

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

*Lamy*  
DEPT: Auditor-Controller

BOARD AGENDA # \*B-2

Urgent  Routine

AGENDA DATE August 19, 2008

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of Internal Audit Division's Audit Schedule for the Period July 2008 to June 2009

STAFF RECOMMENDATIONS:

Approve the Internal Audit Division's Audit Schedule for the Period July 2008 to June 2009

FISCAL IMPACT:

Auditing is an integral element of government accountability. The internal audit function helps ensure that policies and procedures adopted by the Board of Supervisors and County management is adhered to. The internal auditing program provides the Board of Supervisors and the citizens of Stanislaus County objective assurance and consulting services designed to add value and improve county operations. The cost of the Internal Audit positions has been funded in the 2008/2009 Proposed Budget.

BOARD ACTION AS FOLLOWS:

No. 2008-589

On motion of Supervisor DeMartini, Seconded by Supervisor Grover

and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

## Approval of Internal Audit Division's Audit Schedule for the Period July 2008 to June 2009

### DISCUSSION:

The annual audit schedule is a detailed schedule of audit projects to be performed during the fiscal year. It lists the name of the entity to be audited, a description of the type of audit to be performed, and the annual period covered. Refer to 2008-2009 Audit Schedule, Exhibit A, attached.

The types of audits that are performed include:

- Annual financial statement audits per State code requirements
- Compliance audits of various programs as needed or legally required
- Quarterly reviews of Stanislaus County Treasury Statement of Assets
- Review of internal control procedures over cash receipts
- Purchasing card audits to determine compliance with the Purchasing Card and Travel Policy
- Payroll reimbursement audits to determine compliance with the Travel Policy
- Agreed-upon procedures based on specific procedures on a subject matter
- Consulting engagements
- Other miscellaneous engagement services required by County departments

During fiscal year 2008-2009 three Internal Auditors will be dedicated to the performance of compliance audits for an estimated period of six months. These compliance audits include the Payroll Reimbursement and Purchasing Card Audits. All Elected Officials and Department head transactions are audited while the remaining department transactions will be audited on a test basis.

### POLICY ISSUES:

Efficient Delivery of Public Services:

Government Code Section 26883 grants the Board of Supervisors the power to require that the County Auditor-Controller shall audit the accounts and records of any department, office, board or institute under its control. Internal Audit Division policies and procedures require that the Board of Supervisors approve the annual audit schedule every year.

The schedule was developed in concert with the Chief Executive Office. While the schedule represents a plan for fiscal year 2008-2009, there will be activities that we have not been made aware of that will need attention by the Internal Audit staff.

## Approval of Internal Audit Division's Audit Schedule for the Period July 2008 to June 2009

### STAFFING IMPACT:

The Internal Audit Division has six full time auditors within the division to complete the audit schedule. One of the positions is the Internal Audit Manager and the remaining five positions are Internal Auditors. Currently, one of the Internal Auditor positions is not filled.

**Internal Audit Division Audit Schedule  
FY 2008-2009**

| <b>Department</b>                      | <b>Description</b>   | <b>Period</b>  | <b>Comments</b>    |
|--|--|--|--------------------|
| Remaining Departments                  | Purchasing Card Audits   | 7/1/03 - 6/30/04<br>7/1/04 - 6/30/05                     | 2 departments left |
| Remaining Departments                  | Compliance-EE Reimbursement                                    | 7/1/04 - 6/30/05   | 2 departments left |
| Remaining Departments                  | Purchasing Card Audits   | 7/1/05 - 6/30/06<br>7/1/06 - 6/30/07<br>7/1/07 - 6/30/08 | Various            |
| Remaining Departments                  | Compliance-EE Reimbursement                                    | 7/1/06 - 6/30/07   | 2 departments left |
| Children & Families First              | Financial & Compliance Audit                                   | 6/30/2008  |                    |
| Property Tax Admin Cost Allocation     | Review   | 6/30/2008  |                    |
| Redevelopment Agency                   | Financial & Compliance Audit                                   | 6/30/2008  |                    |
| Treasurer: Quarterly Cash Count        | Financial Review   | FY 08-09   |                    |
| Treasurer: Treasury Oversight          | Examination  | 6/30/2008  |                    |
| Treasurer: Endowment Fund Compliance   | Examination  | 6/30/2008  |                    |
| Health Services Agency                 | Paradise Clinic - Revenue & Expense Cycle Follow-up Engagement | 7/1/06 - 12/31/06  |                    |
| Public Facility Fee: City of Patterson | Agreed-Upon Procedures   | FY 05-06<br>FY 06-07                                     |                    |
| Other Cities                           |  | FY 05-06<br>FY 06-07                                     |                    |
| Select Departments                     | Cash Handling Review   | FY 08-09   | Various            |
| Select Departments                     | Cash Counts  | 6/30/2008  | Various            |
| Unscheduled Audits                     | Requests from Departments                                      | Unknown  |                    |