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# External Quality Control Review

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of the  
Metropolitan Nashville Office of  
Internal Audit

Conducted in accordance with guidelines of the  
**Association of Local Government  
Auditors**  
for the period 1/1/2022-12/31/2024

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5/22/25

Lauren Riley, Metropolitan Auditor  
150 2<sup>nd</sup> Ave N, Suite 220  
Nashville, TN 37201

Dear Auditor Riley,

We have completed a peer review of the Metropolitan Nashville Office of Internal Audit for the period January 1, 2022 to December, 31 2024. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with Government Auditing Standards* published by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests 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 engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff, management, and members of the Audit Committee.

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. Metropolitan Nashville Office of Internal Audit has received a rating of pass.

Based on the results of our review, it is our opinion that the Metropolitan Nashville Office of Internal Audit's 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 engagements during the period January 1, 2022 to December, 31 2024.

We have prepared a separate letter providing findings and recommendations to further strengthen your internal quality control system.

**For a copy of the signed version of this report, please email [OIA@nashville.gov](mailto:OIA@nashville.gov)**

Jenny Scott, CIA  
Portland City Auditor's Office

Matthew Cheadle, CIA, CFE, CGAP  
Office City Auditor, City of Dallas



## Association of Local Government Auditors

May 22, 2025

Lauren Riley, Metropolitan Auditor  
150 2<sup>nd</sup> Ave N, Suite 220  
Nashville, TN 37201

Dear Auditor Riley,

We have completed a peer review of the Metropolitan Nashville Office of Internal Audit for the period January 1, 2022 to December, 31 2024 and issued our report thereon dated May 22, 2025. We are issuing this companion letter to offer certain findings and recommendations stemming from our peer review.

We would like to mention some of the areas in which we believe your office excels:

- Well respected audit organization
- Well qualified staff
- Commitment to professional development
- Important steps and standards embedded in High Bond

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

- Standard 5.37 requires the audit organization to assign responsibility for each engagement to an engagement partner or director with authority to assume that responsibility, and to establish policies and procedures requiring the organization to communicate the identity and role of the partner or director to management and those charged with governance of the audited entity.

We found that the Office's policies and procedures do not include guidance for auditors to communicate responsibility for each engagement, along with a definition of responsibilities and the identity of the person to the engagement partner/director, management, and those charged with governance. In most of the audits we reviewed, we found this was communicated to the department under review, but not to those charged with governance.

We recommend updating your policies and procedures and High Bond steps to include guidance about this standard. An entrance letter template may be a useful tool to include in the policies and procedures.

- Standard 9.14 requires that when the results of sample testing significantly support the auditors' findings, conclusions, or recommendations, that auditors should include in the report methodology a description of the sample design, why the design was chosen, and whether the results can be projected to the intended population. In our review of audit reports, we found that when samples supported the findings, conclusions, and/or recommendations, the reports did not include information about sample design, the method the sample was chosen and why, and whether the results of the sample could be projected to the population.

We recommend updating your policies and procedures and High Bond steps to include guidance about this standard.

We extend our thanks to you, your staff, and the Audit Committee members we met for the hospitality and cooperation extended to us during our review.

Sincerely,

Jenny Scott, CIA  
Portland City Auditor's Office

Matthew Cheadle, CIA, CFE, CGAP  
Office City Auditor, City of Dallas

Lauren Riley  
Metropolitan Auditor



OFFICE OF INTERNAL AUDIT  
150 2<sup>nd</sup> Avenue N, Suite 220  
NASHVILLE, TENNESSEE 37201  
615-862-6111

## METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

May 22, 2025

Ms. Jenny Scott  
Principal Performance Auditor  
City of Portland, OR

Mr. Matthew Cheadle  
Senior Auditor  
City of Dallas, TX

Dear Peer Review Team:

Subject: Metropolitan Nashville Office of Internal Audit External Quality Control Review

Thank you for performing the Metropolitan Nashville Office of Internal Audit external quality control review for the period January 1, 2022, through December 31, 2024. We appreciate your opinion that our audit quality control system complied with *Government Auditing Standards*. We also value the suggestions that you provided to help us excel and improve the quality of our audit process.

We are truly grateful for your recognition of areas where we can enhance our performance. We are fully committed to addressing the specific areas of improvement and have outlined our plans for corrective action below.

Standard 5.37 – Our policies and procedures manual will be updated immediately to include guidance on communicating and documenting the responsibility and identity of each project team member. We will create a tool to include in our audit project template to ensure each project includes the documented communication of responsibility.

Standard 9.14 – Our policies and procedures manual will be updated immediately to include guidance on documenting required sampling information in audit reports. Additionally, our audit project template will include specific guidance in the procedure steps to ensure communication and understanding of sampling information needed in each audit report.

It was a pleasure working with such a knowledgeable and skilled review team during this external quality control review. We appreciate the time and effort you put into reviewing our office's work.

Sincerely,

A handwritten signature in black ink that reads "Lauren Riley". The signature is written in a cursive, flowing style.

Lauren Riley

cc: Metropolitan Nashville Audit Committee