



External Quality Control Review

of the
Office of the City Auditor
City and County of Honolulu

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**
the period July 1, 2006, through June 30,
2009



Association of Local Government Auditors

August 27, 2009

Leslie I. Tanaka, CPA
City Auditor
Office of the City Auditor
City and County of Honolulu
1001 Kamokila Boulevard, Suite 216
Kapolei, Hawaii 96707

Dear Mr. Tanaka,

We have completed a peer review of the Office of the City Auditor for the period July 1, 2006 to June 30, 2009. 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 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 Office of the City Auditor internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audit engagements during the period July 1, 2006 to June 30, 2009.

We have prepared a separate letter offering additional observations stemming from our review.

Sincerely,

F. Michael Taylor
City of Stockton

Jim Williamson
City of Oklahoma City

Alan Ash
City of Toronto



Association of Local Government Auditors

August 27, 2009

Leslie I. Tanaka, CPA
City Auditor
Office of the City Auditor
City and County of Honolulu
1001 Kamokila Boulevard, Suite 216
Kapolei, Hawaii 96707

Dear Mr. Tanaka,

We have completed a peer review of the Office of the City Auditor for the period July 1, 2006 to June 30, 2009 and issued our report thereon dated August 27, 2009. 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:

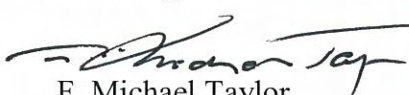
- Staff is well-qualified and experienced;
- Reports are well-organized and well-written;
- Audit Standards Review Form is a useful tool in ensuring compliance with Standards;
- Post-project evaluations provide timely, useful feedback to audit staff.

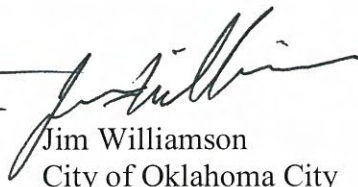
Government Auditing Standards provide audit organizations flexibility in determining the nature and extent of their internal quality control systems. Our review found your quality control system was functioning as intended. In general, management letter comments include issues related to non-compliance with *Government Auditing Standards*. Because issues of non-compliance were not observed during our review, we make no formal recommendations for improvements but have offered verbal suggestions in the following areas:


- Encouraging management to include action plans and expected implementation dates in their responses to audit recommendations;
- Monitoring continuing professional education (CPE) compliance; and
- Documenting periodic internal assessments of audit quality.

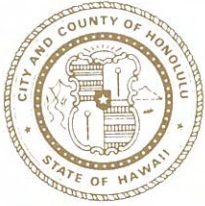
We would like to extend our appreciation to you and your staff for the hospitality and cooperation offered to us during the review.

Sincerely,


F. Michael Taylor
City of Stockton


Jim Williamson
City of Oklahoma City


Alan Ash
City of Toronto



LESLIE I. TANAKA, CPA
CITY AUDITOR

OFFICE OF THE CITY AUDITOR
CITY AND COUNTY OF HONOLULU
1001 KAMOKILA BOULEVARD, SUITE 216, KAPOLEI, HAWAII 96707 / PHONE: (808) 768-3134 / FAX: (808) 768-3135

August 27, 2009

Mr. F. Michael Taylor
Peer Review Team Leader
City Auditor
City of Stockton, California
Office of the City Auditor
22 E. Weber Ave., Suite 325
Stockton, CA 95202

Dear Mr. Taylor:

I have read the peer review report of August 27, 2009 containing the results of your external quality control review of the Office of the City Auditor, City and County of Honolulu. I am pleased that an independent peer review team found that our office conducts its work in full compliance with generally accepted government auditing standards. In addition, I am pleased that your review found that our quality control system was functioning as intended, and made no formal recommendations for improvements.

I appreciate your thoughtful comments about the areas where you found our office to excel, including our staff qualifications, our well-written reports, effective use of an Audit Standards Review Form, and timely post-project staff evaluations. In addition, I appreciate your verbal suggestions to further enhance our operations.

I wish to extend my personal thanks to you, Alan Ash, Director, City of Toronto Auditor General's Office, Toronto, Canada and Jim Williamson, City Auditor, City of Oklahoma, Oklahoma for your participation in the peer review process and for taking the time to review our operations. I will share your report with our city council and the mayor, and will also make it available to the public on our website.

Sincerely,

A handwritten signature in cursive script that reads "Leslie I. Tanaka".

Leslie I. Tanaka, CPA
City Auditor