



External Quality Control Review

of the
City of Winnipeg Audit Department

Conducted in accordance with guidelines of the
**Association of Local Government
Auditors**
for the period October 1, 2022, - September 30, 2025



Association of Local Government Auditors

June 4, 2026

Mr. Jason Egert
City Auditor
City of Winnipeg Audit Department
5th Floor, 510 Main Street, Susan A. Thompson Building
Winnipeg, MB R3B 1B9

Dear Mr. Egert:

We have completed a peer review of the Audit Department of the City of Winnipeg for the period October 1, 2022, through September 30, 2025. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with Government Auditing Standards* published by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests to determine whether your internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States and applicable legal and regulatory requirements. Our procedures included:

- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff and management.

Due to variances in individual performance and judgment, compliance does not imply adherence to standards in every case but does imply adherence in most situations. Organizations can receive a rating of pass, pass with deficiencies, or fail. The City of Winnipeg Audit Department has received a rating of pass.

Based on the results of our review, it is our opinion that the Audit Department of the City of Winnipeg's internal quality control system was adequately designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* and applicable legal and regulatory requirements for engagements during the period October 1, 2022, through September 30, 2025.

We have prepared a separate letter providing a finding and recommendation to further strengthen your internal quality control system.

Trevor L. Williams, CPA, CIGA
Retired Chief Audit Executive

Stan Sewell, CPA, CGFM, CFE
City of Chattanooga, Tennessee
City Auditor



Association of Local Government Auditors

June 4, 2026

Mr. Jason Egert
City Auditor
City of Winnipeg Audit Department
5th Floor, 510 Main Street, Susan A Thompson Building
Winnipeg, MB R3B 1B9

Dear Mr. Egert:

We have completed a peer review of the Audit Department of the City of Winnipeg for the period October 1, 2022, through September 30, 2025, and issued our report thereon dated June 4, 2026. We are issuing this companion letter to offer certain finding and recommendation stemming from our peer review.

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

- The annual monitoring of your office's quality control system is comprehensive and well documented.
- A culture of continuous improvement is facilitated by encouraging participation of all staff in developing new procedures and evaluating results of the quality monitoring process.
- The audit staff have extensive professional credentials and experience.
- The City Auditor is committed to the professional development of the staff.

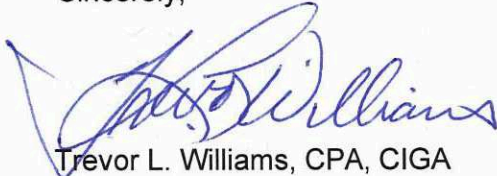
We offer the following finding and recommendation to enhance your organization's demonstrated adherence to *Government Auditing Standards*:

- Standard 9.03 states that when auditors comply with all applicable GAGAS requirements, they should use the unmodified GAGAS compliance statement in the audit report. Standard 9.05 further provides that, for performance audits, auditors should modify the GAGAS compliance statement to indicate requirements that were not followed or language indicating that the auditors did not follow GAGAS. In reviewing the Stores audit, which was completed by a contracted firm, we found that the Department issued a report citing the unmodified GAGAS compliance statement when a statement that the audit was not performed in compliance with GAGAS should have been used.

We commend the department for noting the error and appropriately reissuing the report with the proper compliance statement prior to our onsite visit. Notwithstanding this action, we recommend that, going forward, the Department transmit reports as provided by contracted auditors to the end users or include a statement clearly indicating the Department did not complete the audit in compliance with GAGAS.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Trevor L. Williams".

Trevor L. Williams, CPA, CIGA
Retired Chief Audit Executive

A handwritten signature in blue ink, appearing to read "Stan Sewell".

Stan Sewell, CPA, CGFM, CFE
City of Chattanooga, Tennessee
City Auditor

June 4, 2026

Mr. Trevor L. Williams, CPA, CIGA
Retired Chief Audit Executive

Dear Mr. Williams,

On behalf of the City of Winnipeg Audit Department, I would like to thank you, and the other member of your team (Stan Sewell, City Auditor, City of Chattanooga) for the recently completed peer review of our office. Your review is a valuable part of our continuing efforts to improve the quality of our audits. We are pleased that your independent peer review team concluded that our internal quality control system is suitably designed and operated to provide reasonable assurance that our audits are conducted in compliance with *Government Auditing Standards (GAS)*.

The Audit Department is committed to continuously improving the quality of our audit work. We appreciate your thoughtful comments regarding the areas where you found our office excels, including an annual monitoring of the quality control system that is comprehensive and well documented, culture of continuous improvement, the extensive professional credentials and experience of our staff and our commitment to professional development.

Our office found the peer review to be a valuable and constructive process. Your thorough review and thoughtful questions provided us an opportunity to reflect on our Department's practices and supports our commitment to continuously improving our internal quality control policies and processes and the quality of our audit work. We also appreciate the opportunity the peer review provides to share insights with other organizations and ways to further enhance our operations.

I appreciate that your team has provided us a recommendation for improvement where we can enhance our adherence to *Government Auditing Standards*. Our response to your recommendations is highlighted below:

Standard 9.03 states that when auditors comply with all applicable GAGAS requirements, they should use the unmodified GAGAS compliance statement in the audit report. Standard 9.05 further provides that, for performance audits, auditors should modify the GAGAS statement to indicate requirements that were not followed or language indicating that the auditors did not follow GAGAS. In reviewing the Stores audit, which was completed by a contracted firm, we found that the Department issued a report citing the unmodified GAGAS compliance statement when a statement that the audit was not performed in compliance with GAGAS should have been used.

We commend the department for noting the error and appropriately reissuing the report with proper compliance statement prior to our onsite visit, we recommend that, going forward, the Department transmit reports as provided by contracted auditors to the end users or include a statement clearly indicating the Department did not complete the audit in compliance with GAGAS.

City Auditor Response:

During our quality review process we did identify this issue and re-issued the Stores report with correct wording in compliance with GAGAS standards 9.05 and also identified the report as being re-issued when we presented it to the Audit Committee. As stated in the report I want to assure the reader that the findings, conclusions and subsequent recommendations in the Stores report are unchanged and they remain well

supported by the evidence. We have updated our policies to ensure we transmit reports as provided by contracted auditors to the end users or include a statement clearly indicating the Department did not complete the audit in compliance with GAGAS.

I would once again like to thank you for your professionalism and candour in the review that you have provided and would like to welcome you back to our great city at any time. Your time and commitment in providing this service to your municipal auditing colleagues is greatly appreciated. The advice you have provided to us will help us to better meet *Government Auditing Standards*, and to continue to provide high quality audit services.

Most sincerely,

A handwritten signature in blue ink, appearing to read "Jason Egert".

Jason Egert
City Auditor