



External Quality Control Review

of the
City of Fort Worth, TX
Department of Internal Audit

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**
for the period January 1, 2018
through December 31, 2020



Association of Local Government Auditors

March 17, 2022

Mr. John Riggs
Interim City Auditor
City of Fort Worth
200 Texas Street
Fort Worth, TX 76102

Dear Mr. Riggs,

We have completed a peer review of the City of Fort Worth Department of Internal Audit for the period January 1, 2018 through December 31, 2020. 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 and attestation engagements and working papers;
- Reviewing documents related to independence, training, and development of auditing staff; and
- 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 City of Fort Worth Department of Internal Audit has received a rating of pass.

Further, based on the results of our review, it is our opinion that the City of Fort Worth Department of Internal Audit 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 audits and attestation engagements during January 1, 2018 through December 31, 2020.

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

Madison Rorschach, City Auditor
City of Denton, TX

Terri Freeman, Inspector General
Lake County, FL



Association of Local Government Auditors

March 17, 2022

Mr. John Riggs
Interim City Auditor
City of Fort Worth
200 Texas Street
Fort Worth, TX 76102

Dear Mr. Riggs,

We have completed a peer review of the City of Fort Worth Department of Internal Audit for the period January 1, 2018 through December 31, 2020 and issued our report thereon dated March 17, 2022. 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 Department excels:

- All staff appeared to have a very good understanding of the Department's audit processes;
- The Department's operating procedures are well aligned to generally accepted government auditing standards and work papers are well organized; and
- Staff are eager to learn and continuously improve the Department's processes.

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

- Standard 9.03 requires that when auditors comply with all applicable GAGAS requirements they should use specific, unmodified language in the audit report to indicate that they conducted the audit in accordance with GAGAS. This language is as follows:

"We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Standard 9.05 also requires that when auditors do not comply with all applicable GAGAS requirements, they should include a modified GAGAS compliance statement in the audit report.

In addition, Standard 7.82 requires that when auditors comply with all applicable GAGAS requirements for agreed-upon procedures engagements, they should include a statement in the agreed-upon procedures engagement report that they conducted the engagement in accordance with GAGAS.

In reviewing a sample of ten of the Department's audit engagements, we found that for one and one agreed-upon procedures engagement no compliance statement was included in the report. In addition, for three issued reports, the included compliance statement did not clearly specify that a performance audit had been conducted.

We suggest that all issued audit reports and agreed-upon procedures engagement reports include either unmodified or modified language referencing compliance to generally accepted government auditing standards. Reports should disclose if the issued audit was performed as a performance audit.

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,

A handwritten signature in blue ink, appearing to read "M. Rorschach", with a stylized, flowing script.

Madison Rorschach, City Auditor
City of Denton, TX

A handwritten signature in blue ink, appearing to read "Terri Freeman", with a stylized, flowing script.

Terri Freeman, Inspector General
Lake County, FL



March 17, 2022

Madison Rorschach
City Auditor
City of Denton, Texas
215 E McKinney Street
Suite 500
Denton, TX 76201

Terri W. Freeman
Inspector General
Lake County, Florida
550 W. Main St.
Tavares, FL 32778

RE: ALGA Yellow Book Peer Review of the City of Fort Worth's Department of Internal Audit

Dear Ms. Rorschach and Ms. Freeman:

Thank you for dedicating your time to conduct a peer review of the City of Fort Worth's Department of Internal Audit. We appreciate your efforts and concur with conclusions noted in the management letter dated March 17, 2022.

We will ensure that audit reports include the required compliance statement language. Performance audits will be identified as performance audits in compliance statements.

Again, thank you for your time, expertise, professionalism and constructive feedback.

Sincerely,

John Riggs, Interim City Auditor
City of Fort Worth

INTERNAL AUDIT

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