



# External Quality Control Review

of the  
Office of Inspector General  
Clerk & Comptroller's Office  
Palm Beach County, Florida

Conducted in accordance with guidelines of the  
**Association of Local Government  
Auditors**  
for the period August 1, 2011 through July 31, 2013



## Association of Local Government Auditors

October 4, 2013

Mr. Roger Trca  
Inspector General & Audit Director  
Clerk & Comptroller, Palm Beach County  
301 North Olive Avenue  
West Palm Beach, FL 33401

Dear Mr. Trca,

We have completed a peer review of the Clerk & Comptroller, Palm Beach County, Inspector General Office for the period August 1, 2011 through July 31, 2013. 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 Clerk & Comptroller, Palm Beach County, Inspector General Office internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with *the Standards* for assurance engagements during the period August 1, 2011 through July 31, 2013.

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

Beth Breier, CPA, CIA, CISA  
Sr. Audit Manager  
City of Tallahassee, FL

Scott Stees, CIA, CISA, CFE, CGFO, CIGI  
Sr. Inspector General Auditor  
Pinellas County, FL



## Association of Local Government Auditors

October 4, 2013

Mr. Roger Trca  
Inspector General & Audit Director  
Clerk & Comptroller, Palm Beach County  
301 North Olive Avenue  
West Palm Beach, FL 33401

Dear Mr. Trca,

We have completed a peer review of the Clerk & Comptroller, Palm Beach County, Inspector General Office for the period August 1, 2011 through July 31, 2013, and issued our report dated October 4, 2013. 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 with:

- The high credentials and professional certifications your staff holds.
- Staff's demonstration in audit workpapers of their understanding of how the federal, state, local laws and regulations apply to the audits.
- The risk assessment process used for the engagements is very comprehensive and provides a great framework for ensuring that staff resources are focused in areas that are auditable and important.

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

### Communication and Approval

- Attribute standard 2020 states that significant changes to the Audit Plan must be communicated to the Senior Management and Board (Clerk) for review and approval. We noted that during the risk assessment process audits included in the approved audit plan were removed to be reconsidered for future audit plans. However, there was no evidence showing changes to the audit plan were communicated to Senior Management and approved by the Clerk.

To demonstrate compliance with the standards, we recommend that documentation be retained to support that significant changes to the approved annual audit plan are communicated to Senior Management and approved by the Clerk.

Documenting Information

- Performance standard 2330 states that internal auditors must document relevant information to support the conclusions and engagement results. We noted in two of the six audits reviewed, audit findings documented in the workpapers' draft report, were subsequently removed from the final report. The workpapers did not clearly document the Inspector General's acceptance for the removed issues.

To demonstrate compliance with the standards, we recommend a process be implemented to ensure that disposition of all identified issues in the audit workpapers is clearly documented in the workpapers and all reportable issues are included in the final report.

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

Sincerely,



Beth Breier, CPA, CIA, CISA  
Sr. Audit Manager  
City of Tallahassee, FL



Scott Stees, CIA, CISA, CFE, CGFO, CIGI  
Sr. Inspector General Auditor  
Pinellas County, FL



**SHARON R. BOCK**  
Clerk & Comptroller  
Palm Beach County

October 4, 2013

Beth Breier  
Peer Review Team Leader  
City of Tallahassee  
300 South Adams Street, Box A-22  
Tallahassee, FL 32301

Dear Ms. Breier

I would like to thank you as well as team member Scott Stees for the peer review covering the period August 1, 2011 through July 31, 2013. This was the first peer review of compliance with the *International Standards for the Professional Practice of Internal Auditing (the Standards)* for the Clerk & Comptroller, Palm Beach County, Inspector General Office. You collectively performed a thorough review in a very professional manner and we benefitted from your experience.

We are pleased that you found our internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with *the Standards*. We also appreciate your companion letter to the opinion. We concur with your two observations and recommendations and we have already taken steps to initiate implementation of corrective actions. Our responses are presented below.

**Communication and Approval Recommendation:**

To demonstrate compliance with the standards, documentation should be retained to support that significant changes to the approved annual audit plan are communicated to Senior Management and approved by the Clerk.

**Response:**

We concur with the recommendation. We inform Senior Management and the Clerk during the planning process that our audit plans are flexible and that some audits may be dropped or added during the year based on changing risks and other factors. In response to this recommendation, we will document and retain evidence showing changes to the audit plan were communicated to Senior Management and approved by the Clerk.

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**Documenting Information Recommendation:**

To demonstrate compliance with the standards, a process should be implemented to ensure that disposition of all identified issues in the audit workpapers is clearly documented in the workpapers and all reportable issues are included in the final report.

**Response:**

We concur with the recommendation. We will supplement the current, less formal practices by developing a more transparent and consistent process of documenting the final disposition of issues in the workpapers and as included in the final report.

We sincerely appreciate your time and effort to conduct the peer review. Thank you again for the thorough review and your insight provided.

Sincerely,



Roger Trca, CIG, CPA, CIA, MBA  
Inspector General & Audit Director  
Clerk & Comptroller Office  
Palm Beach County, Florida

cc: Kathy Knox, ALGA Peer Review Coordinator  
Scott Stees, Peer Review Team Member