



External Quality Control Review

of the
City of El Paso
Internal Audit Office

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

for the period September 1, 2007, through August
31, 2010.



Association of Local Government Auditors

September 22, 2010

Edmundo S. Calderon
Chief Internal Auditor
City of El Paso
Two Civic Center Plaza, El Paso, Texas 79901

Dear Mr. Calderon,

We have completed a peer review of the City of El Paso Internal Audit Office for the period September 1, 2007 through August 31, 2010. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with International Standards for the Professional Practice of Internal Auditing*, published in July 2009 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 conformance with *the International Standards for the Professional Practice of Internal Auditing (the Standards)* issued by the Institute of Internal Auditors as part of their *Professional Practices Framework*. Due to variances in individual performance and judgment, conformance 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 City of El Paso Internal Audit Office internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with *the Standards* for assurance and consulting engagements during the period September 1, 2007 through August 31, 2010.

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

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Deputy Assist Inspector
General for Audits
Washington, DC
Team Lead

Ina Chan, CA, CISA
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Team Member



Association of Local Government Auditors

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Edmundo S. Calderon
Chief Internal Auditor
City of El Paso
Two Civic Center Plaza, El Paso, Texas 79901

Dear Mr. Calderon,

We have completed a peer review of the City of El Paso Internal Audit Office for the period September 1, 2007 through August 31, 2010 and issued our report dated September 22, 2010. 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:

- Timely completion and issuance of audit and consulting engagement reports.
- City Management highly respects the work of the Internal Audit Office.
- Audit staff significantly contributes their personal time to support professional audit organizations by serving in leadership roles.
- The work environment is cohesive and is operating in the spirit of team work.

We offer the following observations and suggestions to enhance your organization's demonstrated conformance to *International Standards for the Professional Practice of Internal Auditing*:

Observation 1

Consulting Reports and Management Letters do not present action plans or management comments in response to audit conclusions, in conformance with IIA Red Book Standards.

Suggestion 1

We suggest that Consulting Reports and Management Letters should include planned actions and management comments in the final reports.

Observation 2

Consulting Reports do not give reference to audit work being performed in conformance with IIA Red Book Standards.

Suggestion 2

We suggest that Consulting Reports provide reference that the audit work was conducted in accordance with IIA Red Book Standards.

Observation 3

Report findings did not always tie back to supporting work papers, in accordance with IIA Red Book Standards.

Suggestion 3

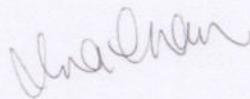
We suggest that all report findings tie back to supporting documentation.

We extend our thanks to you, your staff and the City of El Paso officials we met for the hospitality and cooperation extended to us during our review.

Sincerely,



LaDonia Wilkins, CPM, CIGA
Deputy Assist Inspector
General for Audits
Washington, DC
Team Lead



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