

OFFICE OF THE AUDITOR-CONTROLLER



Audit Charter and Mission

Audit Charter

[Purpose](#)

[Authority](#)

[Responsibilities of the Auditor-Controller](#)

[Access to Records](#)

[Independence](#)

[Reports](#)

[Follow-up on Reported Findings](#)

OFFICE OF THE AUDITOR-CONTROLLER



OFFICIAL CHARTER OF THE INTERNAL AUDIT DIVISION

Internal Audit Function

(Board Resolution 96-34 dated 2/6/96)

A. Purpose

The internal audit function is an independent appraisal activity established within the Auditor-Controller's Office as a service to the County, the Board of Supervisors, and the public. The primary mission of the internal audit function is to perform independent reviews and evaluations of all significant activities within the County in order to establish that (1) the financial results of these activities are fairly stated and (2) these activities are executed in accordance with prescribed policies, procedures, laws and regulations.

B. Authority

The Auditor-Controller has authority to perform and/or coordinate all audits of any County department, office or agency under the control of the Board of Supervisors.

C. Responsibilities of the Auditor-Controller

In overseeing the internal audit function, the Auditor-Controller shall adhere to the standards established by the Institute of Internal Auditors as required by Government Code §1236. The Auditor-Controller's representative assigned to oversee the internal audit function shall establish policies and procedures for the internal audit function whose primary responsibilities are to:

- (a) Conduct financial statement audits. A financial statement audit determines:
 1. Whether the financial statements of an entity present fairly the financial position, results of operations, and cash flows in accordance with generally accepted accounting principles, and
 2. Whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

OFFICE OF THE AUDITOR-CONTROLLER



Such audits shall be conducted in accordance with generally accepted auditing standards and accordingly shall include tests of the accounting records and other auditing procedures as may be considered necessary under the circumstances.

(b) Conduct financial related audits. A financial related audit determines:

1. Whether financial reports and related items, such as elements, accounts, or funds are fairly presented,
2. Whether financial information is presented in accordance with established or stated criteria, or
3. Whether the entity has adhered to specific financial compliance requirements.

Such audits shall be conducted in accordance with generally accepted auditing standards and accordingly shall include tests of the accounting records and other auditing procedures as may be considered necessary under the circumstances.

- (c) Conduct internal control reviews of any county department, office, activity or agency under the control of the Board of Supervisors. An internal control review assesses the effectiveness of the internal control structure established by management. Such reviews shall be conducted in accordance with applicable auditing standards.
- (d) Conduct special audits, reviews and investigations. Such assignments are limited in scope.
- (e) Conduct follow-up reviews to determine the status of all reported audit findings.
- (f) In the event the Auditor-Controller is unable to perform any of the audits identified above, the Auditor-Controller will advise and assist any County department, office or agency in obtaining an auditor outside the County.

D. Access to Records

To accomplish the above, the Auditor-Controller shall have authority to examine all documents including but not limited to books, accounts, internal and external correspondence, tapes, reports, bank accounts, money and other property of any County department, office or agency, whether created by statute or ordinance.

OFFICE OF THE AUDITOR-CONTROLLER



It is the duty of any officer, employee or agent of the County having control of such records to permit access to, and examination thereof, upon the request of the Auditor-Controller or his or her representative. It is also the duty of any such officer, employee or agent to fully cooperate with and disclose all pertinent information.

To the extent that any records necessary for the successful completion of an audit are confidential records, the Auditor-Controller shall have access to such records for purposes of carrying out the audit. The Auditor-Controller, or his or her representative, shall not disseminate said records or identify any individuals to whom said records pertain in any public document or report.

E. Independence

To remain free from personal and external impairments to independence, the Auditor-Controller's representative assigned to oversee the internal audit function shall have no authority or responsibility for the activities audited. This includes responsibility for the development of procedures and the design, installation, and operation of systems--manual or automated.

F. Reports

Upon completion of any audit, review, or investigation performed by the Auditor-Controller, the Auditor-Controller shall issue a report to the appropriate individual(s). Such reports will be prepared in accordance with the applicable auditing standards.

The department, office, or agency shall prepare a response to any audit report issued by the Auditor-Controller within a reasonable period of time. The response shall indicate which of the corrective actions have been implemented; which are yet to be implemented and the anticipated completion date; and which will not be implemented, the reason and any alternatives.

The final audit report shall be distributed to the appropriate individual(s) in accordance with policies and procedures established by the Auditor-Controller.

Any report issued by the Auditor-Controller is a matter of public record.

OFFICE OF THE AUDITOR-CONTROLLER



G. Follow-up on Reported Findings

The Board of Supervisors is primarily responsible for ensuring the satisfactory resolution of all significant findings and will work with the department, office, or agency to ensure satisfactory resolution of all significant audit findings.

The Auditor-Controller will complete a follow-up review to verify that all conditions noted in the audit report have been corrected. Upon completion of this review, the Auditor-Controller shall submit a report to the appropriate individual(s) in accordance with policies and procedures established by the Auditor-Controller.

Subsequent to the six-month review, the Auditor-Controller will monitor the progress made by the department, office or agency toward correcting all significant findings, which still remain.

H. Request for Audits, Reviews, or Investigations

Audits, reviews, or investigations may be conducted at the request of the Board of Supervisors or any other County official; however, the Auditor-Controller or his or her representative will determine when such requests will be scheduled.