

Office of Accountability & Efficiency Audit Services 5225 W. Vliet Street, Milwaukee, WI 53208 (414) 475-8314 audit@milwaukee.k12.wi.us



### MILWAUKEE PUBLIC SCHOOLS

Association of Local Government Auditors Peer Review Process Presentation

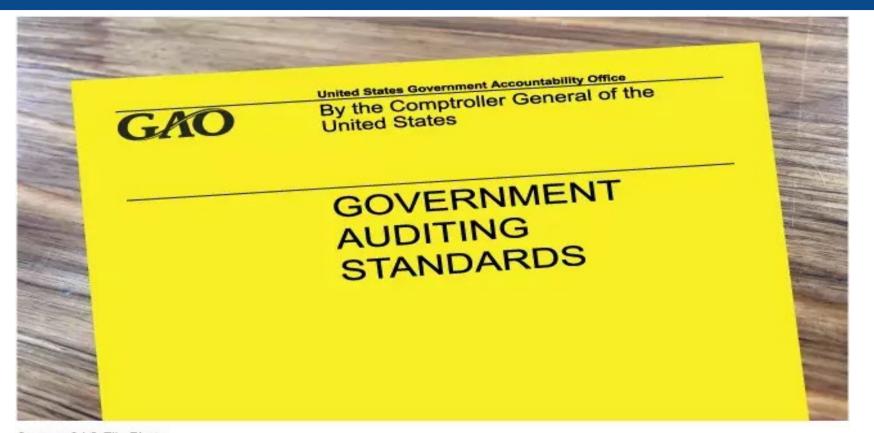
November 21, 2024

#### **Audit Services**

Matthew J. Chason, Senior Director

Paul E. Geib, Chief Auditor

## ASSOCIATION OF LOCAL GOVERNMENT AUDITORS (ALGA) PEER REVIEW PROCESS



Source: GAO File Photo.

## ALGA PEER REVIEW PROCESS EXPLAINED

- The Association of Local Government Auditors (ALGA) is an all-volunteer organization comprised of local government auditors from across the United States and Canada. They identify peer review teams that will perform an on-site review of all audit shop operations to ensure compliance with Government Accountability Office (GAO) Yellow Book auditing standards.
- These peer reviews are performed every three years to ensure Reasonable Assurance with the Standards.
- The OAE Audit Services peer review has been requested and is scheduled for the Spring 2025 (March-April 2025).





# External Quality Control Review

of the

Milwaukee Public Schools, Office of Board Governance -Audit Services

Conducted in accordance with guidelines of the

#### Association of Local Government Auditors

for the period April 1, 2018 through December 31, 2021

#### Most recent ALGA Peer Review



#### Association of Local Government Auditors

April 27, 202

Paul Geib, Performance Audit Manager Milwaukee Public Schools Office of Board Governance Audit Services 5225 W. Vilet Street, Suite 266 Milwaukee, Wisconsin 53208

Dear Mr. Geib.

We have completed a peer review of the Milwaukee Public Schools, Office of Board Governance - Audit Services for the period April 1, 2018 Brough December 31, 2021. In accordance with agenerally 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 (ALG).

We reviewed the internal quality control system of your audit organization and conducted tests in order of determine whether your internal quality control system was adequately designed and operating effectively to provide reasonable assurance of complience with Covernment Auditing Standards Issued by the Comptroller General of the United States and applicable legal and requalitory requirements. Dur procedures included:

- · Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- · Reviewing a sample of audit and non-audit service engagements and working papers.
- · Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff, management, and a member of the Committee on Accountability Finance, and Personnel, 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. Milwaukee Public Schools, Office of Board Governance - Audit Services, has received a rating of pass.

Further, based or the results of our review, it is our opinion that the Milwaukee Public Schools, Office of Board Governance - Audit Services internal 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 audits and non-audit services during April 1, 2018 through December 31, 2021.

Esther Ko, CPA, CIA, CFE Fairfax County Public Schools Office of Auditor General Juan M. Garcia, CPA, Metropolitan Transit Authority of Harris County, Texas Office of Audit



Office of Board Governance - Audit Services

5225 W. Vliet St., Room 273, Milwaukee, WI 53208

(414) 475-8284 • Fax (414) 475-8071 • mps.milwaukee.k12.wi.us

April 27, 2022

Ms. Esther Ko, Auditor General, Fairfax County Public Schools

Mr. John Garcia, Chief Audit Executive, METRO Transit Authority of Harris County,

Dear Ms. Ko and Mr. Garcia:

We are very pleased that our office was found to be in full compliance with Government Auditing Standards. I would like to take the opportunity to thank you for the thorough and complete peer review performed by the team. We found this experience to be very helpful and your review will enhance the quality of our office's future audit projects. Our office is committed to continuously improving and refining our audit processes.

We appreciate that you have taken time from your own work to evaluate our operation, and thank you for sharing your insights and perspectives.

Sincerely,

Paul Geib

Paul Geib Performance Audit Manager Office of Audit Services

### INDEPENDENCE AND AUTHORITY

#### **INDEPENDENCE REQUIREMENTS**

Fundamental to a successful peer review is assurance that the audit function has full independence to conduct audits and investigations. Threats to independence per GAO, 3.30 (e), (g), and 3.42 (a) (b) and (f) include obstruction of information requests, interference in obtaining relevant records, documents, personnel, and undue influence on the direction of audits and investigations.

#### PEER REVIEW PROCESS

- The independent review by a team of auditors from ALGA includes a review of Audit policies and procedures to conduct audits and investigations, along with a review of workpapers, reports, training records, interviews with staff and discussions with Audit Committee and Board members.
- A written report is issued at the conclusion of the peer review process.
- There have been six successful peer reviews previously with the highest level of compliance achieved. The most recent ALGA peer review was completed and issued in April 2022 with a Pass Opinion and No Management Letter Comments.

#### **BOARD POLICY 2.12**

- Board Governance Policy 2.12 in its current form provides the independence and authority for Audit Services to meet the Peer Review independence standard. This policy has been in place since 1995.
- OAE Audit Services intends to put forward an updated version to the next LRP Committee meeting that will further strengthen the independence of the OAE Audit function consistent with GAO independence standards for the Board's consideration.





## Questions?