



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: 24-498**

**July 09, 2024**

**Introduced:** 6/25/2024

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

### **Title**

Approve the Auditor-Controller's Fiscal Year 2024-25 and FY 2025-26 Internal Audit Work Plan.

### RECOMMENDATION:

It is recommended that the Board of Supervisors approve the Auditor-Controller's Fiscal Year 2024-25 and FY 2025-26 Internal Audit Work Plan.

### SUMMARY/DISCUSSION:

The Auditor-Controller's Office (ACO) Internal Audit Division (IA) has identified an audit strategy with a potential to add value and reduce risk while working within the confines of IA resources. The Internal Audit Work Plan (Attachment A) has been created for FY 2024-25 and FY 2025-26. This report seeks approval to begin scheduling and performing the projects listed on the plan.

Due to the resource constraints of the past two years, the proposed Internal Audit Work Plan sustains several risk areas and audit priorities identified in the previous FY 2022-23 and FY 2023-24 Internal Audit Work Plan, which was prepared based on discussions with the Board of Supervisors, certain department heads, and County Administrative Office. In addition, the proposed Work Plan addresses the financial and operational risks observed and flagged by day-to-day ACO operations, as well as recent feedback from the County Administrative Office.

The two-year Work Plan encompasses IA's major responsibilities:

- Internal Audits - IA conducts objective audits and analytical reviews of County operations to improve the effectiveness of controls and compliance with State and Federal laws and regulations, uncover potential issues, and/or identify new opportunities for efficiencies and improvements. The audits listed in Attachment A are not in order of completion priority and will be scheduled based on availability of the auditees and the IA team.
- External Audit Service - IA also helps steward departments through the procurement and contract management process to secure audit services with external firms for certain compliance audits mandated by granting agencies, State law, or others deemed as needed based on the risk involved. The work to be performed by IA in this regard will include but not limited to the following:
  - Identify audit scope
  - Issue RFP
  - Solicit, review, and select vendor

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- Coordinate and monitor vendor’s service
  - Provide feedback on audit findings and recommendations
- Compliance Monitoring - IA is responsible for tracking the compliance of 52 special districts in County of Monterey with the financial audit requirement under Government Code Sections 26909 and 53901. In addition, IA helps review departmental requests for the establishment and modification of petty cash and change funds and the replenishment of the petty cash funds when needed, pursuant to the County’s Policy for Petty Cash and Change Funds.
  - Risk Assessment - Lastly, IA plans to develop tools and uniform standards and guidance for County departments to identify and manage risks in the areas of cash collection, cash disbursement, accounts receivables, accounts payable, property and fixed assets, payroll, and information systems, among others. This project will allow departments to participate in a recurring County-wide risk assessment process and assist the Auditor-Controller in identifying potential opportunities for audit and improvement.

OTHER AGENCY INVOLVEMENT

This report and the plan are in line with the Board-approved Internal Audit Policy and Charter.

FINANCING:

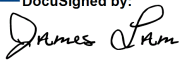
There are no financing implications as a result of this report.


BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The internal audit activity is a key cog in the County’s risk management framework. The mission of the Auditor-Controller’s Internal Audit Division is to assist the County of Monterey’s Board of Supervisors and Department Heads achieve their stated initiatives and goals by providing effective audit and consulting services designed to provide objective assurance, advice, and insight.

Check the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:  
 Board Report  
 Attachment A - FY24-25 & FY25-26 Internal Audit Work Plan

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