



**The Association of Local Government Auditors  
Awards this**

***Certificate of Compliance***

**to**

***City of Corpus Christi  
City Auditor's Office***

Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audit and attestation engagements during the period January 1, 2018 through December 31, 2020.

*Corrie Stokes*

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Corrie Stokes  
ALGA Peer Review Committee Chair



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# External Quality Control Review

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of the  
City of Corpus Christi  
City Auditor's Office

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

for the period January 1, 2018 to December 31, 2020

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## Association of Local Government Auditors

April 13, 2023

George Holland, City Auditor  
1201 Leopard St.  
Corpus Christi, TX 78401

Dear Mr. Holland,

We have completed a peer review of the City Auditor's Office for the City of Corpus Christi for the period January 1, 2018 to December 31, 2020. In accordance with generally accepted government auditing standards peer review requirements, 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 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 nonaudit services and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff, management, and members of the Audit Committee 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. Organizations can receive a rating of pass, pass with deficiencies, or fail. The City of Corpus Christi's City Auditor's Office has received a rating of pass.

Further, based on the results of our review, it is our opinion that the City Auditor's Office's internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits and nonaudit services from January 1, 2018 to December 31, 2020.

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

Kelsey Thompson, CIA, CGAP  
Assistant City Auditor  
Office of the City Auditor  
City of Austin, TX

Barbara Coppage, CIA, CFE, CQA  
City Auditor  
Office of the City Auditor  
City of Avondale, AZ



## **Association of Local Government Auditors**

April 13, 2023

George Holland, City Auditor  
1201 Leopard St.  
Corpus Christi, TX 78401

Dear Mr. Holland,

We have completed a peer review of the City of Corpus Christi City Auditor's Office for the period January 1, 2018 to December 31, 2020 and issued our report thereon dated April 13, 2023. 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:

- Your office has built a strong relationship with your Audit Committee. Your Audit Committee values the work your office does and supports your audit work. The Chair of your Audit Committee expressed a commitment to supporting the work of your office to improve services across the city.
- Leadership and staff have a strong commitment to training and development. Throughout the City Auditor's Office and at the Audit Committee level, training and education for auditors are clear priorities. In our discussions with staff, we were impressed with the level of engagement and excitement they expressed about training and developing audit skills.

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

- Standard 5.84 requires an audit organization not already subject to a peer review requirement to obtain an external peer review at least once every three years. We observed your audit shop requested a peer review after the review would have been considered timely.

We suggest ensuring a peer review is conducted for the City Auditor's Office every three years.

- Standard 5.09 requires at least annually, the audit organization should obtain written affirmation of compliance with its policies and procedures on independence from all of its personnel required to be independent. We observed that staff employed during the peer review period of January 1, 2018 to December 31, 2020 did not provide an annual written affirmation of compliance with independence policies. However, we did see that the office has addressed this in their current procedures, and annual independence statements are being completed.

We suggest continuing to ensure all staff complete annual independence statements.

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,



Kelsey Thompson, CIA, CGAP  
Assistant City Auditor  
Office of the City Auditor  
City of Austin, TX



Barbara Copping, CIA, CFE, CQA  
City Auditor  
Office of the City Auditor  
City of Avondale, AZ



April 20, 2023

**CITY AUDITOR'S OFFICE**

PO Box 9277  
Corpus Christi  
Texas 78469-9277  
Phone 361-826-3500  
Fax 361-880-3501  
www.cctexas.com

Kelsey Thompson, CIA CGAP  
Assistant City Auditor  
Office of the City Auditor  
City of Austin, TX

Barbara Coppage, CIA CFE CQA  
City Auditor  
Office of the City Auditor  
City of Avondale, AZ

Dear Ms. Thompson and Ms. Coppage,

We have received the results from our external quality control review (peer review) of the City of Corpus Christi's City Auditor's Office for the period of January 1, 2018 through December 31, 2020. We are pleased the results show our system of internal quality control complied with Government Auditing Standards (Standard). We appreciate that your report includes areas in which you believe our office excels as well as suggestions to help improve our audit processes.

We have carefully reviewed the recommendations presented in the peer review letter, and our corrective plans are described below.

- *We suggest ensuring a peer review is conducted for the City Auditor's Office every three years.*

This Peer Review's delay was largely due to hardships related to prioritization of audit projects and addressing unprecedented staffing challenges within the City Auditor's Office. This peer review was essential for continuity of peer reviews for our office. At this time, we are in more favorable staffing position and will schedule subsequent peer reviews within 6-months of the end of the period under review to ensure compliance with Standard 5.84. Should unusual difficulty or hardship occur in the future, this office will submit an extension request as allowed under Standard 5.64 to ensure the review is conducted at least every three years from the date of the last review.

- *We suggest continuing to ensure all staff complete annual independence statements.*

As aforementioned, staffing challenges diverted utilization of annual independence statements as at times a single auditor was on staff. Therefore, efforts to complete annual independence statements were focused at the engagement level. As recognized by the Peer Review team, this practice has since been corrected to include annual independence statements going forward to ensure compliance with Standard 5.09.



We would like to extend our appreciation to our peer review team for their dedication to the Association of Local Government Auditors and to the profession of internal auditing. We appreciate the professionalism you demonstrated during the review, and value the ideas and suggestions provided to us.

Respectfully,

*George H. Holland*

George Holland, CIA, CISA  
City Auditor  
City of Corpus Christi, Texas

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PO Box 9277  
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Texas 78469-9277  
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[www.cctexas.com](http://www.cctexas.com)