



The Association of Local Government Auditors  
Awards this

# *Certificate of Compliance*

to

***County of Ventura  
Auditor-Controller Internal Audit Division***

Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with the *International Standards for the Professional Practice of Internal Auditing* for assurance and consulting engagements during the period July 1, 2009 through June 30, 2014.

Matt Weller  
ALGA Peer Review Committee Chair

Corrie Stokes  
ALGA President



# External Quality Control Review

of the  
County of Ventura  
Internal Audit Division

Conducted in accordance with guidelines of the  
**Association of Local Government  
Auditors**  
for the period July 1, 2009 through June 30, 2014



## Association of Local Government Auditors

September 12, 2014

Jeffery S. Burgh  
Auditor-Controller  
County of Ventura  
800 South Victoria Ave.  
Ventura, California 93009-1540

Dear Mr. Burgh,

We have completed a peer review of the County of Ventura, Auditor-Controller Internal Audit Division for the period July 1, 2009 through June 30, 2014. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with International Standards for the Professional Practice of Internal Auditing* 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 if your internal quality control system operated to provide reasonable assurance of conformance with *the International Standards for the Professional Practice of Internal Auditing (the Standards)* issued by the Institute of Internal Auditors as part of their *Professional Practices Framework*. Due to variances in individual performance and judgment, conformance 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 County of Ventura, Auditor-Controller Internal Audit Division internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with *the Standards* for assurance and consulting engagements during the period of July 1, 2009 through June 30, 2014.

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

Larry G. Wallis, CPA, CIA  
Director of Audit  
VIA Metropolitan  
Transit Authority  
San Antonio, Texas  
Team Leader

Callie Ullman, CPA, CIA  
Senior Auditor  
San Diego County  
Regional Airport Authority  
San Diego, California  
Team Member

Penny Whitmore, CPA, CIA, CISA, CFE  
Senior Auditor  
Northern Arizona  
University  
Flagstaff, Arizona  
Team Member



## Association of Local Government Auditors

September 12, 2014

Jeffery S. Burgh  
Auditor-Controller  
County of Ventura  
800 South Victoria Ave.  
Ventura, California 93009-1540

Dear Mr. Burgh,

We have completed a peer review of the County of Ventura, Auditor-Controller Internal Audit Division for the period July 1, 2009 through June 30, 2014 and issued our report dated September 12, 2014. 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 standardized steps performed and checklists utilized are excellent tools for assuring compliance with the applicable auditing standards.
- The office undertakes audit projects which are significant in scope and assess critical risk areas within the Ventura County government.
- The policies and procedures are thorough and the internal quality control system helps ensure compliance with standards.
- There is a strong commitment to staff training and development which helps ensure continued improvement in the quality of audit services.

We offer the following observations and suggestions to enhance your organization's demonstrated conformance to International Standards for the Professional Practice of Internal Auditing:

- Observation 1: Documentation of independence and objectivity can be improved. During our review we observed independence and objectivity documentation for the internal auditors performing the audit. However, this documentation is not included in the engagement file for personnel supervising and reviewing the engagement workpapers.

Individual Objectivity – Attribute Standard 1120 states, "Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest".

Suggestion 1: Consider including documentation of the independence and objectivity for all individuals involved in the engagement

- Observation 2: Communications of engagement results can be enhanced by providing separate audit recommendations. When identifying findings and communicating results we did not see separate audit recommendations being reported to address the identified conditions in the final communications.

Governance - Performance Standard 2110 states, "The internal audit activity must assess and make appropriate recommendations for improving the governance process".

Criteria for Communicating – Performance Standard 2410 states, "Communications must include the engagement's objectives and scope as well as applicable conclusions, recommendations, and action plans".

Suggestion 2: We recommend including recommendations based on the audit observations and conclusions in the final communications. Appropriate recommendations will help facilitate addressing audit findings root causes in managements' corrective action plan.

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

Sincerely,



Larry G. Wallis, CPA, CIA  
Director of Audit  
VIA Metropolitan  
Transit Authority  
San Antonio, Texas  
Team Leader



Callie Ullman, CPA, CIA  
Senior Auditor  
San Diego County  
Regional Airport Authority  
San Diego, California  
Team Member



Penny Whitmore, CPA, CIA, CISA, CFE  
Senior Auditor  
Northern Arizona  
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JEFFERY S. BURGH  
AUDITOR-CONTROLLER

COUNTY OF VENTURA  
800 SOUTH VICTORIA AVE.  
VENTURA, CA 93009-1540



**CHIEF DEPUTIES**

BARBARA BEATTY  
JOANNE McDONALD  
VALERIE BARRAZA

September 15, 2014

Larry G. Wallis, Peer Review Team Leader  
Association of Local Government Auditors  
449 Lewis Hargett Circle, Suite 290  
Lexington, KY 40503

**SUBJECT: RESPONSE TO 2014 PEER REVIEW**

Dear Mr. Wallis:

Thank you, Larry, for your professional leadership of the team that completed the peer review of the County of Ventura Auditor-Controller's Internal Audit Division for the period July 1, 2009, through June 30, 2014. Please also thank Callie Ullman and Penny Whitmore for their participation as part of the peer review team. We also thank Kathy Knox for coordinating this peer review.

We are pleased that the team found our internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with the *International Standards for the Professional Practice of Internal Auditing* for the review period. Following are our responses to your observations and suggestions for improvement, which will be used to further enhance our internal quality control system.

**Observation 1.** Internal Audit management currently document an assessment of their individual independence and objectivity annually along with all internal auditors. Internal Audit management also currently assess their independence and objectivity continually. If concerns arise during an engagement, these are documented in the engagement file and internal auditors are instructed to take appropriate actions to ensure the engagement results are not compromised. We will strengthen documentation by including an express affirmation by Internal Audit management of their independence and objectivity in each new engagement file.

**Observation 2.** We currently provide departments with suggestions for improvements during discussions throughout each engagement and within the body of our audit report findings where appropriate. After departments formally respond with their planned corrective actions, we evaluate those responses to ensure the planned corrective actions appear reasonable to address the findings. As your interviews with County departments indicated that departments would like us to make more formal recommendations in our audit reports, we will consider including a separate recommendation section for each finding.

Larry G. Wallis, Peer Review Team Leader, Association of Local Government Auditors  
September 15, 2014  
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We appreciate the opportunity to respond to your suggestions, and we value the input you provided during the peer review process.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. S. Burgh', with a large, stylized flourish extending from the end of the signature.

JEFFERY S. BURGH  
Auditor-Controller