



# Internal Quality Assessment of Inspector General Department

## **Inspector General Department** Gary J. Cooney, Clerk of the Circuit Court & Comptroller **Review Report**

Review Conducted by:  
**Cindy McLaughlin, CPA, CIA, CIGA**  
**Senior Inspector General Auditor**

**Kathy Perry, CIA**  
**Inspector General Auditor II**

**July 22, 2022**



**Inspector General Department**

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July 22, 2022

Terri Freeman:

The Internal Quality Assessment of the Inspector General Department (IGD) is complete. Gaps to Conformance, Opportunities for Improvement, and related IGD management responses are detailed in this report.

Respectfully submitted,

Cindy McLaughlin  
Senior Inspector General Auditor

Kathy Perry  
Inspector General Auditor II

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# INTRODUCTION

## Scope and Objective

The objective of the Internal Quality Assessment (IQA) is to determine conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* and the Institute of Internal Auditors (IIA) Code of Ethics.

The scope of the IQA is the Lake County Clerk's Inspector General Department (IGD), as set forth in the Inspector General Charter.

The IQA was concluded on June 24, 2022. The *Standards* and Code of Ethics in place and effective as of this date are the basis of the IQA.

## Methodology

Cindy McLaughlin, Senior Auditor, and Kathy Perry, Auditor II, who each have obtained the Certified Internal Auditor certification, conducted the initial review. They then met with the review team that was comprised of Terri Freeman, Inspector General, Emily Barnard, Senior Auditor, and Leigh Slater, Auditor I, in June 2022, to discuss the results, make changes if needed, and determine how to address gaps and opportunities for improvement. Terri Freeman provided the management responses.

## Overall Conclusion

The Inspector General department partially conforms to the *Standards* and Code of Ethics.

Gaps to Conformance, Opportunities for Improvement, and related IGD management responses are detailed at the end of this report.

The evaluation of each standard is included in the Appendix.

# Background

The *Standards* promulgated by the IIA require that an external quality assessment (QA) of an internal audit activity must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The Inspector General Department plans to contract with the Association of Local Government Auditors (ALGA) to conduct this assessment for the first time in calendar year 2023. The results of the assessment must be reported to senior management and the Board. If a board does not exist, the word “board” in the *Standards* refers to a person charged with governance of the organization, which is the Clerk to whom the IG reports.

In preparation of the external assessment and each year from this point forward, the Inspector General Department will conduct an internal assessment and report the results to the Clerk and to the Clerk and County senior management teams, as is required by the *Standards*.

# GAPS TO CONFORMANCE

The question numbers referenced below are those listed in the Table in the Appendix.

**1. Standard 1000 - Purpose, Authority, and Responsibility (Questions #3, #20)** - The purpose, authority and responsibility must be formally defined in an internal audit charter and presented to senior management and the board for approval.

While the Inspector General has reviewed the internal audit charter with senior management and the board, it has not been formally approved. Formal approval of the charter is an expectation of Standard 1000.

**Management response:** The Inspector General will present the charter to the Lake County Clerk of the Circuit Court and Comptroller for formal approval.

**Target Completion Date:** September 2022

**2. Standard 1312 - External Assessments (Question #44)** - External assessments must be conducted at least once every five years by a qualified independent assessor from outside the organization and discussed with the board.

The Lake County Clerk's Inspector General Department has not had an independent assessment. As such, none has been reported under Standard 1320, Reporting on the Quality Assurance and Improvement Program, to the board.

**Management response:** The Inspector General will contract with the Association of Local Government Auditors (ALGA) to conduct an independent assessment.

**Target Completion Date:** By the end of December 2023

# OPPORTUNITIES FOR IMPROVEMENT

The question numbers referenced below are those listed in the Table in the Appendix.

**1. Standard 1010 - Recognizing Mandatory Guidance in the Internal Audit Charter (Question #11)** - The chief audit executive (CAE) should discuss the mission and mandatory elements with senior management and the board.

While the Inspector General discusses the mission with senior management during the annual risk assessment, the mandatory elements of the International Professional Practices Framework (IPPF) are not discussed. Under Standard 1010, these elements should be discussed with senior management.

**Management response:** The Inspector General will discuss the mandatory elements of the IPPF with Clerk and County senior management during the annual risk assessment and audit planning process.

**Target Completion Date:** By the end of December, each year

**2. Standard 1100 - Independence and Objectivity (Question #16)** - The internal audit activity must be independent, and internal auditors must be objective in performing their work.

Threats to independence and objectivity must be managed at the individual auditor, engagement, functional, and organizational levels. While measures and steps are in place for most levels, there is no measure of objectivity for the individual auditor.

**Management response:** The Inspector General will include an assessment of individual objectivity in annual employee evaluations.

**Target Completion Date:** By August 1<sup>st</sup> of each year

**3. Standard 2050 - Coordination and Reliance (Question #84)** - The CAE should establish a consistent process for relying on the work of other internal and external providers.

A consistent process for the basis of reliance should be established and the competency, objectivity, and due professional care of the service providers should be considered. There should be a clear understanding of the scope, objectives, and results of the work performed by other providers of assurance and consulting services.

**Management response:** Standard Operating Procedure (SOP) 05 Reliance on Other Service Providers was implemented on 07/07/2022.

**4. Standard 2220.C1 - Engagement Scope (Question #122)** - In performing consulting engagements, internal auditors must ensure the scope is sufficient to address the agreed-upon objectives and if auditors develop reservations about the scope, these must be discussed with the client to determine whether to continue.

The standard operating procedure for consulting services, agreed upon procedures, and investigations does not make clear what an auditor should do when they develop reservations about the scope during the consulting engagement.

**Management response:** On 07/13/2022, Section 6.5.1 was added to SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure to provide direction to auditors if they develop reservations about the scope of a consulting engagement.

**5. Standard 2310 - Identifying Information (Question #131)** - Internal auditors must identify sufficient, reliable, relevant, and useful information to achieve the engagement's objectives. Information should be obtained through the use of appropriate engagement techniques.

Although the audit work program states to consider data analysis, there is no standard operating procedure outlining when and how to use data analysis with an audit.

**Management response:** Standard Operating Procedure (SOP) 04 Data Analysis Procedure was implemented on 07/07/2022.

# Appendix

## ALGA Peer Review Guide for Assessing Conformance with International Standards for the Professional Practice of Internal Auditing

The peer review team used this form to evaluate whether policies, procedures, and practices conform with applicable standards contained in the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA Standards).

### Definitions

For each standard, the review team should indicate on the form whether the organization “Generally Conforms” (**GC**), “Partially Conforms” (**PC**), or “Does Not Conform” (**DNC**) to the specific standard during the period under review.

Conformance ratings used by the peer review team:

“Generally Conforms” means the peer review team has concluded:

- For individual standards, the internal audit activity conforms to the requirements of the standard (e.g., 1000, 1010, 2000, 2010, etc.) or the elements of the Code of Ethics (both Principles and Rules of Conduct) in all material respects.
- For the sections (Attribute and Performance) and major categories (e.g., 1000, 1100, 2000, 2100, etc.), the internal audit activity achieves general conformity with a majority of the individual standards and/or the elements of the Code of Ethics and at least partial conformity with other standards within the section/category.
- For the internal audit activity overall, there may be opportunities for improvement, but these should not represent situations where the internal audit activity has not implemented the Standards or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives.

“Partially Conforms” means the peer review team has concluded:

- For individual standards, the internal audit activity is making good faith efforts to conform to the requirements of the standard (e.g., 1000, 1010, 2000, 2010, etc.) or the elements of the Code of Ethics (both Principles and Rules of Conduct) but falls short of achieving some major objectives.
- For the sections (Attribute and Performance) and major categories (e.g., 1000, 1100, 2000, 2100, etc.), the internal audit activity partially achieves conformance with a majority of the individual standards within the section/category and/or elements of the Code of Ethics.
- For the internal audit activity overall, there will be significant opportunities for improvement in effectively applying the Standards or Code of Ethics and/or achieving their objectives. Some



deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

“Does Not Conform” means the peer review team has concluded:

- For individual standards, the internal audit activity is not aware of, is not making good faith efforts to conform with, or is failing to achieve many/all of the objectives of the standard (e.g., 1000, 1010, 2000, 2010, etc.) and/or elements of the Code of Ethics (both Principles and Rules of Conduct).
- For the sections (Attribute and Performance) and major categories (e.g., 1000, 1100, 2000, 2100, etc.), the internal audit activity does not achieve conformance with a majority of the individual standards within the section/category and/or elements of the Code of Ethics.
- For the internal audit activity overall, there will be deficiencies that will usually have a significantly negative impact on the internal audit activity’s effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.

There may be some items in this form that are not applicable to the audit organization. In such cases, the review team should indicate that the item is "N/A."

The column on the far right of the form should be used by the review team to provide explanatory information or comments such as references to policies and procedures or other governing documents, descriptions of test work, the reason why a particular item does not apply to the audit organization, existing compensating controls, etc.

Those items marked “partially conforms” or “does not conform” on this form should be recorded in the Gaps to Conformance and Opportunities for Improvement section of this report. The team will then review the exceptions to identify potential weaknesses in the organization’s internal quality control system and to assess the organization’s overall level of conformance with IIA Standards.

## Table of Detailed Results

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
<b>Purpose, Authority, And Responsibility</b>					
1. Is the internal audit charter a formal document that defines the internal audit activity's purpose, authority, and responsibility? (1000)	X				Inspector General Department Charter (Purpose and Mission, Authority, and Responsibility sections)
2. Is the internal audit charter consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the <i>Standards</i> , and the Definition of Internal Auditing)? (1000)	X				Inspector General Department Charter (Standards for the Professional Practice of Internal Auditing section)
3. Is the internal audit charter periodically reviewed by the CAE and presented to senior management and the board for approval with final approval of the internal audit charter residing with the board? (1000)		X			Inspector General Department Charter reviewed with the Clerk on 9/10/2020 and 7/29/2021; Charter has not been final approved by the Clerk
4. Does the internal audit charter establish the position of the internal audit activity within the organization from a functional and administrative perspective? (1000)	X				Inspector General Department Charter (Authority section)
5. Does the internal audit charter specifically describe the nature of the functional reporting relationship of the CAE to the board in a manner consistent with current practices? (1000)	X				Inspector General Department Charter (Authority section)
6. Does the internal audit charter authorize access to records, personnel, and physical properties relevant to the performance of engagements? (1000)	X				Inspector General Department Charter (Authority section)
7. Does the internal audit charter define the scope of internal audit activities? (1000)	X				Inspector General Department Charter (Scope of Audit Activities section)
8. Is the nature of assurance services provided to the organization defined in the internal audit charter? (1000.A1)	X				Inspector General Department Charter (Scope of Audit Activities section)

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
9. Is the nature of consulting services provided defined in the internal audit charter? (1000.A1)	X				Inspector General Department Charter (Purpose and Mission section)
<b>Recognizing Mandatory Guidance in the Internal Audit Charter</b>					
10. Is the mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the <i>Standards</i> , and the Definition of Internal Auditing recognized in the internal audit charter? (1010)	X				Inspector General Department Charter (Standards for the Professional Practice of Internal Auditing section)
11. Does the CAE discuss the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework with senior management and the board? (1010)		X			The IG discusses the IA mission with senior management during the annual risk assessment.
<b>Independence and Objectivity</b>					
12. Is the internal audit activity free from conditions that threaten the ability of the internal audit activity to carry out its internal audit and responsibilities in an unbiased manner? (1100)	X				Inspector General Department Charter (Authority section)
13. Does the CAE have direct and unrestricted access to senior management and the board? (1100)	X				Inspector General Department Charter (Authority section)
14. Are threats to independence managed at the individual auditor, engagement, functional, and organizational levels? (1100)	X				Inspector General Department Charter (Authority; Independence and Objectivity sections)  SOP 01 Quality Assurance and Improvement Program 3.1.1.1  Risk and Control Matrix, Conflict of Interest Worksheet  Organizational Chart

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
15. Do internal auditors not subordinate their judgment in audit matters to others? (1100)	X				Inspector General Department Charter (Authority; Independence and Objectivity sections)
16. Are threats to objectivity managed at the individual auditor, engagement, functional, and organizational levels? (1100)		X			Inspector General Department Charter (Independence and Objectivity section)  SOP 01 Quality Assurance and Improvement Program 3.1.1.1  Risk and Control Matrix, Conflict of Interest Worksheet
<b>Organizational Independence</b>					
17. Does the CAE report to a level in the organization that allows the internal audit activity to fulfill its responsibilities? (1110)	X				Inspector General Department Charter (Authority section)
18. Does the CAE confirm to the board, at least annually, the organizational independence of the internal audit activity? (1110)	X				Inspector General Department Charter (Authority section)  The IG reports to the Clerk of the Circuit Court and Comptroller (Clerk). The Clerk functions as the "Board," in accordance with the definition in the <i>Standards</i> .
19. Does the CAE report functionally to the board? (1110)	X				See response to question 18.
20. Is functional reporting demonstrated by the board approving the internal audit charter? (1000, 1110)			X		The Charter has not been final approved by the Clerk.
21. Is functional reporting demonstrated by the board approving the risk-based internal audit plan? (1110, 2020)	X				Inspector General Department Charter (Authority section)  Reviewed with and approved by Clerk during 1/18/2022 meeting.

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
22. Is functional reporting demonstrated by the board approving the internal audit budget and resource plan? (1110, 2020)	X				See response to question 21.
23. Is functional reporting demonstrated by the board receiving communications from the CAE on the internal audit activity's performance relative to its plan and other matters? (1110, 2060)	X				<p>The IG is part of the Senior Management Team that generally meets every other Thursday with the Clerk. The IG provides updates on IGD activities during these meetings.</p> <p>Before audit reports are distributed, the IG meets with the Clerk to review the reports and to provide updates to the audit plan, if needed.</p> <p>Each year, the IG reports IGD accomplishments to the Clerk, which are published in the Clerk's Annual Budget for Lake County citizens to review.</p>
24. Is functional reporting demonstrated by the board approving decisions regarding the appointment and removal of the CAE? (1110)	X				Inspector General Department Charter (Authority section)
25. Is functional reporting demonstrated by the board approving the remuneration of the CAE? (1110)	X				Inspector General Department Charter (Authority section)
26. Is functional reporting demonstrated by the audit committee making appropriate inquiries of management and the CAE to determine whether the scope or resources are inappropriate or limited? (1110, 2020)	X				<p>Inspector General Department Charter (Authority section)</p> <p>SOP 02 Annual Audit Planning 5.6</p>
27. Is internal audit free from interference in determining the scope of internal auditing, performing work, and communicating results? (1110.A1)	X				Inspector General Department Charter (Independence and Objectivity section)

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
28. If interference has occurred, has the CAE disclosed such interference to the board and discussed the implications? (1110.A1)				X	No interference has occurred.
<b>Direct Interactions with the Board</b>					
29. Does the CAE communicate and interact directly with the board? (1111)	X				See response to question 23.
<b>Chief Audit Executive Roles Beyond Internal Auditing</b>					
30. Where the CAE has, or is expected to have, roles and/or responsibilities that fall outside of internal auditing, have safeguards been put in place to limit impairments to independence and objectivity? (1112)				X	The CAE does not have roles and/or responsibilities that fall outside of internal auditing.
<b>Individual Objectivity</b>					
31. Do internal auditors have an impartial, unbiased attitude and avoid any conflicts of interest? (1120)	X				Inspector General Department Charter (Independence and Objectivity section)  SOP 01 Quality Assurance and Improvement Program 3.1.1.1  Risk and Control Matrix, Conflict of Interest Worksheet
<b>Impairment to Independence or Objectivity</b>					
32. Is impairment to independence or objectivity, in fact or in appearance, disclosed in detail to appropriate parties? (The nature of the disclosure depends on the impairment.) (1130)	X				Inspector General Department Charter (Independence and Objectivity section)

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
33. Do internal auditors refrain from assessing specific operations for which they were previously responsible? Is objectivity assumed to be impaired if the internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year? (1130.A1)	X				Inspector General Department Charter (Independence and Objectivity section)  SOP 01 Quality Assurance and Improvement Program 3.1.1.1  Risk and Control Matrix, Conflict of Interest Worksheet
34. Are assurance engagements for functions over which the CAE has responsibility overseen by a party outside the internal audit activity? (1130.A2)				X	The CAE does not have roles and/or responsibilities that fall outside of internal auditing.
35. Where the internal audit activity provides assurance services in areas where it had previously performed consulting services, does the nature of the consulting services not impair objectivity? (1130.A3)	X				See response to question 31.
36. Is individual objectivity managed when assigning resources to assurance engagements in areas where consulting services had been provided previously? (1130.A3)	X				See response to question 31.
37. If internal auditors have potential impairments to independence and objectivity relating to proposed consulting services, is disclosure made to the engagement client prior to accepting the engagement? (1130.C2)	X				See response to question 31.
<b>Code of Ethics</b>					
38. Does department policy establish the expectation that the internal audit staff will conform to the Code of Ethics requirements? (Code of Ethics)	X				Inspector General Department Charter (Standards for the Professional Practice of Internal Auditing section)

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
39. Is there evidence that the policy is communicated to and understood by the internal audit activity staff? (Code of Ethics)	X				Each year, an IG auditor provides a presentation on the Definition of Internal Audit and Code of Ethics and what is meant by upholding the principles of integrity, objectivity, confidentiality, and competency.  Four IGD staff are CIAs and a fifth is studying to pass the CIA exam.
40. Do internal auditors apply and uphold the principles of integrity, objectivity, confidentiality, and competency? (Code of Ethics)	X				Inspector General Department Charter (Standards for the Professional Practice of Internal Auditing section)
<b>Quality Assurance and Improvement Program</b>					
41. Has the CAE developed and maintained a QAIP that covers all aspects of the internal audit activity? (1300)	X				SOP 01 Quality Assurance and Improvement Program
<b>Requirements of the Quality Assurance and Improvement Program</b>					
42. Does the QAIP have both internal and external assessment components? (1310)	X				SOP 01 Quality Assurance and Improvement Program 3.2.3.2, 3.3
<b>Internal Assessments</b>					
43. Is there evidence of ongoing monitoring of the performance of the internal audit activity? (1311)	X				SOP 01 Quality Assurance and Improvement Program 3.1.1, 3.2.1, 3.2.2, 3.2.2.1, 3.2.3.2
<b>External Assessments</b>					
44. Is there evidence that an external assessment has been conducted within the past five years? (1312)			X		No prior external assessment has been conducted.
45. Is there evidence that the CAE has discussed with the board the form and frequency of the external assessment? (1312)	X				Discussed internal and external assessments with the Clerk on 11/3/2021 and 5/12/2022.



Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
46. Is there evidence that the CAE has discussed with the board the qualifications and independence of the external assessor or assessment team, including any potential conflicts of interest? (1312)				X	The external assessment has not been scheduled; it is projected for 2023.
47. Does the independent assessor or assessment team not have actual or perceived conflicts of interest of the organization to which the internal audit activity belongs? Are they are not a part of or under the control of the organization? (1312)				X	The external assessment has not been scheduled; it is projected for 2023.
<b>Reporting on the Quality Assurance and Improvement Program</b>					
48. Is there evidence that the CAE has communicated the results of the QAIP to senior management and the board? Does disclosure include the scope and frequency of both the internal and external assessments and the qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest? (1320)				X	This internal assessment will be discussed with senior management and the Clerk. It will be discussed with County management during the annual risk assessment.
49. Does disclosure include corrective action plans? (1320)				X	See response to question 48.
50. Is there evidence that the CAE has communicated the results of ongoing monitoring annually to senior management and the board? Do results include the independent assessor's or assessment team's evaluation with respect to the degree of conformance? (1320)				X	See response to question 48.
51. Is there evidence that the CAE has communicated the results of external assessments to senior management and the board upon completion? Do results include the independent assessor's or assessment team's evaluation with respect to the degree of conformance? (1320)				X	The external assessment has not been scheduled; it is projected for 2023.

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
<b>Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing”</b>					
52. Is it indicated that the internal audit activity “conforms with the <i>Standards</i> ” only if supported by the results of the QAIP? (1321)				X	This will be indicated once the external assessment shows we conform with the <i>Standards</i> .
<b>Disclosure of Nonconformance</b>					
53. Is there evidence that when nonconformance with the Definition of Internal Auditing, the Code of Ethics, or the <i>Standards</i> impacts the overall scope or operation of the internal audit activity, the CAE has disclosed the nonconformance and the impact to senior management and the board? (1322)				X	There has been no nonconformance.
<b>Proficiency and Due Professional Care</b>					
54. Are engagements performed with proficiency and due professional care? (1200)	X				The IG Manual (standard operating procedures) instructs how engagements should be performed.

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
<b>Proficiency</b>					
55. Do internal auditors and the internal audit activity collectively possess the knowledge, skills, and other competencies needed to perform their individual responsibilities and the internal activity's responsibilities as a whole? (1210)	X				<p>The IG, the two Senior Auditors (who are the leads on the audits), and the Auditor II are current CIAs. The IG is also a current CPA and CISA and one Senior Auditor is a current CPA. The Auditor I has the IIA Internal Audit Practitioner designation and is studying to pass the CIA exam.</p> <p>See response to question 68.</p>
56. Has the CAE obtained competent advice and assistance when the internal audit staff lacks the knowledge, skills, or other competencies needed to perform all or part of the engagement? (1210.A1)	X				<p>SOP 02 Annual Audit Planning 5.6</p> <p>The IG outsources all IT audits.</p>
57. Do internal auditors have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization? (1210.A2)	X				<p>Fraud Risks are identified during the annual risk assessment. Auditors use the results of the annual risk assessment to narrow the scope of audits to the risk factors with the highest risk.</p> <p>Everyone is required to take one training course each year on fraud topics. One IG auditor is designated as the Fraud Waste and Abuse (FWA) Subject Matter Expert (SME). The FWA SME has a goal to pilot specific fraud risk assessments prior to scheduled audits.</p>

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
58. Do internal auditors have sufficient knowledge of key IT risks and controls and available technology-based audit techniques to perform their assigned work? Not all internal auditors are expected to have IT auditing expertise. (1210.A3)	X				<p>IT related audits that require technical expertise are outsourced. (See response to question 56.)</p> <p>Everyone is required to take one training course each year on IT auditing topics and have sufficient knowledge to review physical and logical access controls.</p>
<b>Due Professional Care</b>					
59. Do internal auditors apply the care and skill expected of a reasonably prudent and competent internal auditor? (1220)	X				<p>Senior Auditors lead the audit engagements and are required to maintain a current CIA or CPA designation (SOP 01 Quality Assurance and Improvement Program). Senior Auditors review workpapers and audit reports for all the engagements they lead.</p> <p>Audit programs, workpapers — except those for routine, recurring audits— and audit reports are reviewed and approved by the IG, who must maintain a current CIA or CPA (SOP 01 Quality Assurance and Improvement Program 3.1.1.2, 3.1.1.4).</p>

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
60. Do internal auditors exercise due professional care by considering the extent of work needed to achieve the engagement's objectives? (1220.A1)	X				Audits are conducted in "sprints," which are 75 hour time boxes in which fieldwork must be completed. Tests are conducted in order of priority. Open tests at the end of an 75 hour sprint are re-evaluated by the Lead Auditor and IG to determine if they should be covered in a different sprint or deleted. (Risk and Control Matrix Work Program steps 13 and 14)
61. Do internal auditors exercise due professional care by considering the relative complexity, materiality, or significance of matters to which assurance procedures are applied? (1220.A1)	X				Auditors use: <ul style="list-style-type: none"> <li>▪ Annual risk assessments to identify the most significant risk factors for an audit.</li> <li>▪ Engagement level risk assessments to identify specific risks related to each significant risk factor.</li> <li>▪ The MoSCoW method to identify the most significant risks to test during an engagement.</li> </ul> (Risk and Control Matrix Work Program steps 2, 8, 9, and 13)

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
62. Do internal auditors exercise due professional care by considering the adequacy and effectiveness of governance, risk management, and control processes? (1220.A1)	X				Auditors: <ul style="list-style-type: none"> <li>▪ Assess controls during the engagement and align them with COSO principles.</li> <li>▪ Determine whether management's controls sufficiently mitigate specific risks. If not, the auditor describes the gap and the risk of not addressing the gap.</li> </ul> (Risk and Control Matrix Work Program steps 7, 11, and 12)
63. Do internal auditors exercise due professional care by considering the probability of significant errors, fraud, or noncompliance? (1220.A1)	X				See response to question 61.
64. Do internal auditors exercise due professional care by considering the cost of assurance in relation to potential benefits? (1220.A1)	X				See response to question 61.
65. Do internal auditors consider the use of technology-based audit and other data analysis techniques? (1220.A2)	X				Auditors consider the value of using technology-based audit tools and other data analysis techniques during the testing process. (Risk and Control Matrix Work Program step 13a)

Section	Internal Controls Carried Out and Complied With Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>ATTRIBUTE STANDARDS</b>					
66. Are internal auditors alert to the significant risks that might affect objectives, operations, or resources? (1220.A3)	X				<p>Significant risk factors are identified during the annual risk assessment SOP 02 Annual Audit Planning, and Template - BCC Risk Assessment.xlsx.</p> <p>Auditors use the results of the annual risk assessment to narrow the scope of audits to the risk factors with the highest risk. Auditors conduct research to identify specific, key risks related to those risk factors and validate them with management of the area being audited. (Risk and Control Matrix Work Program steps 2, 3, and 9)</p>
67. Do internal auditors exercise due professional care during consulting engagements by considering the needs and expectations of clients, including the: <ul style="list-style-type: none"> <li>nature, timing, and communication of engagement results</li> <li>relative complexity and extent of work needed to achieve the engagement's objectives</li> <li>cost of the consulting engagement in relation to potential benefits? (1220.C1)</li> </ul>	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 5 and 6
<b>Continuing Professional Development</b>					
68. Do internal auditors enhance their knowledge, skills, and other competencies through continuing professional development? (1230)	X				Auditors track their continuing professional education on training spreadsheets annually.

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>	GC	PC	DNC	N/A	
<b>Managing the Internal Audit Activity</b>					
69. Is effective management of the internal audit activity demonstrated by the internal audit activity achieving the purpose and responsibility included in the internal audit charter? (2000)	X				<p>The following are used to measure effective management:</p> <ul style="list-style-type: none"> <li>▪ 2018 and 2022 Stakeholder surveys</li> <li>▪ Audit Feedback Tool</li> <li>▪ Staff evaluations</li> <li>▪ IG Performance Measures</li> <li>▪ Visual Control Board (Monthly KPI Status Report)</li> </ul>
70. Is effective management of the internal audit activity demonstrated by the internal audit activity conforming with the Standards? (2000)	X				SOP 01 Quality Assurance and Improvement Program
71. Is effective management of the internal audit activity demonstrated by the internal audit activity's individual members conforming with the Code of Ethics? (2000)	X				See responses to questions 39 and 55.
72. Is effective management of the internal audit activity demonstrated by the internal audit activity considering trends and emerging issues that could impact the organization? (2000)	X				<p>Visual Control Board (Monthly KPI Status Report)</p> <p>See response to question 68.</p>
73. Does the internal audit activity add value to the organization and its stakeholders when it considers strategies, objectives, and risks; and does it strive to offer ways to enhance governance, risk management, and control processes; and objectively provide relevant assurance? (2000)	X				Template - BCC Risk Assessment.xlsx



Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>	GC	PC	DNC	N/A	
<b>Planning</b>					
74. Has the CAE established a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals? (2010)	X				SOP 02 Annual Audit Planning  Finalize County Audit Plan.docx
75. To develop the risk-based plan, does the CAE consult with senior management and the board and obtain an understanding of the organization's strategies, key business objectives, associated risks, and risk management processes? (2010)	X				SOP 02 Annual Audit Planning  Template - BCC Risk Assessment.xlsx
76. Does the CAE review and adjust the plan as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls? (2010)	X				See agendas of Senior Management Team meetings and meeting with County Manager and Clerk.  Changes are made on the Visual Control Board.xlsx
77. Is the internal audit activity plan of engagements based on a documented risk assessment undertaken at least annually and with consideration of input of senior management and the board? (2010.A1)	X				SOP 02 Annual Audit Planning  BCC Annual Audit Planning Process and Timeline.docx
78. Does the CAE identify and consider the expectations of senior management, the board, and other stakeholders for internal audit opinions and other conclusions? (2010.A2)	X				At the entrance meeting, management is asked to create a User Story (User Story template.docx) so the auditors will understand what value management hopes to get from the audit.

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
79. Does the CAE consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value, and improve the organization's operations? Are accepted engagements included in the audit plan? (2010.C1)	X				SOP 02 Annual Audit Planning 5.5  SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure  Current Audit Plan
<b>Communication and Approval</b>					
80. Does the CAE communicate the internal audit activity's plans and resource requirements, including significant interim changes and the impact of resource limitations, to senior management and the board for review? (2020)	X				BCC Annual Audit Planning Process and Timeline.docx  Emails sent to executives and directors and agendas for Senior Staff meetings and meetings with County Manager and Clerk.
<b>Resource Management</b>					
81. Does the CAE ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan? (2030)	X				See response to questions 55 and 56.  IT audits are outsourced to CLA.  All IG Auditors have training and certifications that provide them the knowledge needed to conduct audits.

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
<b>Policies and Procedures</b>					
82. Has the CAE established policies and procedures to guide the internal audit activity? (2040)	X				IG Policies and Procedures Manual
<b>Coordination and Reliance</b>					
83. Does the CAE share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of effort? (2050)	X				For the 2022 Audit Plan, consulted with External Auditor on how they assess and test fraud risks and controls.  If we audit an area that has recently had an external audit, we review the results of that audit to determine if it covered any of the risks we identified and if we can rely on those results (Entrance Meeting Agenda Template.docx).  See 2022 Transit Audit workpapers.
84. If the CAE relies upon the work of other internal and external providers of assurance and consulting services, is a consistent process for the basis of reliance established? Does the CAE consider the competency, objectivity, and due professional care of the assurance and consulting service providers?  Does the CAE have a clear understanding of the scope, objectives, and results of the work performed by other providers of assurance and consulting services? (2050)		X			See response to question 83.

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
<b>Reporting to Senior Management and the Board</b>					
85. Does the CAE report periodically to senior management and the board on the internal audit activity's: <ul style="list-style-type: none"> <li>• Purpose, authority, responsibility, and performance relative to its plan?</li> <li>• Conformance with the Code of Ethics and the Standards? (2060)</li> </ul>	X				BCC Annual Audit Planning Process and Timeline.docx  See agendas for meetings with Clerk and County Manager.
86. Does the CAE report significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board? (2060)	X				See agendas for meetings with Clerk and County Manager.
<b>External Service Provider and Organizational Responsibility for Internal Auditing</b>					
87. When an external service provider serves as the internal audit activity, does the provider make the organization aware that the organization has the responsibility for maintaining an effective internal audit activity? (2070)				X	There is no external service provider; the audit activity is internal.
<b>Nature of Work</b>					
88. Does the internal audit activity evaluate and contribute to the improvement of governance, risk management, and control processes using a systematic, disciplined, and risk-based approach? (2100)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure  Final 2022 BCC Audit Plan  Risk and Control Matrix

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
89. Are internal auditors proactive and their evaluations offer new insights and consider future impact? (2100)	X				See audit reports.
<b>Governance</b>					
90. Does the internal audit activity assess and make appropriate recommendations for improving governance processes for: <ul style="list-style-type: none"> <li>• Making strategic and operational decisions?</li> <li>• Overseeing risk management and control?</li> <li>• Promoting appropriate ethics and values within the organization?</li> <li>• Ensuring effective organizational performance management and accountability?</li> <li>• Communicating risk and control information for appropriate areas of the organization?</li> <li>• Coordinating the activities of, and communicating information among, the board, external and internal auditors, other assurance providers, and management? (2110)</li> </ul>	X				<p>Risk and Control Matrix Work Program step 7 - Auditors assess controls during the engagement and align them with COSO principles.</p> <p>Strategic and operational risks are two of the risk factors that are assessed for each department. (See Template - BCC Risk Assessment.xlsx)</p>
91. Does the internal audit activity evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities? (2110.A1)	X				<p>SOP 12 Writing A Formal Audit Report 5.3</p> <p>Also covered during Human Resources engagements.</p>
92. Does the internal audit activity assess whether IT governance of the organization supports the organization's strategies and objectives? (2110.A2)	X				<p>See IT audits.</p> <p>06 Service Provider Information Technology Evaluation Procedure</p>

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
93. Does the internal audit activity assess whether consulting engagement objectives are consistent with the organization's values, strategies, and objectives? (2210.C2)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 6.1
<b>Risk Management</b>					
94. Does the internal audit activity evaluate the effectiveness and contribute to the improvement of risk management processes? (2120)	X				The IGD contributes by performing an annual risk assessment, engagement level risk assessments and fraud risk assessment with management and their staff. If opportunities are identified where it would be good for management to perform their own risk assessment, those are identified in audit reports.
95. Does the internal audit activity determine whether relevant risk information is captured and communicated in a timely manner across the organization, enabling staff, management, and the board to carry out their responsibilities? (2120)	X				See response to question 94.
96. Are risk management processes monitored through ongoing management activities, separate evaluations, or both? (2120)	X				Through separate evaluations

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
97. Does the internal audit activity evaluate risk exposures relating to the organization's governance, operations, and information systems regarding: <ul style="list-style-type: none"> <li>• Achievement of the organization's strategic objectives?</li> <li>• Reliability and integrity of financial and operational information?</li> <li>• Effectiveness and efficiency of operations and programs?</li> <li>• Safeguarding of assets?</li> <li>• Compliance with laws, regulations, policies, procedures, and contracts? (2120)</li> </ul>	X				Template - BCC Risk Assessment.xlsx  Risk and Control Matrix.xlsx
98. Does the internal audit activity evaluate how the organization manages fraud risk, and if there is fraud potential? (2120.A2)	X				See response to question 97.
99. During consulting engagements, do internal auditors address risk consistent with the engagement's objectives and are they alert to the existence of other significant risks? (2120.C1)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 5.3, 6.5
100. Do internal auditors incorporate knowledge of risks gained from consulting engagements into their evaluation of the organization's risk management processes? (2120.C2)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 5.3.1, 6.5.1
101. When assisting management in establishing or improving risk management processes, do internal auditors refrain from assuming any management responsibility by actually managing risks? (2120.C3)	X				The IGD is only responsible for managing its own risks.
<b>Control</b>					
102. Does the internal audit activity assist the organization in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement? (2130)	X				Risk and Control Matrix.xlsx

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
PERFORMANCE STANDARDS	GC	PC	DNC	N/A	
<p>103. Does the internal audit activity evaluate the adequacy and effectiveness of controls in responding to risks within the organization’s governance, operations, and information systems regarding:</p> <ul style="list-style-type: none"> <li>• Achievement of the organization’s strategic objectives?</li> <li>• Reliability and integrity of financial and operational information?</li> <li>• Effectiveness and efficiency of operations and programs?</li> <li>• Safeguarding of assets?</li> <li>• Compliance with laws, regulations, policies, procedures, and contracts? (2130.A1)</li> </ul>	X				<p>Template - BCC Risk Assessment.xlsx</p> <p>Risk and Control Matrix.xlsx</p>
<p>104. Do internal auditors incorporate knowledge of controls gained from consulting engagements into evaluation of the organization’s control processes? (2130.C1)</p>	X				<p>SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 5.3.1, 6.5.1</p>



Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
<b>Overall Opinions</b>					
105. When an overall opinion is issued, does it take into account the expectations of senior management, the board, and other stakeholders, and is it supported by sufficient, reliable, relevant, and useful information? (2450)	X				<p>SOP 12 Writing A Formal Audit Report 5.3</p> <p>Auditors use:</p> <ul style="list-style-type: none"> <li>▪ Annual risk assessments to identify the most significant risk factors for an audit.</li> <li>▪ Engagement level risk assessments to identify specific risks related to each significant risk factor.</li> <li>▪ The MoSCoW method to identify the most significant risks to test during an engagement.</li> <li>▪ Test plans are reviewed with the stakeholder.</li> </ul> <p>(Risk and Control Matrix Work Program steps 2, 8, 9, 13, and 16)</p>
106. Does an overall opinion communication include: <ul style="list-style-type: none"> <li>• Scope, including the period to which the opinion pertains?</li> <li>• Scope limitations?</li> <li>• Consideration of all related projects and reliance on other assurance providers?</li> <li>• Summary to support the opinion?</li> <li>• Risk, control, or criterial framework used as the basis?</li> <li>• Overall opinion, judgment, or conclusions and reasons for unfavorable overall opinion? (2450)</li> </ul>	X				<p>SOP 12 Writing A Formal Audit Report 5</p>

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
<b>PERFORMANCE STANDARDS</b>	GC	PC	DNC	N/A	
<b>Communicating the Acceptance of Risks</b>					
107. When the CAE concludes that management has accepted a level of risk that may be unacceptable to the organization, does the CAE discuss the matter with senior management? If the CAE determines that the matter has not been resolved, does he or she communicate the matter to the board? (2600)	X				SOP 12 Writing A Formal Audit Report 5.9.2
<b>Engagement Planning</b>					
108. Do internal auditors develop and document a plan for each engagement, including the engagement’s objectives, scope, timing, and resource allocations? (2200)	X				Risk and Control Matrix Work Program steps 1 and 8  SOP 01 Quality Assurance and Improvement Program 3.2.2  SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure  Visual Control Board.xlsx

<p>109. Does the plan for each engagement consider the organization's strategies, objectives, and risks relevant to the engagement? (2200)</p>	<p>X</p>				<p>Risk and Control Matrix - Auditors are instructed that before starting any of the audit program steps, conduct research on the audit topic using the links listed at the top of the Work Program and in the 'Sources for research' listed at the bottom of the Work Program. Auditors are instructed to note the audit area's strategies and objectives and risks related to the audit topic that are identified in these sources and to use what they learn to refine the audit objective in Step 1.</p>
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Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
<b>Planning Considerations</b>					
<p>110. When planning the engagement, do the internal auditors consider the strategies and objectives of the activity being reviewed and the means by which the activity controls its performance?</p> <ul style="list-style-type: none"> <li>• Consider the significant risks to the activity’s objectives, resources, and operations, and the means by which the potential impact of risk is kept to an acceptable level?</li> <li>• Consider the adequacy and effectiveness of the activity’s governance, risk management, and control processes, compared to a relevant framework or model?</li> <li>• Consider the opportunities for making significant improvements to the activity’s governance, risk management, and control processes? (2201)</li> </ul>	X				<p>Significant risk factors are identified during the annual risk assessment.</p> <p>SOP 02 Annual Audit Planning</p> <p>Template - BCC Risk Assessment.xlsx</p> <p>Auditors use the results of the annual risk assessment to narrow the scope of audits to the risk factors with the highest risk. Auditors conduct research to identify specific, key risks related to those risk factors, assess controls by aligning them with COSO principles and validate risks and controls with management of the area being audited.</p> <p>Risk and Control Matrix Work Program steps 2, 3, 7, and 9</p>
<p>111. When planning an engagement for parties outside the organization, do internal auditors establish a written understanding with them about objectives, scope, respective responsibilities, and other expectations, including restrictions on distribution of the results of the engagement and access to engagement records? (2201.A1)</p>	X				<p>Inspector General Department Charter (Authority section)</p> <p>SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 5 and 6</p>

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
112. Do internal auditors establish an understanding with consulting engagement clients about objectives, scope, respective responsibilities, and other client expectations? For significant engagements, is this understanding documented? (2201.C1)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 5 and 6
<b>Engagement Objectives</b>					
113. Are objectives established for each engagement? (2210)	X				Risk and Control Matrix Work Program steps 1 and 8
114. Do internal auditors conduct a preliminary assessment of the risks relevant to the activity under review? Do engagement objectives reflect the results of this assessment? (2210.A1)	X				See response to question 113.
115. Do the internal auditors consider the probability of significant errors, fraud, noncompliance, and other exposures when developing the engagement objectives? (2210.A2)	X				Risk and Control Matrix Work Program
116. Do the internal auditors ascertain the extent to which management and/or the board has established adequate criteria to determine whether objectives and goals have been accomplished? If adequate, do internal auditors use such criteria in their evaluation? If inadequate, do internal auditors identify appropriate evaluation criteria through discussion with management and/or the board? (2210.A3)	X				Entrance Meeting Agenda Template.docx, item 6  The MoSCoW method is used to identify the most significant risks to test during an engagement.
117. Do consulting engagement objectives address governance, risk management, and control processes to the extent agreed upon with the client? (2210.C1)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 5 and 6

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
118. Are consulting engagement objectives consistent with the organization's values, strategies, and objectives? (2210.C2)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 6.1
<b>Engagement Scope</b>					
119. Is the established scope sufficient to achieve the objectives of the engagement? (2220)	X				Auditors are instructed to identify applications, 3rd parties, regulations, etc. that should be included in the scope of an audit. As a reference they are instructed to review what was identified by management during the annual risk assessment, which are summarized in the Table of Results and validated with management during the Entrance Meeting.  Entrance Meeting Agenda Template.docx, item 4
120. Does the scope of the engagement include consideration of relevant systems, records, personnel, and physical properties, including those under the control of third parties? (2220.A1)	X				Risk and Control Matrix Work Program
121. If significant consulting opportunities arise during an assurance engagement, is a specific written understanding as to the objectives, scope, respective responsibilities, and other expectations reached and are the results of the consulting engagement communicated in accordance with consulting standards? (2220.A2)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 6

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
122. When performing a consulting engagement, do internal auditors ensure that the scope of the engagement is sufficient to address the agreed-upon objectives? If internal auditors develop reservations about the scope during the engagement, are these reservations discussed with the client to determine whether to continue with the engagement? (2220.C1)		X			SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 6
123. During consulting engagements, do internal auditors address controls consistent with the engagement's objectives and are they alert to significant control issues? (2220.C2)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 6.5
<b>Engagement Resource Allocation</b>					
124. Do internal auditors determine appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints, and available resources? (2230)	X				<p>SOP 01 Quality Assurance and Improvement Program 3.2.2</p> <p>Visual Control Board.xlsx</p> <p>Audits are conducted in 'sprints,' which are 75 hour time boxes in which fieldwork must be completed. Tests are conducted in order of priority. Open tests at the end of an 75 hour sprint are re-evaluated by the Lead Auditor and IG to determine if they should be covered in a different sprint or deleted.</p> <p>Risk and Control Matrix Work Program steps 13 and 14</p>

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>	GC	PC	DNC	N/A	
<b>Engagement Work Program</b>					
125. Do internal auditors develop and document work programs that achieve the engagement objectives? (2240)	X				Risk and Control Matrix Work Program
126. Do work programs include procedures for identifying, analyzing, evaluating, and documenting information during the engagement? (2240.A1)	X				Risk and Control Matrix Work Program
127. Is the work program approved prior to its implementation, and are any adjustments approved promptly? (2240.A1)	X				<p>At the top of the audit program it states, that the program is preapproved but if changes are needed, they must be discussed with and approved by the IG before the related fieldwork is conducted.</p> <p>Also, steps 15 and 16 require the Lead Auditor or IG to review and approve test plans and priority before they are conducted. Step 17 provides instructions on how to handle situations in which auditors discover the test plans are not sufficient during fieldwork when it is not practical to get approval before making a change.</p> <p>Risk and Control Matrix Work Program</p>
128. Are work programs in evidence for consulting engagements that may vary in form and content depending upon the nature of the engagement? (2240.C1)	X				See examples of consulting and AUP engagements



Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
<b>Performing the Engagement</b>					
129. Do internal auditors identify, analyze, evaluate, and document sufficient information to achieve the engagement's objectives? (2300)	X				Risk and Control Matrix Work Program
<b>Identifying Information</b>					
130. Do internal auditors identify information that is sufficient: factual, adequate, and convincing so that a prudent, informed person would reach the same conclusion as the internal auditor? (2310)	X				Risk and Control Matrix Work Program
131. Do internal auditors identify information that is reliable: the best attainable information using appropriate engagement techniques? (2310)		X			Risk and Control Matrix Work Program
132. Do internal auditors identify information that is relevant: supports engagement observations and recommendations and is consistent with the objectives for the engagement? (2310)	X				Risk and Control Matrix Work Program
133. Do internal auditors identify information that is useful: helping the organization meet its goals? (2310)	X				Risk and Control Matrix Work Program
<b>Analysis and Evaluation</b>					
134. Do internal auditors base conclusions and engagement results on appropriate analyses and evaluations? (2320)	X				Risk and Control Matrix Work Program
<b>Documenting Information</b>					
135. Do internal auditors document sufficient, reliable, relevant, and useful information to support the engagement results and conclusions? (2330)	X				Risk and Control Matrix Work Program

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
136. Does the CAE control access to engagement records? Does the CAE obtain the approval of senior management and/or legal counsel prior to releasing such records to external parties, as appropriate? (2330.A1)	X				IGD records are maintained in AutoAudit or the IGD directory, which can only be accessed by IGD staff.  All IGD records are public record but sensitive and confidential data is exempt.  SOP 07 Record Confidentiality, Public Requests, and Retention 4.1, 4.1.1, 4.3.1.1
137. Has the CAE developed retention requirements for engagement records regardless of the medium in which each record is stored? Are these retention requirements consistent with the organization's guidelines and any pertinent regulatory or other requirements? (2330.A2)	X				SOP 07 Record Confidentiality, Public Requests, and Retention
138. Has the CAE developed policies governing the custody and retention of consulting engagement records, as well as their release to internal and external parties? Are these policies consistent with the organization's guidelines and any pertinent regulatory or other requirements? (2330.C1)	X				SOP 07 Record Confidentiality, Public Requests, and Retention 4.2
<b>Engagement Supervision</b>					
139. Are engagements properly supervised to ensure objectives are achieved, quality is assured, and staff is developed? (2340)	X				SOP 01 Quality Assurance and Improvement Program  Risk and Control Matrix and AutoAudit signoffs  See training records and evaluation forms.

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
140. Is appropriate evidence of supervision documented and retained? (2340)	X				Risk and Control Matrix and AutoAudit
<b>Communicating results</b>					
141. Do internal auditors communicate the results of engagements? (2400)	X				SOP 13 Writing an Informal Audit Report  SOP 12 Writing a Formal Audit Report
<b>Criteria for Communicating</b>					
142. Do communications include the engagement's objectives, scope, and results? (2410)	X				SOP 13 Writing an Informal Audit Report  SOP 12 Writing a Formal Audit Report
143. Does the final communication of engagement results include applicable conclusions, as well as applicable recommendations and/or action plans? (2410.A1)	X				SOP 12 Writing a Formal Audit Report
144. Where appropriate, is the internal auditor's opinion provided? Does the opinion take into account the expectations of senior management, the board, and other stakeholders, and is it supported by sufficient, reliable, relevant, and useful information? (2410.A1)	X				SOP 12 Writing a Formal Audit Report 5.3
145. Do internal auditors acknowledge satisfactory performance in engagement communication? (2410.A2)	X				SOP 12 Writing a Formal Audit Report 5.2
146. When releasing engagement results to parties outside the organization, does the communication include limitations on distribution and use of the results? (2410.A3)	X				SOP 07 Record Confidentiality, Public Requests, and Retention 4.2.2, 4.3.1
147. For consulting engagements, was the form and content of communications appropriate given the nature of the engagement and the needs of the client? (2410.C1)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
<b>Quality of Communications</b>					
148. Are communications accurate: free from errors and distortions, and faithful to the underlying facts? (2420)	X				SOP 13 Writing an Informal Audit Report  SOP 12 Writing a Formal Audit Report 5.8  Management of the audit area review a draft report and are provided the opportunity to discuss any changes they feel are needed before a report is distributed.
149. Are communications objective: fair, impartial, and unbiased, and the result of a fair-minded and balanced assessment of all relevant facts and circumstances? (2420)	X				See examples of audit reports.
150. Are communications clear: easily understood, and logical, avoid unnecessary technical language, and provide all significant and relevant information? (2420)	X				See examples of audit reports.
151. Are communications are concise: to the point, and avoid unnecessary elaboration, superfluous detail, redundancy, and wordiness. (2420)	X				See examples of audit reports.
152. Are communications constructive: helpful to the engagement client and the organization, and lead to improvements where needed? (2420)	X				See examples of audit reports and follow up spreadsheet.
153. Are communications complete: lack nothing that is essential to the target audience, and do they include all significant and relevant information and observations to support recommendations and conclusions? (2420)	X				See Stakeholder Survey

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
<b>PERFORMANCE STANDARDS</b>	GC	PC	DNC	N/A	
154. Are communications timely: opportune and expedient, and depending on the significance of the issue, do they allow management to take appropriate corrective action? (2420)	X				SOP 13 Writing an Informal Audit Report
<b>Errors and Omissions</b>					
155. If a final communication contained a significant error or omission, has the CAE communicated corrected information to all parties who received the original communication? (2421)	X				SOP 12 Writing A Formal Audit Report 5.9.3
<b>Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing”</b>					
156. If it is indicated that engagements are “conducted in conformance with the International Standards for the Professional Practice of Internal Auditing,” is it supported by the results of the quality assurance and improvement program? (2430)				X	This will be indicated once the external assessment shows conformance with the Standards.

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
PERFORMANCE STANDARDS	GC	PC	DNC	N/A	
Engagement Disclosure of Nonconformance					
<p>157. When nonconformance with the Definition of Internal Auditing, the Code of Ethics, or the <i>Standards</i> impacts a specific engagement, does communication of the results disclose the:</p> <ul style="list-style-type: none"> <li>• The Principle or Rule of Conduct of the Code of Ethics or the <i>Standards</i> with which full conformance was not achieved?</li> <li>• The reason(s) for nonconformance?</li> <li>• The impact of nonconformance on the engagement and the communicated engagement results? (2431)</li> </ul>	X				SOP 12 Writing A Formal Audit Report 4.0

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
<b>Disseminating Results</b>					
158. Does the CAE communicate results to the appropriate parties? (2440)	X				<p>All audit reports are issued to the Commissioners, County Manager, Clerk, Deputy Clerk, and executive and director of area under audit.</p> <p>All investigation reports are issued to the Clerk. If they involve the County, they are also sent to the County Manager and, if deemed necessary, to the County Attorney.</p> <p>Reports about safety concerns are sent to the BCC HR Director.</p> <p>Agreed upon procedure reports are issued to the requesting party. The IG decides if others need to receive the report.</p>
159. Is the CAE responsible for reviewing and approving the final engagement communication before issuance, and for deciding to whom and how it will be disseminated? When the CAE delegates these duties, do they retain overall responsibility? (2440)	X				<p>SOP 12 Writing a Formal Audit Report</p> <p>Final Report Distribution List.xlsx</p>
160. Does the CAE communicate the final results to parties who can ensure that the results are given due consideration? (2440.A1)	X				See response to question 158.

Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
	GC	PC	DNC	N/A	
<b>PERFORMANCE STANDARDS</b>					
161.If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing assurance engagement results to parties outside the organization, did the chief audit executive: <ul style="list-style-type: none"> <li>Assess the potential risk to the organization?</li> <li>Consult with senior management and/or legal counsel as appropriate</li> <li>Control dissemination by restricting the use of results? (2440.A2)</li> </ul>	X				Once finalized, all IG reports and audits are public record according to Chapter 119 of the Florida Statutes or the "Public Records Law" (unless they are exempt from public disclosure pursuant to Section 282.318, Florida Statutes).
162.Does the CAE communicate the final results of consulting engagements to clients? (2440.C1)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 5.1, 5.5, 6.6, 7.3, 8.8, Appendix  See agendas for meetings, reports, memos and emails distributed to the Clerk, County Manager, executives and directors.
163.During consulting engagements, governance, risk management, and control issues may be identified. Whenever these issues are significant to the organization, are they communicated to senior management and the board? (2440.C2)	X				See agendas for meetings, reports and emails distributed to the Clerk, County Manager, executives and directors.
<b>Monitoring Process</b>					
164.Has the CAE established and maintained a system to monitor the disposition of results communicated to management? (2500)	X				SOP 14 Follow-Up Audit Procedure  See agendas for meetings with the Clerk and County Manager and emails sent to executives/directors.



Section	Internal Controls Carried Out and Complied with Standards				Reviewer Comments
<b>PERFORMANCE STANDARDS</b>	GC	PC	DNC	N/A	
165.Has the CAE established a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action? (2500.A1)	X				See current follow-up audit spreadsheet.
166.Does the internal audit activity monitor the disposition of results of consulting engagements to the extent agreed upon with the client? (2500.C1)	X				SOP 03 Consulting Services, Agreed Upon Procedures, and Investigation Policy and Procedure 5.7, 6.9