

# CALIFORNIA ASSOCIATION OF STATE AUDITORS

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CASA Board  
President: Cheryl McCormick  
Vice President: Deepshikha Kumar  
Secretary: Sara Sheikholislam  
Treasurer: Laura Langston



June 8, 2023

Paula Rivera, Chief Auditor  
California High-Speed Rail Authority  
770 L Street  
Sacramento, CA 95814

We have completed a peer review of the California High-Speed Rail Authority for the period February 1, 2020, through January 31, 2023, for audit engagements conducted under *2011 Generally Accepted Government Auditing Standards (GAGAS)*, and February 1, 2020, through January 31, 2023, for assurance and consulting engagements conducted under the *International Standards for the Professional Practice of Internal Auditing (ISPPIA)* issued by the Institute of Internal Auditors.

## **Noteworthy Mentions**

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

- Executive management and the Board of Directors has a strong commitment to supporting the internal audit function. The reporting structure and frequency of meetings allows Internal Audits, executive management, and the Board to keep abreast of current risks to the California High Speed Rail Authority.
- There is a strong commitment and involvement from the Internal Audit Chief with the day-to-day operations of Internal Audits.
- The Audit Manual is clear, comprehensive, and well organized.

## **Observation and Suggestion**

We offer the following observation and suggestion to enhance your organization's demonstrated accordance to GAGAS:

### **Observation #1: Collective Competency of Audit Team is Not Always Evidenced**

Standard 3.69 requires "The staff assigned to perform the audit must collectively possess adequate professional competence needed to address the audit objectives and perform the work in accordance with GAGAS."

Standard 3.72 requires "The staff assigned to conduct an audit in accordance with GAGAS should collectively possess the technical

knowledge, skills, and experience necessary to be competent for the type of work being performed before beginning work on that audit...”

In our review of the audit files, we did not find evidence that the competency of the audit team was assessed or evaluated.

We suggest including the assessment of the audit team’s overall competency be documented during the Planning phase of the audit.

We extend our thanks to you, your staff, and the California High-Speed Rail Authority officials we met for the hospitality and cooperation extended to us during our review.

Sincerely,

*MarSue Morrill*

MarSue Morrill	Supervising Management Auditor	Independent Office of Audits and Investigations
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*Andrea VanWallegghem*

Andrea VanWallegghem	Director, Internal Audits	Franchise Tax Board
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*Sara Sheikholislam*

Sara Sheikholislam	Deputy Director, Internal Audits	California Lottery
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June 2, 2023

Cheryl McCormick, President  
California Association of State Auditors

Dear Ms. McCormick:

We would like to thank the California Association of State Auditors (CASA) for performing the peer review of the California High-Speed Rail Authority Audit Office. We appreciate CASA providing this service to allow us to comply with the requirement in audit standards for a peer review.

We would like to take this opportunity to respond to the observation identified in the management letter. The Peer Review team did not find evidence of compliance with Generally Accepted Government Auditing Standards Sections 3.69 and 3.72. While we discuss the composition of the audit teams and ensure adequate professional competence, I did not ensure our conversations were documented. We will include the assessment of the audit team's overall competency in our documentation of the planning phase of an audit.

We would like to thank MarSue Morrill, Andrea VanWalleghem, and Sara Sheikholislam for their professionalism and the time they spent reviewing and understanding our quality system.

Sincerely,

*Paula Rivera*

Paula Rivera  
Chief Auditor

cc: Brian Kelly, Chief Executive Officer  
Tom Richards, Chairman, Board of Directors  
Nancy Miller, Vice-Chair, Board of Directors  
Ernest Camacho, Member, Finance and Audit Committee  
James Ghielmetti, Member, Finance and Audit Committee