



# External Quality Control Review

of the  
Los Angeles Police Department  
Audit Division

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



## Association of Local Government Auditors

August 9, 2018

Dr. Jeffrey R. Phillips, Police Administrator  
Commanding Officer  
LAPD Audit Division  
1200 W 7<sup>th</sup> Street Suite 400  
Los Angeles CA 90017

Dear Dr. Phillips,

We have completed a peer review of the Los Angeles Police Department Audit Division for the period between January 1, 2017 and June 30, 2018. 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 whether 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. Our procedures included:

- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of audit engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff, and management, 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.

Based on the results of our review, it is our opinion that the Los Angeles Police Department, Audit Division internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits during the review period between January 1, 2017 and June 30, 2018.

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

Sharron E. Walker, CPA, CFE  
City of Scottsdale, AZ

Lizzette Espinoza, CISA  
Los Angeles County Metropolitan  
Transportation Authority

Vivien Zhi, CISA  
City of Kansas City, MO



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Dr. Jeffrey R. Phillips, Police Administrator  
Commanding Officer  
LAPD Audit Division  
1200 W 7<sup>th</sup> Street Suite 400  
Los Angeles CA 90017

Dear Dr. Phillips,

We have completed a peer review of the Los Angeles Police Department Audit Division for the period between January 1, 2017 and June 30, 2018 and issued our report thereon dated August 9, 2018. 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:

- The use of integrated police officer-civilian auditor teams to effectively address the Los Angeles Police Department's unique audit environment.
- The training program designed to effectively develop complementary skillsets, focusing on auditing standards for police officers and on police department standards for civilian auditors.

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

- Standard 6.11(e) requires assessing audit risk and significance by gaining an understanding of ongoing investigations or legal proceedings within the audit objectives. In reviewing the Office's work papers, we did not find documentation of this assessment.

We recommend incorporating this assessment into the Office's engagement planning workpapers.

- Standard 6.66 requires the assessment of the sufficiency and appropriateness of computer-processed information, including considerations regarding completeness and accuracy of the data for the intended purposes. In reviewing the Office's work papers, we did not find documentation evidencing this assessment.

We recommend incorporating specific engagement documentation to evidence this assessment.

- The Office's Audit Manual does not specifically address certain sections of the Standards pertaining to independence and nonaudit services (3.26, 3.34 – 3.39, 3.42, 3.44, 3.46, and 3.59), continuing professional education requirements (3.76), the quality monitoring process (3.85, 3.93 – 3.95, 6.39), evaluation of certain aspects of evidence (6.39), and certain reporting requirements (7.07, 7.08, 7.19, 7.21, 7.22, 7.39, 7.42, 7.43).

We recommend incorporating further specific guidance to address these sections of the Standards in the audit organization's Audit Manual.



## Association of Local Government Auditors

We extend our thanks to you and your staff for the hospitality and cooperation extended to us during our review.

Sincerely,

Sharron E. Walker, CPA, CFE  
City of Scottsdale, AZ

Lizzette Espinoza, CISA  
Los Angeles County Metropolitan  
Transportation Authority

Vivien Zhi, CISA  
City of Kansas City, MO

# LOS ANGELES POLICE DEPARTMENT



**MICHEL R. MOORE**  
Chief of Police

**ERIC GARCETTI**  
Mayor

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August 9, 2018

Sharron Walker  
City Auditor  
City of Scottsdale, AZ

Vivien Zhi, Senior Auditor  
City of Kansas City, MO

Lizzette Espinoza, Auditor  
Los Angeles County  
Metropolitan Transportation  
Authority

Dear Ms. Walker, Ms. Zhi, and Ms. Espinoza:

I have received and reviewed your peer review letter dated August 9, 2018 notifying our office that the Los Angeles Police Department, Audit Division, was in full compliance with the Government Auditing Standards for our audit and non-audit service activities during the period January 1, 2017 through June 30, 2018. I am also in receipt of the companion letter you have prepared, which notes areas for which our Division excels, and suggestions to further enhance our procedures.

Among the areas suggested for improvement, were the following requirements: assessing audit risk and significance by gaining an understanding of ongoing investigations or legal procedures within the audit objectives; the assessment of the sufficiency and appropriateness of computer-processed information; and, various sections within the standards that should be included within our Audit Manual.

We are in agreement with your observations, and will incorporate your suggestions into revising our current draft Audit Manual that is currently underway.

I thank you for your thoughtful insight, and really appreciate your participation in the peer review process and taking the time to visit our office and reviewing our operations. Your report will be communicated to the Chief of Police and the Board of Police Commissioners.

Very truly yours,

**MICHEL R. MOORE**  
Chief of Police

  
DR. JEFFERY PHILLIPS, Police Administrator  
Commanding Officer  
Audit Division