



External Quality Control Review

of the
County of Summit, Ohio
Internal Audit Department

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

for the period January 1, 2005, through October 31,
2007.



Association of Local Government Auditors

November 9, 2007

Mr. Bernard F. Zaucha, CPA, CIA, CICA
Director
Internal Audit Department
County of Summit, Ohio

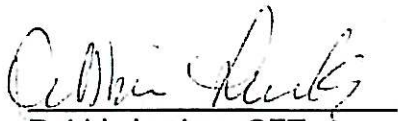
Dear Mr. Zaucha:

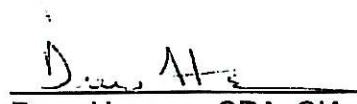
We have completed a peer review of the Summit County Internal Audit Department for the period January 1, 2005, through October 31, 2007. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide* published in May, 2004, by the Association of Local Government Auditors.

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 compliance with *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Summit County 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 and attestation engagements during the period January 1, 2005, through October 31, 2007.

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


Debbie Luckey, CFE
Lead Auditor
City of Memphis, TN


Drew Harmon, CPA, CIA
Municipal Auditor
City of Roanoke, VA



Association of Local Government Auditors

November 9, 2007

Mr. Bernard F. Zaucha, CPA, CIA, CICA
Director
Internal Audit Department
County of Summit, Ohio

Dear Mr. Zaucha:

We have completed a peer review of the Summit County Internal Audit Department for the period January 1, 2005, through October 31, 2007, and issued our report thereon dated November 9, 2007. We are issuing this companion letter to offer observations and suggestions stemming from our peer review.

We would first like to mention some of the substantial positive aspects of the Summit County Internal Audit Department that the review team observed over the course of our review:

- The inclusion of two citizens on the Audit Committee enhances transparency, provides an opportunity to broaden the diversity of expertise and backgrounds on the Committee, and promotes the independence of the County's internal auditing function.
- The risk assessment process undertaken in 2003 provided an excellent foundation for ensuring audit resources are assigned in an objective, effective, and efficient manner.
- The Internal Audit Department's work papers were extremely thorough, on point, concisely stated, well organized, and consistent. We commend your entire staff on the quality of their work.

We offer the following observations and suggestions that may strengthen your organization's demonstrated adherence to government auditing standards:

1. Government Auditing Standard 3.35 states: "Auditors should use professional judgment in determining the type of assignment to be performed and the standards to apply...; defining the scope of the work; [and] selecting the methodology..." We observed that the Internal Audit Department periodically performs audit services that are requested by various County offices. Based on our review of a sample of these engagements, we suggest that the Internal Audit Department develop a more detailed understanding of requests that is documented and formally communicated to the requesting department before initiating the work. This would help ensure that the Internal Audit Department applies the proper standards, either attestation or

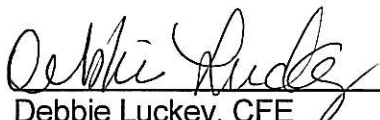
performance audit standards, and invests the appropriate amount of time and resources in each engagement. In some cases, it may be more appropriate to classify a project as non-audit services.

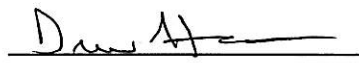
There are precautions that should be undertaken when planning and performing non-audit services. These precautions are designed to ensure an audit department does not impair its independence. Standard 3.17 (e) states: "The audit organization's quality control systems for compliance with independence requirements should include: (1) policies and procedures to assure consideration of the effect on the ongoing, planned, and future audits when deciding whether to provide non-audit services, and (2) a requirement to have the understanding with management of the audited entity documented." The standards also indicate that the understanding with management should be explicit about the objectives, scope of the work, and deliverables.

We recommend that the Internal Audit Department develop more specific procedures for evaluating special requests for audit services, determining if AICPA standards should be applied, implementing the safeguards when necessary, and documenting the objectives, scope of work, and deliverables.

We would like to express our thanks to you and your staff for your openness, cooperation and assistance throughout the review. We would also like to express our gratitude for the hospitality shown to us by everyone in the Summit County organization.

Sincerely,


Debbie Luckey, CFE
Lead Auditor
City of Memphis, TN


Drew Harmon, CPA, CIA
Municipal Auditor
City of Roanoke, VA



SUMMIT COUNTY, OHIO

INTERNAL AUDIT DEPARTMENT

November 9, 2007

Mr. Drew Harmon, CPA, CIA
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City of Roanoke
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Dear Mr. Harmon & Ms. Luckey:

In response to your Management Letter dated November 9, 2007, this will serve as the Management Action Plan in response to the County of Summit 2007 Yellow Book Peer Review. The following procedures will be incorporated to respond to requests for special projects received by the Summit County Internal Audit Department:

1. When the Internal Audit Department is requested to perform a "special project," every effort will be made to determine with more specificity the type of engagement that is being requested from the auditee. This will help to ensure that the objectives, scope of work and deliverable are determined at the beginning of the process and that the appropriate standards can be applied to a specific engagement. A determination will then be made as to whether a performance audit, attestation engagement or non-audit service will be performed.
2. The Internal Audit Department will obtain the proper approval from the Audit Committee to perform the specified services if they are outside of the 5 year scheduled Audit Plan. The proper classification and reporting of special projects will allow for the accurate reporting of services provided by the Internal Audit Department to the Audit Committee as well as the general public.
3. The Internal Audit Policies and Procedures manual will include the process for determining the appropriate classification of a special request. In addition, the procedures will include the specific procedures and deliverables required for performing performance audits, attestation and non-audit services.

On behalf of the Summit County Internal Audit Department and the Summit County Audit Committee, I would like to thank you both, as well as the Association of Local Government Auditors, for your time and effort in providing us with this valuable service.

Sincerely,

B. F. Zaucha

Bernard F. Zaucha, CIA, CPA, CICA
Director, Summit County Internal Audit Dept.