External Quality Control Review

of the

Office of the City Auditor,
City of Sacramento, California

Conducted in accordance with guidelines of the

Association of Local Government Auditors

for the period January 2022 to December 2024

	Association of Local Government Auditors

April 8, 2025

Farishta Ahrary
City Auditor
915 I Street
Sacramento, CA 95814

Dear Ms. Ahrary,

We have completed a peer review of the City Auditor's Office, Sacramento California for the period January 2022 to December 2024. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with Government Auditing Standards* published by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests to determine whether your internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States and applicable legal and regulatory requirements. Our procedures included:

- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff, management, and a member of the City Council.

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. Organizations can receive a rating of pass, pass with deficiencies, or fail. The Office of the City Auditor has received a rating of pass.

Based on the results of our review, it is our opinion that the Office of the City Auditor's internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* and applicable legal and regulatory requirements for engagements during the period January 2022 to December 2024.

We have prepared a separate letter providing commendations, findings, and recommendations to further strengthen your internal quality control system.

Elizabeth Pape

Elizabeth Pape
Team Leader
County Auditor
Deschutes County
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Jonathan Thompson

Jonathan Thompson
Team Member
Internal Auditor
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Transportation
Authority

Association of Local Government Auditors

April 8, 2025

Farishta Ahrary
City Auditor
915 I Street
Sacramento, CA 95814

Dear Ms. Ahrary,

We have completed a peer review of the Office of the City Auditor, Sacramento, California for the period January 2022 to December 2024 and issued our report thereon dated April 8, 2025. We are issuing this companion letter to offer certain findings and recommendations stemming from our peer review.

We would like to mention some of the areas in which we believe your office excels. The Office:

- Produces impactful reports valued by City Council.
- Displays cohesive and positive team dynamics.
- Has navigated complex politics and is actively working to build relationships to promote its role as a trusted advisor.
- Conducts detailed and comprehensive risk assessments that allow auditors to identify priority areas for inclusion as audit objectives.

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

- Standard 8.20 to 8.22 requires the Office to communicate the objectives, scope, methodology, timing and planned reporting of the audit to the appropriate parties at the start of an audit. In reviewing the Office's work papers, we observed that the audit engagement letter and other documentation did not include these topics.

  We recommend the office develop standard communication objectives, scope, methodology, timing, and planned reporting.

- Standards 5.43, 5.44, and 5.45 requires the Office to perform monitoring procedures, summarizing and analyzing the results at least annually, communicating any deficiencies and recommendations, and implementing appropriate actions to address deficiencies. In reviewing the Office's work papers, we did not find documentation that monitoring procedures were performed other than regular updates to the policies and procedures manual.

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We recommend the Office document the steps taken to conduct monitoring, any deficiencies found, and steps to be taken to address deficiencies.

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

Sincerely,

Elizabeth Pape

Elizabeth Pape
Team Leader
County Auditor
Deschutes County,
Oregon

Jonathan Thompson

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Team Member
Internal Auditor
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Transportation
Authority