



Association of Local Government Auditors

September 19, 2024

Mr. Timothy Weir,
Director of the Office of Public Integrity,
City of Rochester
85 Allen Street, Suite 100
Rochester, NY, 14608

Dear Mr. Weir,

We have completed a peer review of the City of Rochester Office of Public Integrity for the period January 1, 2021, through December 31, 2023, and issued our report thereon dated September 19, 2024. 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:

- The Office of Public Integrity conducts a very comprehensive risk assessment on a regular periodic basis. This is an impressive analysis of the risks that could impact the City of Rochester's ability to deliver services to its citizens. The risk assessment helps identify areas of City operations that could benefit from the services provide by your office.
- The excellent quality of the audit work performed in association with the audits produced provides assurance to stakeholders the objectives of the audits were achieved.

We offer the following findings and recommendations to enhance your organization's demonstrated conformance to *International Standards for the Professional Practice of Internal Auditing*:

- Standard 1110 requires:
"The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity." ...

This has been interpreted to mean:

“Organizational independence is effectively achieved when the chief audit executive reports functionally to the board. Examples of functional reporting to the board involve the board:

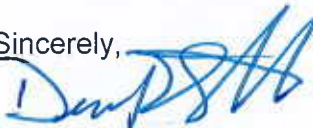
- *Approving the internal audit charter;*
- *Approving the risk based internal audit plan;*
- *Approving the internal audit budget and resource plan;*
- *Receiving communications from the chief audit executive on the internal audit activity’s performance relative to its plan and other matters;*
- *Approving decisions regarding the appointment and removal of the chief audit executive;*
- *Approving the remuneration of the chief audit executive; and*
- *Making appropriate inquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations.*

During our evaluation of organizational independence, we noted the Director of the Office of Public Integrity reports to and serves at the pleasure of the Mayor. Based on the above noted standard, the current placement of the Office of Public Integrity under the control of the Mayor results in an impairment to Office’s independence. This impairment was identified in prior peer reviews.

We recommend consideration be given to creating an Audit Committee that can serve to mitigate, but not eliminate, the independence impairment resulting from the organizational placement of the Office of Public Integrity.

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

Sincerely,



Dennis Sutton, CPA,
CIA, CIG
City of Tallahassee,
Office of the
Inspector General



Claudia Casasola
Southern California
Regional Rail Authority
Internal, Audit
Department



Spencer Bright, CIA,
CFE, CCA, CGAP
Port of Seattle, Internal
Audit