



External Quality Control Review

of the
Office of the City Auditor
City of Kansas City, Missouri

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

for the period September 1, 2021 – August 31, 2024



Association of Local Government Auditors

October 24, 2024

Douglas Jones, City Auditor
Office of the City Auditor
City of Kansas City
414 East 12th Street
Kansas City, MO 64106

Dear Mr. Jones

We have completed a peer review of the Office of the City Auditor, City of Kansas City, Missouri, for the period September 1, 2021, through August 31, 2024. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with Government Auditing Standards* published by the Association of Local Government Auditors (ALGA).

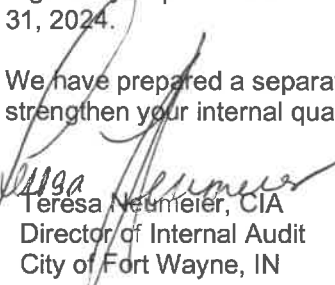
We reviewed the internal quality control system of your audit organization and conducted tests to determine whether your internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller 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 engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff and management.

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 Office of the City Auditor, Kansas City has received a rating of pass.

Based on the results of our review, it is our opinion that the Office of the City Auditor's 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 engagements during the period September 1, 2021, through August 31, 2024.

We have prepared a separate letter providing findings and recommendations to further strengthen your internal quality control system.


Teresa Neumeier, CIA
Director of Internal Audit
City of Fort Wayne, IN


Stacey Linch, CIA, CISA, CFE, PCI ISA, CRMA
Deputy City Auditor
City of Phoenix, AZ



Association of Local Government Auditors

October 24, 2024

Douglas Jones, City Auditor
Office of the City Auditor
City of Kansas City
414 East 12th Street
Kansas City, MO 64106

Dear Mr. Jones,

We have completed a peer review of the Office of the City Auditor, City of Kansas City, Missouri for the period September 1, 2021, through August 31, 2024, and issued our report thereon dated October 24, 2024. We are issuing this companion letter to offer certain findings and recommendations stemming from our peer review.

We would like to highlight an area where we feel your office excels:

- Leadership Approach to Quality. The Office has an established program through the Extended Review Team which involves the collaboration of independent staff, including leadership that reviews the quality of audit work throughout the entirety of the project.

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

- Standard 5.44 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 corrections.
- Standard 5.45 requires the audit the organization to evaluate the effects of the deficiencies noted during the monitoring of the audit organization's system of quality control to determine and implement appropriate actions to address the deficiencies.

In reviewing your work papers, we noted the analyzation and summary of the quality control review was conducted in Fiscal Year 2024 for the preceding two Fiscal Years 2022 and 2023.

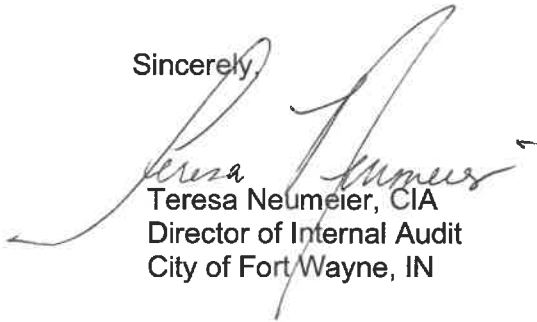
As a repeat comment, we recommend you analyze and summarize the results of its monitoring process at least annually.

In reviewing your work papers, we noted opportunities to enhance your organization's demonstrated adherence to *Government Auditing Standards* by incorporating additional documentation to support your conclusions related to the standards below.

- Standard 8.20 – 8.22 requires the audit the organization to communicate the objectives, scope, methodology, timing and planned reporting of the audit to the appropriate parties, and retain any written communications. If the identity of the appropriate parties is not clear, document the process used to make the identification.
- Standard 8.39 – 8.40, 8.49, 8.54, 8.59 requires the audit the organization to determine and document whether internal controls (including information systems controls) are significant to the audit objectives. For identified controls: gain an understanding of the controls; plan and perform procedures to assess the controls; and evaluate and document the significance of identified deficiencies.
- Standard 8.71 – 8.72 requires the audit the organization to gather and assess information to identify the risk of fraud related to the audit objectives. If fraud may have occurred, extend audit steps and procedures to determine whether fraud has likely occurred and the effect on the audit findings.

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,



Teresa Neumeier, CIA
Director of Internal Audit
City of Fort Wayne, IN



Stacey Linch, CIA, CISA, CFE, PCI ISA, CRMA
Deputy City Auditor
City of Phoenix, AZ



Office of the City Auditor

21st Floor, City Hall
414 East 12th Street
Kansas City, Missouri 64106

(816) 513-3300
Fax: (816) 513-3305

October 24, 2024

Teresa Neumeier, CIA
Director of Internal Audit
City of Fort Wayne, Indiana

Stacey Linch, CIA, CISA, CFE, PCI ISA, CRMA
Deputy City Auditor
City of Phoenix, Arizona

Dear Ms. Neumeier and Ms. Linch,

Thank you for conducting the required external quality control review of the Office of the City Auditor, City of Kansas City, Missouri, for the period September 1, 2021, through August 31, 2024.

I am pleased the review team concluded that the City Auditor's Office complies with *Government Auditing Standards*. We have devoted a great deal of effort to developing and implementing an internal quality control system to help us achieve this goal. I appreciate your positive comments on the review team's overall impression of the office and your written comment noting we excel in our leadership approach to quality to ensure we conduct quality audit work.


Regarding the annual quality monitoring report finding. Under our policy, audit managers conduct the annual quality monitoring review by reviewing a sample of audits managed by the other audit manager. During the last three fiscal years as well as the peer review period, one of our two audit manager positions was vacant for about half of that time. This affected our ability to conduct annual quality monitoring and we decided to conduct a single quality monitoring review covering a sample of audits issued between September 2021 and December 2023. Given our robust overall quality management processes I do not believe there was any impact on the quality of our audits. Both audit manager positions are now filled, and we plan to perform quality monitoring annually.

We will consider your suggestions to incorporate additional documentation into our audit planning processes to enhance how we demonstrate adherence to the *Government Auditing Standards*.

We appreciate you taking the time away from your other responsibilities to conduct our peer review and the thoroughness and professionalism with which you conducted the review. We also appreciate Trevor Williams' efforts coordinating our peer review and putting together such a good team.

If you have any questions, please contact me at 816-513-3303.

Sincerely,


Douglas Jones, CGAP, CIA, CRMA
City Auditor

cc: Trevor Williams, Chief Audit Executive, Florida International University