



# Association of Local Government Auditors

November 18, 2010

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Honorable Christopher C. Collins  
Erie County Executive  
95 Franklin Street, 16<sup>th</sup> Floor  
Buffalo, NY 14202

Honorable Members  
Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> Floor  
Buffalo, NY 14202

Honorable Mr. Collins and Honorable Erie County Legislature Members:

The Association of Local Government Auditors (ALGA) is a professional organization committed to supporting and improving local government auditing. We recently learned that Erie County is considering a budget proposal that would significantly curtail its independent performance audit function. ALGA believes that independent performance audits play a key role in effective governance and public accountability. We encourage you to fund your audit function at a level that will allow it to function as a strong general control in support of your governance and management responsibilities.

Taxpayers and elected representatives want assurance that scarce tax dollars are protected by strong management controls and practices. A performance audit function can provide such assurance through independent audits, reviews, and evaluations.

The value of an independent performance audit function is in providing objective, accurate, and meaningful information about operations in support of governance responsibilities so you can make informed decisions to better serve your citizens.

Independent performance audit functions can help:

- Strengthen internal controls
- Deter fraud
- Identify waste and abuse
- Provide technical expertise, research, and analysis

Eliminating, or significantly reducing the audit function, may not result in meaningful “cost savings”. In many cases, audit work leads to new revenue, cost recovery, and positive economic impact well beyond the audit department’s annual budget. Many independent performance audit departments pay for themselves many times over.

In addition, eliminating audit positions as a short-term budget balancing solution could adversely affect the County’s ability to rebuild and maintain an effective performance audit function for years to come, whether or not audit positions are eventually restored.

Our organization would be happy to answer any questions you have about the audit profession. Please contact me at 214-670-3222 or [craig.kinton@dallascityhall.com](mailto:craig.kinton@dallascityhall.com) if you would like additional information. Enclosed is our publication *Why Should Your Organization Continue to Support Independent Performance Auditing*. Additional materials are available on our website at [www.governmentauditors.org](http://www.governmentauditors.org).

Sincerely,



Craig Kinton, Chair – Advocacy Committee

Attachment

C: Beth Brier, President  
Honorable Mark C. Poloncarz, Esquire – Erie County Comptroller  
Erie County Fiscal Stability Authority

**How do you continue to keep out of harm's way?** Employ an independent performance auditor!



**Association of Local Government Auditors**

## Who We Are

*Improving the Quality of Local Government Auditing*

Independent performance auditors:

- Possess knowledge about organizational business activities, which is critical in providing high-quality audit services.
- Provide an immediate resource to assist in crisis situations.
- Help prevent and handle fraud-related issues.

**T**he Association of Local Government Auditors was formed in 1989 and has enjoyed a growing membership. More than 1,800 members from over 300 organizations, primarily in the United States and Canada, represent a diverse range of audit organizations in local government.

ALGA represents member organizations ranging in size from one-person shops to those with hundreds of employees.

We encourage associate memberships for auditors working in state and federal organizations, as well as private auditing firms.

**Why Your Organization Should Continue to Support Independent Performance Auditing**

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***Taxpayers Deserve Accountability***

## Why Should Your Organization Maintain Its Independent Performance Auditor?

- Enhance accountability to taxpayers and bondholders.
- Build credibility with citizens.
- Help ensure that public funds are spent only in the public interest.
- Help to earn and increase taxpayer confidence and respect for government.
- Provide an independent and objective perspective so that your decisions to expend public funds involve balanced and extensive information.
- Report audited results and outcomes of programs and services.
- Identify and discourage fraud through special reviews and presence in the organization.
- Verify compliance with policies, procedures, laws and regulations.
- Identify risk.
- Proactively prevent problems by evaluating controls through regular reviews of organizational activities.
- Review and appraise reliability of financial and operating information.



“An in-house audit department is the **RIGHT** decision to make, especially in the long run.”

**E**liminating the audit function may not actually reduce costs. In many cases, audit work leads to new revenue, cost recovery, and economic impact well beyond the audit department’s annual budget.

If structured and staffed appropriately, an independent performance audit department can be extremely effective and productive.

## The Benefits of Employing Independent Performance Auditors vs. External Consultants

Independent performance auditors are:

- More economical (in-house auditors cost less per hour).
- Familiar with internal operations (no organizational learning curve).
- Quicker to respond to requests.
- Available to provide continuity of review and oversight.
- Available to follow up on recommendations and implementations.
- Committed to long-term improvements within the organization.

**To find out more about how to enhance and support an effective performance audit function, contact us:**

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**Auditors can intercept *emerging concerns* before they become **COSTLY** to you, your government and taxpayers.**

