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# External Quality Control Review

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of the  
City of Oakland  
Office of the City Auditor

Conducted in accordance with guidelines of the  
**Association of Local Government  
Auditors**  
for the period January 2019 to December 2021

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## Association of Local Government Auditors

September 29, 2022

Honorable Ms. Courtney Ruby, City Auditor  
Office of the City Auditor  
City of Oakland  
1 Frank H. Ogawa Plaza, Suite 400  
Oakland, CA

Dear City Auditor Ruby,

We have completed a peer review of the Oakland Office of the City Auditor for the period January 2019 to December 2021. We conducted this review in accordance with generally accepted government auditing standards peer review requirements contained in the Association of Local Government Auditors (ALGA) *Peer Review Guide*.

We reviewed the quality control system of your audit organization and conducted tests to determine whether your 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 audit and non-audit engagements and working papers,
- Reviewing documents about independence, training, and development of audit staff, and
- Interviewing audit staff and management to assess their understanding of, and compliance with quality control policies and procedures.

Due to variances in individual performance and judgment, compliance does not imply adherence to standards in every situation but does imply adherence in most situations. Organizations can receive a rating of pass, pass with deficiencies, or fail. The Oakland Office of the City Auditor has received a rating of pass.

Based on the results of our review, it is our opinion that the Oakland Office of the City Auditor's 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 audit and non-audit services during January 2019 and December 2021. We have prepared a separate letter offering suggestions to further strengthen your internal quality control system.

Sincerely,

Virginia Garcia  
Deputy City Auditor  
Office of City Auditor  
City of Seattle, WA

Robert Kawabata  
Police Performance Auditor III  
Los Angeles Police Department  
City of Los Angeles, CA



## **Association of Local Government Auditors**

September 29, 2022

Honorable Ms. Courtney Ruby, City Auditor  
Office of the City Auditor  
City of Oakland  
1 Frank H. Ogawa Plaza, Suite 400  
Oakland, CA

Dear City Auditor Ruby,

We have completed a peer review of the Oakland Office of the City Auditor for January 2019 to December 2021 and issued our report thereon dated September 29, 2022. We are issuing this companion letter to offer observations and suggestions stemming from our peer review. First, we would like to mention areas we believe your office excels:

- The Office of the City Auditor values and is committed to being independent. While the Office of the City Auditor is structurally independent, it demonstrated its commitment to independence by including City ballot initiative language to strengthen its independence and used a detailed form to assess audit staff's independence for both audit and non-audit engagements.
- Audit staff are experienced and knowledgeable about the Government Auditing Standards. Through their audit work, audit staff demonstrated their ability to research audit subject matters and identify appropriate audit criteria to inform their audit objectives consistent with auditing standards.
- The Office of the City Auditor is well regarded nationally for its outstanding audits. It received the Association of Local Government Auditors 2020 Distinguished Knighton Award for a medium sized shop for the Performance Audit of the Oakland Audit of Police Commission and Community Police Review Agency.
- Audit staff are well supervised, trained, and encouraged to pursue development opportunities through quarterly and annual check-ins and evaluations. This has resulted in a dedicated and professional audit team with little turnover.

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

- Standard 3.20 requires verification that auditors were independent during the period covered by the subject matter and period of the engagement. To this end, the Office of the City Auditor requires all audit staff and audit management to evaluate and document their independence in two ways: annually and by engagement. Annually, all audit staff are required to submit a Statement of Economic Interest Form 700. We found all the Form 700s for all but one staff in the City's public online Statement of Economic Interest Form database. While this form may have been completed and retained within the office, it is important for transparency purposes that the form be submitted for online public viewing. We suggest that as part of your annual review process, that you review the public online database to ensure forms for all staff have been submitted.



## **Association of Local Government Auditors**

- Standard 5.24 requires the audit organization establish policies and procedures designed to provide it with reasonable assurance that appropriate consultation takes place on difficult or contentious issues that arise among engagement team members. While we found no evidence that there were contentious issues among staff, this new standard is part of the 2018 revision to the Government Auditing Standards and as such, we suggest updating your policies and procedures to include a process to address and document difficult or contentious issues that arise among engagement team members.

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,

Virginia Garcia  
Deputy City Auditor  
Office of City Auditor  
City of Seattle, WA

Robert Kawabata  
Police Performance Auditor III  
Los Angeles Police Department  
City of Los Angeles, CA



**CITY OF  
OAKLAND**  
Office of the City Auditor

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City Auditor

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October 5, 2022

To: Virginia Garcia, Deputy City Auditor, City of Seattle  
Robert Kawabata, Police Performance Auditor III, Los Angeles Police Department

Dear ALGA Peer Review Team:

Thank you for the opportunity to respond to your External Quality Control Review report on the Oakland Office of the City Auditor's (Office) compliance with Government Auditing Standards for the period January 1, 2019, through December 31, 2021. I have reviewed your report and I agree with its conclusions and recommendations.

I am pleased to learn that your team concluded that the Office's quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards.

In addition, your team noted:

- *The Office of the City Auditor values and is committed to being independent. While the Office of the City Auditor is structurally independent, it demonstrated its commitment to independence by including City ballot initiative language to strengthen its independence and used a detailed form to assess audit staff's independence for both audit and non-audit engagements.*
- *Audit staff are experienced and knowledgeable about the Government Auditing Standards. Through their audit work, audit staff demonstrated their ability to research audit subject matters and identify appropriate audit criteria to inform their audit objectives consistent with auditing standards.*
- *The Office of the City Auditor is well regarded nationally for its outstanding audits. It received the Association of Local Government Auditors 2020 Distinguished Knighton*

*Award for a medium sized shop for the Performance Audit of the Oakland Audit of Police Commission and Community Police Review Agency.*

- *Audit staff were well supervised, trained, and encouraged to pursue development opportunities through quarterly and annual check-ins and evaluations. This has resulted in a dedicated and professional audit team with little turnover.*

I appreciate your observations about my Office's commitment to independence, the high level of experience and knowledge of my staff, the high quality of our audits, and our Office's commitment to supervision, training, and professional development.

I also appreciate your feedback and recommendations for improving the Office:

- *We concur with your recommendation to annually confirm that Statements of Economic Interest forms are made publicly available online. Accordingly, the Office will annually verify that all auditors' forms are uploaded onto the City's public database.*
- *While my Office has not had contentious issues, we acknowledge that government auditing standards require us to incorporate into our policies and procedures, a process to address and document contentious issues that may arise among auditors. Therefore, we concur with your recommendation and will update our policies and procedures accordingly.*

Our Office found the ALGA peer review process to be extremely constructive and valuable. We appreciate your willingness to take time away from your own work to evaluate our Office's audit work.

Thank you for the thoroughness of your work and for sharing your professional opinions and insights. We would also like to thank ALGA and the ALGA Peer Review Coordinator, Jennifer An from the Los Angeles Police Department.

Sincerely,



Courtney A. Ruby, CPA, CFE  
City Auditor

Cc: Jennifer An, Officer-In-Charge, Administration, Budget, and Contract, Los Angeles Police Department