



External Quality Control Review

of the
Maryland National Capital Park
and Planning Commission
Office of Internal Audit

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 5, 2017

Renee Kenney, Chief Internal Auditor
Maryland-National Capital Park and Planning Commission
Office of Internal Audit
7833 Walker Drive
Greenbelt, MD 20770

Dear Ms. Kenney,

We have completed a peer review of the Maryland-National Capital Park and Planning Commission 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 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 Maryland-National Capital and Planning Commission Office of Internal Audit's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits during the period July 1, 2014 – June 30, 2017.

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

Amanda Noble, CIA, CISA
City Auditor
City of Atlanta

Olajide Mustapha, CPA, CFE
Staff Auditor
Maryland State Judiciary

E. Keith Jeter, CICA
Performance Auditor
City of Chesapeake



Association of Local Government Auditors

October 5, 2017

Renee Kenney, Chief Internal Auditor
Maryland-National Capital Park and Planning Commission
Office of Internal Audit
7833 Walker Drive, Suite 425
Greenbelt, MD 20770

Dear Ms. Kenney,

We have completed a peer review of the Maryland-National Capital Park and Planning Commission Office of Internal Audit for the period July 1, 2014, through June 30, 2017, and issued our report thereon dated October 5, 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:

- The Office of Internal Audit has attracted and retained a highly qualified staff.
- The Office of Internal Audit conducts a comprehensive annual risk assessment to effectively allocate limited resources to areas that would benefit from audit.
- The Office of Internal Audit has conducted outreach activities to integrate its mission with that of the overall organization.

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

- Standard 3.85 requires audit organizations to establish policies and procedures in its system of quality control that collectively address multiple aspects of auditing, including documentation, reporting and monitoring of quality. While the Office of Internal Audit has written policies and procedures that address most aspects of quality control, it's unclear whether procedures for documenting and reporting work apply to all types of audit engagements conducted. We observed differences in the amount and types of documentation retained for different types of audits.

We recommend the Chief Internal Auditor clarify in the policies and procedures documentation and reporting requirements for all types of audits conducted and use the quality checklist to ensure consistent application of procedures for all types of audits.

- Standard 3.95 requires audit organizations to analyze and summarize the results of its monitoring process at least annually with identification of any systemic or repetitive issues needing improvement, along with recommendations for corrective action. The policies and procedures do not currently address how to analyze and summarize monitoring results annually.

We recommend the Chief Internal Auditor develop a procedure to analyze and summarize monitoring of quality results annually.

- Standard 7.05 (3) states that a purpose of audit reports is to make the results available to the public, unless specifically limited. We noted that none of the Office of Internal Audit's 2017 reports had been posted publicly, although several had been approved for public distribution. Some reports were still pending approval of distribution.

We recommend the Chief Internal Auditor ensure reports are posted to the website timely.

- Standard 7.08 requires auditors to prepare audit reports that contain (1) the objectives, scope, and methodology of the audit; (2) the audit results, including findings, conclusions, and recommendations, as appropriate; (3) a statement about the auditors' compliance with GAGAS; (4) a summary of the views of responsible officials; and (5) if applicable, the nature of any confidential or sensitive information omitted. We noted several reports that did not contain the complete GAGAS statement and several publicly available reports that redacted information without disclosing the reason the information was omitted.

We recommend the Chief Internal Auditor disclose in the report why it was necessary to redact certain information and ensure that reports contain the complete GAGAS statement, modified as necessary.

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,



Amanda Noble, CIA, CISA
City Auditor
City of Atlanta



Olajide Mustapha, CPA, CFE
Staff Auditor
Maryland State Judiciary



E. Keith Jeter, CICA
Performance Auditor
City of Chesapeake



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Office of Internal Audit • 7833 Walker Drive, Suite 425 • Greenbelt, Maryland 20770

October 5, 2017

Mary Jo Emanuele
ALGA Peer Review Coordinator
Audit Manager
City's Auditors Office
Kansas City, Missouri

Amanda Noble
ALGA Peer Review Team Leader
City Auditor
City of Atlanta
Atlanta, Georgia

Dear Ms. Emanuele and Ms. Noble,

Please accept this document as our official response to your companion letter dated October 5, 2017 regarding the peer review of the Maryland-National Capital Park and Planning Commission (Commission) for the period July 1, 2014 through June 30, 2017. The companion letter included four observations and suggestions to help our organization achieve full compliance with *Government Auditing Standards*. Our office concurs with all observations.

- **(Standard 3.85)** The Chief Internal Auditor will clarify reporting requirements for all types of audits in our documented Principles and Procedures manual. We will also enhance our quality assurance checklist, which is completed and maintained with each engagement file to ensure consistent application of procedures.
- **(Standard 3.95)** The Chief Internal Auditor will develop a procedure to analyze and summarize any systemic or repetitive issues that may impact performance of the Office of Internal Audit.
- **(Standard 7.05 (3))** The Chief Internal Auditor will ensure all audit reports approved for public promulgation are posted within a reasonable timeframe.
- **(Standard 7.08)** The Chief Internal Auditor will enhance our quality assurance checklist to ensure the full GAGAS compliance statement is included in all audit reports completed in accordance with *Government Auditing Standards*.

Also, the opinion letter recommended that the Chief Internal Auditor, disclose in the audit report, why certain information was redacted. As redaction recommendations are provided by the Commission's Public Information Officer after the report has been issued and finalized, it is not practical to note reasons for redaction in the report. However, the Chief Internal Auditor will include a policy statement on the Office of Internal Audit's website that describes the Office of Internal Audit's redaction policy, (e.g. all Personally Identifiable Information (PII) and information impacting the security of Commission personnel, property, or information will be redacted).

We would like to thank Ms. Amanda Noble, Mr. Olajide Mustapha, and Mr. Keith Jeter for their expertise and professionalism extended to us throughout this process.

Sincerely,



Renee M. Kenney, CPA, CIA, CISA
Chief Internal Auditor
Maryland-National Capital Park and Planning Commission