



Association of Local Government Auditors: *Local Government Audit Practices and Guidance*

City of Riverside Charter Review Committee
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Association of Local Government Auditors (ALGA)

Vision & Mission

ALGA is committed to providing an inclusive and thriving community for all local government auditors working together to make a difference for the public good.

ALGA empowers our local government auditing community through excellence in advocacy, education, communication, and collaboration, to protect and enhance the public good while embracing diversity, equity, and inclusiveness.



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Advocacy Committee

Promotes the value of independent performance auditing throughout the local government community by providing professional resources and support that demonstrate the value of independent performance auditing to organizations within the local government community.



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Accountability Offices: Inspectors General and Auditors

City accountability offices may perform investigations, audits, or both.

Most ALGA chief audit executives are called City/County/District Auditors; some are called Inspectors General.

Charter language must clearly state what the office is authorized to do, and what it is required to do: Performance Audits? Investigations? Whistleblower/Fraud Hotline administration?



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Two kinds of auditors in public sector

We define an auditor as one conducting work in conformance with recognized auditing standards, as does the Association of Inspectors General.

The annual financial audit firms follow Government Auditing Standards issued by the U.S. Comptroller General and issue opinions on material accuracy of financial statements, and stewardship of federal funds.

Performance (operational) auditors issue rigorously researched and persuasive reports to recommend service delivery improvements, identify savings and revenue opportunities, and detect and deter fraud.



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Two chief auditing standards in public sector

Performance auditors in the U.S. (and inspector generals who issue audits) generally follow Government Auditing Standards (yellow book) issued by the US Comptroller General's Government Accountability Office or the International Standards for the Professional Practice of Internal Auditing (red book) from the Institute of Internal Auditors (IIA).

Government Auditing Standards state that IIA standards are used where the auditor reports to/is not independent of management. Audit reports must always identify the audit standards followed. AICPA standards are incorporated in both sets of standards by reference.



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Guidance Resources

Model Legislation Guidelines for Local Government Auditors

Establishing a Performance Audit Function: Help for Local Government Leaders

Guide to Selecting a Chief Performance Auditor

Audit Committee Guidance

Auditor Independence



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ALGA Model Legislation – Qualifications

The Auditor shall possess a relevant certification such as Certified Internal Auditor (CIA), Certified Public Accountant (CPA) or Chartered Accountant (CA) **-or-** the Auditor may have an advanced degree and at least five (5) years of experience in government auditing, evaluation or analysis. The Auditor should have a minimum of a bachelor's degree in public policy, accounting, business administration, economics or a related field. (NOTE: accounting skills required for financial statement, but not performance, auditors)



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Selecting a Chief Performance Auditor – Characteristics and Competencies

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Possess the following characteristics: integrity, manager, strategic, collegial, responsive, unbiased, diplomatic, motivator, critical thinker, and innovative.

2

Have proficiency or understanding in these technical knowledge areas: audit standards, governance, analysis, management, communications, and information systems.

3

Note: most of these apply to inspector generals too.



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ALGA Model Legislation

Key Elements

Independence

Audit Standards

Independent Audit Committee

Unrestricted Access

Public Reporting

External Peer Review



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Assoc. of Inspectors General (AIG) Model Legislation – Key Elements

Independence

Professional Standards

Unrestricted Access (including subpoena power)

Public Reporting, and

External Quality Review

These are key elements of the AIG Model Legislation,
as is Resources



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Questions?



Additional guidance publications, and more
information about ALGA is available at

algaonline.org

Contact ALGA: 859-276-0686



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Contact the Association of Inspectors General at
www.inspectorsgeneral.org



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