



National Association of Local Government Auditors

March 17, 2005

Suzanne Flynn
Multnomah County Auditor
501 SE Hawthorne, Room 601
Portland, OR 97214

Dear Ms. Flynn:

We have completed a peer review of the Multnomah County Auditor's Office for the period April 1, 2002 through March 31, 2005 and issued our report thereon dated March 17, 2005. 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:

- Use of post audit surveys
- Use of electronic working papers
- Efforts to make reports readable and accessible to citizens

We offer the following suggestions to enhance your organization's demonstrated adherence to government auditing standards:

The Policies and Procedures Manual documents the office's intended compliance with Government Auditing Standards. The 2002 peer review noted five areas where the office should consistently follow the policies and procedures. We noted some inconsistencies in two of those areas and suggest that you:

- Consistently reference survey and work plans to the work performed and signed off as completed.
- Include all of the elements listed in the policies and procedures in work paper headers.


In some circumstances, you should better document consideration of internal controls. Government Auditing Standard 7.11 states "auditors should obtain an understanding of internal control significant to the audit objectives and consider whether specific internal control procedures have been properly designed and placed in operation." Currently your policies and procedures state that the review of internal controls will be achieved and documented by completing a Survey Checklist. In audits where the scope is limited and a Survey Checklist is not completed, we suggest you document in the working papers your consideration of internal controls.


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We suggest that your policies and procedures address how the office will report written communication with management about deficiencies in internal control that are not significant. Government Auditing Standard 8.17 require that auditors communicate not significant deficiencies in internal control to management and that if you communicate those deficiencies in a separate letter, you refer to that letter in the audit report. Your current policies do not address this procedure. In one engagement, we noted that you communicated with management in a letter and, as required by the standards, noted so in the report.

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

Sincerely,


Michael Eglinski
Audit Manager
Kansas City, MO


Vanessa D'Souza
Deputy City Auditor II
Stockton, CA