

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

DEPT: Auditor-Controller

BOARD AGENDA # \*B-1

Urgent  Routine

AGENDA DATE August 31, 2010

CEO Concur 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 2010 to June 2011

STAFF RECOMMENDATIONS:

Approve the Internal Audit Division's Audit Schedule for the Period July 2010 to June 2011

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 are 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 2010-2011 Proposed Budget.

BOARD ACTION AS FOLLOWS:

No. 2010-538

On motion of Supervisor O'Brien, Seconded by Supervisor Monteith

and approved by the following vote,

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

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.

**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 2010-2011 Audit Schedule, Exhibit A, attached.

The types of audits that are performed include:

- Compliance audits of various programs as needed or legally required
- Quarterly reviews of Stanislaus County Treasury Statement of Assets
- 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
- Review of specific processes and procedures to strengthen internal controls
- Consulting engagements
- Other miscellaneous engagement services required by County departments

During Fiscal Year 2010-2011 it is anticipated that the Internal Audit Division will be able to complete these audit engagements. This schedule is based upon a staff of four full-time employees, one Internal Audit Manager and three auditors. Changes in staffing levels will affect the completion of the engagements listed above and may result in adjustments to the schedule during the fiscal year.

**POLICY ISSUES:**

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 consistent with Efficient Delivery of Public Services priority.

The schedule was developed in concert with the Chief Executive Office. While the schedule represents a plan for Fiscal Year 2010-2011, there will be activities that staff has not been made aware of that will require the attention of the Internal Audit Division.

**STAFFING IMPACT:**

The Internal Audit Division has six full time auditors assigned to the division. One of the positions is the Internal Audit Manager and the remaining five positions are Internal Auditors. Due to budget constraints three positions are not currently filled. One of these unfilled positions may be filled in the near future and is dependent upon Fiscal Year 2011-2012 budget funding requirements. The annual audit schedule is based on a staffing level of four positions.

**CONTACT PERSON:**

Natalie Elliott, Internal Audit Manager  
Telephone: 525-6548

**Internal Audit Division Audit Schedule  
FY 2010 - 2011**

<b>Department</b>	<b>Description</b>	<b>Period</b>
Departments and Related Agencies	Compliance - Purchasing Card Audits	7/1/09 - 6/30/10
Treasurer: Quarterly Statement of Assets	Financial Review	7/1/10 - 6/30/11
Treasurer: Endowment Investment Fund	Compliance	6/30/2010
Treasurer: Oversight Committee	Compliance	6/30/2010
Auditor-Controller: Property Tax Administration Cost Allocation	Review	6/30/2010
Specific Departments:	Year End Cash Count - Internal Control Review	6/30/2011
<u>New Engagements:</u>		
Specific Departments: Animal Services Behaviorial Health Recovery Services District Attorney Health Services Agency Probation Sheriff's Department	Payroll Transactions - Internal Control Review	7/1/09 - 6/30/10
Specific Departments: Assessor Auditor-Controller	Transition Audit - Financial Review	7/1/10-6/30/11
Stanislaus County Courts	Agreed upon procedures	7/1/09 - 6/30/10
County Departments	Risk Assessment	
Unscheduled Audits	Requests from Departments	To be Determined