's Audit Forensic Manager is either preparing or approving the risk assessment forms during the planning phase of the audit. However, a personal impairment form was not prepared by the Audit Forensic Manager for any of the projects reviewed.

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Mr. Jed Johnson, City Auditor
May 17, 2023
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Response

We concur with the comments and recommendations provided to our Division. While the Audit Forensic Manager has very limited interaction with our audit engagement teams and their work, we appreciate the value provided by ensuring that the Audit Forensic Manager completes a personal impairment form for engagements in which there is any level of contribution. This would be in addition to completing our annual affidavit with respect to independence that the Audit Forensic Manager is already required to complete.

Regarding Standard 9.14, our procedures have already been modified to address this suggestion.

Thank you for your efforts. Your observations and suggestions are constructive and appreciated.

Sincerely,



Jennifer L. Folliard
Director of Audits

PAG/cah

cc: Alexandria Lee, City of Jacksonville
Scott B. Manske, CPA, Milwaukee County Comptroller