



External Quality Control Review

of the
City of Virginia Beach
Office of the City Auditor

Conducted in accordance with guidelines of the
Association of Local Government Auditors
For the period of July 1, 2009 through June 30, 2010



Association of Local Government Auditors

October 6, 2010

Lyndon S. Remias, City Auditor
Office of the City Auditor
2401 Courthouse Drive, Room 344
Virginia Beach, Virginia 23456

Dear Mr. Remias,

We have completed a peer review of the Office of City Auditor for the period July 1, 2009 to June 30, 2010. 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 in order to determine if 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. 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 Office of the City Auditor's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits and attestation engagements during the period July 1, 2009 through June 30, 2010.

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

Sincerely,

Pamela Markham
City of Jacksonville
Jacksonville, Florida

Nancy E. Williamson
Board of Education
Prince George's County, Maryland

cc: Mr. Stanwood Dickman, Chair, Audit Committee



Association of Local Government Auditors

October 6, 2010

Lyndon S. Remias, City Auditor
Office of the City Auditor
2401 Courthouse Drive, Room 344
Virginia Beach, Virginia 23456

Dear Mr. Remias,

We have completed a peer review of the Office of the City Auditor for the City of Virginia Beach, Virginia for the period July 1, 2009 through June 30, 2010 and issued our report thereon dated October 6, 2010. 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:

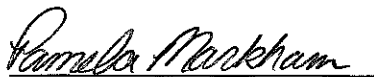
- Under the leadership of the City Auditor, the staff members of the Office of the City Auditor have achieved an impressive level of competency in the performance of the audits.
- The recent conversion to automated audit work papers has improved consistency with all aspects of the audit projects.


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

- The current Office of the City Auditor Policies and Procedures Manual does not specify *Government Auditing Standards 3.20 through 3.30, Organizational Independence When Performing Non-audit Services*. Although the City Auditor did not conduct any non-audit services during the period under review, the potential exists for projects in the future. We believe the inclusion in the manual of *Standards 3.20 through 3.30* will improve the likelihood of compliance in this area.

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

Sincerely,


Pamela Markham
City of Jacksonville
Jacksonville, Florida


Nancy E. Williamson
Board of Education
Prince George's County, Maryland

cc: Mr. Stanwood Dickman, Chair, Audit Committee