

# INTERNAL AUDIT

## Description

Internal Audit assists the County Manager and the Board of Supervisors by providing objective analyses, recommendations, advice and comments concerning those cases reviewed to ensure an appropriate level of control at a reasonable cost. To be effective, Internal Audit must maintain independence, and therefore reports directly to the County Manager and the Audit Committee of the Board of Supervisors. The focus of Internal Audit is on General Government, as Education has a separate audit function.

The auditing environment has become increasingly complex and challenging as the County and its agencies implement additional technology. To meet this challenge, Internal Audit uses enhanced software in both auditing processes and testing. These tools require additional training and updating, which are often more expensive than typical training in technology software and audit techniques. The Office employs these enhanced auditing technologies in all of its audits to better examine activity in a cost effective manner.

## Objectives

- Conduct scheduled internal audits to evaluate controls, note commendable practices and recommend workable improvements, and assist with the County’s external audit.
- Follow up on prior internal audits for complete, monitored, effective and continuous implementation of agreed recommendations.
- Administer office activities for continuous professional education, training, and skills development; excellent quality and adherence to independent auditing with integrity; and staff the County’s Audit Committee.
- Advise County management on improvements in operations and results with technical assistance.
- Audit special projects and recommend corrective action as required.

### Annual Fiscal Plan

<u>Description</u>	<u>FY08 Actual</u>	<u>FY09 Original</u>	<u>FY10 Approved</u>	<u>Change 09 to 10</u>
Personnel	\$ 330,064	\$ 336,825	\$ 341,808	1.5%
Operation	45,087	20,059	19,360	(3.5%)
Capital	2,890	878	0	(100.0%)
<b>Total</b>	<b>\$ 378,041</b>	<b>\$ 357,762</b>	<b>\$ 361,168</b>	<b>1.0%</b>
 Personnel Complement	 4	 4	 4	 0

*Internal Audit (cont'd)*

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	<b>Performance Measures</b>			
	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>Change 09 to 10</u>
<b>Workload Measures</b>				
Audit Projects: Audits, Follow Ups, Consults	24	26	26	0
<b>Efficiency Measure</b>				
General Gov't budget/audit position (mil)	\$130	\$141	\$146	\$5
General Gov't employees/audit position	988	995	1,000	5

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**Budget Highlights**

Internal Audit examines and evaluates the adequacy and effectiveness of internal controls plus the quality of performance for improvement of accountability within General Government. Quality of performance includes appraising the reliability and integrity of financial and operating information plus the means to process data; evaluating the sufficiency of compliance with significant plans, policies, procedures, laws and regulations; ascertaining the adequacy of controls for safeguarding General Government assets and, as appropriate, verifying asset existence; examining efficient use of General Government resources and program accomplishments.

Service levels will continue at current levels on

audits, special projects and follow-ups. However, additional special projects may result from the Fraud Reporting Website. Technical assistance will be provided to agencies as requested and to the external auditors as contracted.

The Internal Audit FY2009-10 approved budget totals \$361,168 and represents a 1.0 percent increase over the FY2008-09 approved budget. The personnel component increased 1.5 percent due to salary and benefits adjustments. A 3.5 percent reduction was made to the operating component of the budget, while funding for capital outlay was eliminated.