Arkansas Legislative Audit
External Peer Review
For the Period
July 1, 2017 through June 30, 2018

National State
Auditors Association
An Affiliate of NASACT

NSAA

Headquarters Office
449 Lewis Hargett Circle, Suite 290
Lexington, KY 40503-3590
P (859) 276-1147, F (859) 278-0507
www.nasact.org

Washington Office
The Hall of the States
444 N. Capitol Street, NW, Suite 548
Washington, DC 20001
P (202) 624-5451, F (202) 624-5473

PEER REVIEW REPORT

September 28, 2018

Roger A. Norman, Legislative Auditor
Arkansas Legislative Audit
500 Woodlane Street, Suite 172
Little Rock, Arkansas 72201

Dear State Auditor:

We have reviewed the system of quality control of Arkansas Legislative Audit (the office) in effect for the period July 1, 2017 through June 30, 2018. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of Arkansas Legislative Audit in effect for the period July 1, 2017 through June 30, 2018 has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. **The Arkansas Legislative Audit has received a peer review rating of *pass*.**

Lori Hendon

Lori Hendon, Team Leader
External Peer Review Team
National State Auditors Association

James E. Hall

James Hall, Concurring Reviewer Team Leader
External Peer Review Team
National State Auditors Association