



External Quality Control Review

Savannah-Chatham County
Public School System
Board of Education
Internal Audit Department

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**
for the period July 1, 2014 through June 30, 2017



Association of Local Government Auditors

October 6, 2017

Marshall Withers, Senior Director, Internal Audit
Savannah/Chatham County Public School System
208 Bull Street, Room 310
Savannah, GA 31401

Dear Mr. Withers,

We have completed a peer review of the Savannah/Chatham County Public School System, Internal Audit Department for the period July 1, 2014 through June 30, 2017. 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).

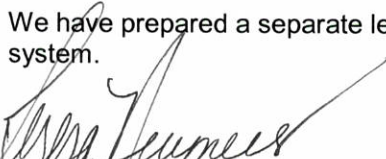
We reviewed the internal quality control system of your audit organization and conducted tests in order to determine whether your internal quality control system operated to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States. 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 members of the auditing staff 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.

Based on the results of our review, it is our opinion that the Savannah/Chatham County Public School System, Internal Audit Department's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits issued from July 1, 2014 through June 30, 2017.

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


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


Steven Martin, CPA
Director of Internal Audit
Garland Independent School District
Garland, TX



Association of Local Government Auditors

October 6, 2017

Marshall Withers, Senior Director, Internal Audit
Savannah/Chatham County Public School System
208 Bull Street, Room 310
Savannah, GA 31401

Dear Mr. Withers,

We have completed a peer review of the Savannah/Chatham County Public School System for the period July 1, 2014 through June 30, 2017, and issued our report thereon dated October 6, 2017. 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:

- We were impressed by the coordination of audit objectives to the performance of audit steps and the direct and evident correlation between the two.
- The members of Internal Audit place an appropriate level of significance on preparing their work professionally and in compliance with standards and seem to openly communicate and share information, functioning as a team.
- The Department has a strong working relationship with their Audit Committee, the Board and the Administration.

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

- Standard 3.14 requires auditors to evaluate the following broad categories of threats to independence when threats are being identified and evaluated: self-interest, self-review, bias, familiarity, undue influence, management participation and structural threats. Further, Standard 3.42 requires an auditor who previously performed nonaudit services for an entity should evaluate those nonaudit services on independence before accepting an audit.

In reviewing the contents of six audit files, we determined the department prepares a broad based document with respect to independence that refers to the threats, but the team signs it as a whole and individual threats are not included on the form. Further, we were not able to locate documentation to support the consideration of nonaudit services performed as they relate to independence prior to an audit being accepted.

We suggest management consider expanding their department's independence assessment form to include an evaluation of each threat to independence and consider having each auditor complete their own form. We also recommend implementing a document or an assignment sheet that specifically indicates nonaudit services have been considered prior to assigning or accepting the current audit.

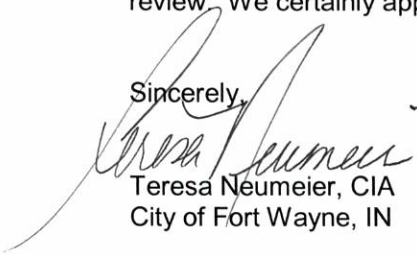
- Standard 6.07 requires auditors to plan the audit to reduce audit risk to an appropriate level and to obtain reasonable assurance that the evidence is sufficient and appropriate to support findings and conclusions. In relation, Standard 6.66 states that auditors should assess the sufficiency and appropriateness of computer-processed information regardless of whether the information is provided to or extracted by auditors. Standards 6.58 and 6.69 indicate auditors should evaluate and determine whether evidence taken as a whole is sufficient and appropriate for addressing the audit objectives and supporting findings and conclusions.

Although the evaluation of the sufficiency of audit evidence is a task that is inherent in audit processes, we were unable to identify evaluations for audit evidence, the sufficiency of data used or an evaluation of the audit evidence taken as a whole in the audit documentation.

We recommend you consider expanding the workpaper documentation requirements to include assessment statements where appropriate. We specifically recommend management enhance and document the evaluation of computerized data used in the audit process and indicate an evaluation of the information taken as a whole was considered when assessing the conclusions of the audit.

We extend our thanks to you and your staff for the hospitality and cooperation extended to us during our review. We certainly appreciate the experience and value the open communications.

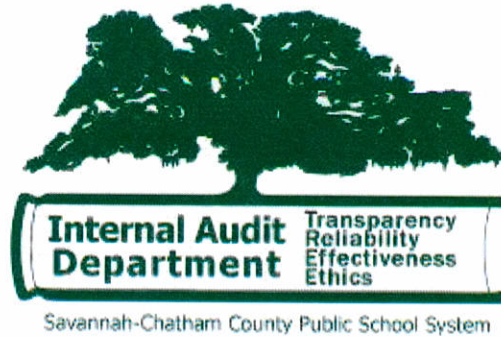
Sincerely,



Teresa Neumeier, CIA
City of Fort Wayne, IN



Steve Martin, CPA
Garland Independent School District
Garland, TX



October 10, 2017

Teresa M. Neumeier, Team Leader
Director of Internal Audit
City of Fort Wayne, Indiana

Steve Martin
Director of Internal Audit
Garland Independent School District

Dear Ms. Neumeier and Mr. Martin,

Thank you for completing a Peer Review of the Savannah/Chatham County Public School System's Internal Audit Department for the period July 1, 2014 through June 30, 2017. The team did an excellent job of communicating with our staff during the review.

The following is our response to the recommendations from that review:

Response:

We concur with both recommendations. The recommendations will be implemented no later than December 31, 2017. Any necessary updates to the Internal Audit Manual or revisions to any checklists or forms used by the Internal Audit Department will also be completed no later than December 31, 2017.

Again, thank you for your assistance and recommendations to improve our performance.

Sincerely,

Marshall Withers
Senior Director, Internal Audit