



External Quality Control Review

of the
Savannah/Chatham County
Public School System

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

For the period July 1, 2011 – June 30, 2014



Association of Local Government Auditors

October 23, 2014

Kelly J. Crosby, Senior Director, Internal Audit
Savanna/Chatham County Public School System
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

Dear Ms. Crosby,

We have completed a peer review of the Savannah/Chatham County Public School System, Internal Audit Department for the period July 1, 2011 through June 30, 2014. 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 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 July 1, 2011 through June 30, 2014.

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

Mary Jo Emanuele, CIA, CGFM
City Auditor's Office
City of Kansas City, Missouri

Stephen Mhere, CIA, CISA
Internal Audit Department
City of Tampa, Florida

cc: Dr. Joe Buck, President of the Board of Education
Dr. Connie, Cooper, Chair of the Audit Committee



Association of Local Government Auditors

October 23, 2014

Kelly J. Crosby, Senior Director, Internal Audit
Savannah/Chatham County Public School System
Internal Audit Department
208 Bull Street, Room 310
Savannah, GA 31401

Dear Ms. Crosby,

We have completed a peer review of the Savannah/Chatham County Public School System for the period July 1, 2011 through June 30, 2014 and issued our report thereon dated October 23, 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 Internal Audit Department's standardized process for conducting business process reviews makes the audit process more efficient and the resulting report provides the Board of Education with an effective oversight tool.
- The Internal Audit Department staff's teamwork approach makes the office more effective and efficient.
- The Internal Audit Department utilizes a comprehensive documentation system. It is indexed with a simple numbering system that makes identifying and locating work papers effortless.

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

- Standard 3.42 requires auditors to evaluate the impact on independence of any previously performed nonaudit services before accepting an audit. We noted that your audit manual does not include a process for evaluating the impact of nonaudit services you previously conducted before initiating an audit.

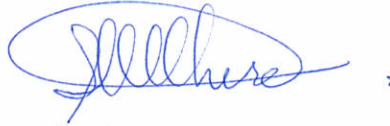
To ensure independence is not impaired, we recommend you update your audit manual to include a procedure for ensuring that before you begin an audit, you consider the impact of previously provided nonaudit services on the prospective audit.

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

Sincerely,



Mary Jo Emanuele, CIA, CGFM
City Auditor's Office
City of Kansas City, Missouri



Stephen Mhere, CIA, CISA
Internal Audit Department
City of Tampa, Florida

Cc: Dr. Joe Buck, President of the Board of Education
Dr. Connie Cooper, Chair of the Audit Committee



October 23, 2014

Mary Jo Emanuele, Team Leader
City Auditor's Office
City of Kansas City, Missouri

Stephen Mhere
Internal Audit Department
City of Tampa, Florida

Dear Ms. Emanuele and Mr. Mhere,

Thank you for completing a Peer Review of the Savannah/Chatham County Public School System's Internal Audit Department for the period July 1, 2011 through June 30, 2014. The team did an excellent job of communicating with our staff during the review.

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

Recommendation 1

Standard 3.42 requires auditors to evaluate the impact on independence of any previously performed nonaudit services before accepting an audit. We noted that your audit manual does not include a process for evaluating the impact of nonaudit services you previously conducted before initiating an audit.

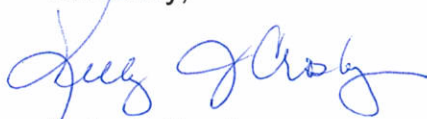
To ensure independence is not impaired, we recommend you update your audit manual to include a procedure for ensuring that, before you begin an audit, you consider the impact of previously provided nonaudit services on the prospective audit.

Response:

We concur. This recommendation will be included in the annual revisions to the Audit Manual completed in December, 2014. In addition, a reminder will be added to the Audit Survey Checklist to complete this step. This checklist will be revised no later than October 31, 2014.

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

Sincerely,



Kelly J. Crosby
Senior Director, Internal Audit
Savannah/Chatham County Public School System

cc: Dr. Joe Buck, President of the Board of Education
Dr. Connie Cooper, Audit Committee Chair