



## Legislation Details (With Board Report)

**File #:** 19-1237      **Name:** Internal Audit Charter & Appropriation Transfer  
**Type:** General Agenda Item      **Status:** Passed - Auditor-Controller's Office  
**File created:** 1/4/2019      **In control:** Board of Supervisors  
**On agenda:** 1/15/2019      **Final action:** 1/15/2019

**Title:** a. Approve the Auditor-Controller's Internal Audit Charter; and  
b. Authorize the Auditor-Controller to execute a professional services Agreement with Macias Gini & O'Connell in the amount of \$48,840 for Countywide risk assessment services; and  
c. Amend the FY 2018-19 Adopted Budget increasing appropriations by \$48,840 in the Auditor-Controller, Internal Audit Division unit (001-AUD001-8375), offset by a decrease of \$48,840 in the County Administrative Office, Other General Expenditures unit (001-CAO014-8039-6601) (4/5 vote required).

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Board Report, 2. Attachment A - Internal Audit Charter, 3. Macias Gini O'Connell Agreement, 4. 32.1 Completed Board Order

Date	Ver.	Action By	Action	Result
1/15/2019	1	Board of Supervisors	approved - auditor controller	Pass

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b. Authorize the Auditor-Controller to execute a professional services Agreement with Macias Gini & O'Connell in the amount of \$48,840 for Countywide risk assessment services; and  
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**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Approve the Auditor-Controller's Internal Audit Charter; and
- b. Authorize the Auditor-Controller to execute a professional services Agreement with Macias Gini & O'Connell in the amount of \$48,840 for Countywide risk assessment services; and
- c. Amend the FY 2018-19 Adopted Budget increasing appropriations by \$48,840 in the Auditor-Controller, Internal Audit Division unit (001-AUD001-8375), offset by a decrease of \$48,840 in the County Administrative Office, Other General Expenditures unit (001-CAO014-8039-6601) (4/5 vote required).

**SUMMARY/DISCUSSION:**

In line with the IIA Standards, the Auditor-Controller's Internal Audit Division (IAD) has developed an Internal Audit Charter. At the Board meeting of December 11, 2018 questions arose regarding the Internal Audit Charter which have now been assuaged with no changes to the document. Also presented at that time were the IAD Policy and Operations Manual, and FY 2018-19 Internal Audit Plan which were reviewed and approved by

the Board.

Contained within the FY 2018-19 Internal Audit Plan is a County-wide Risk Assessment engagement. IIA Standards require the establishment of a risk-based audit plan to determine the priorities of the internal audit activity consistent with the County's goals. The informal bid process resulted in an Agreement with Macias Gini & O'Connell. The cost to contract for these services is \$48,840. The Risk Assessment is scheduled to commence in early January 2019 with the goal of completion by March 30, 2019 in preparation for the FY 2019-20 Budget. On-going, the Risk Assessment will be monitored and updated by the IAD. The internal audit plan also includes assurance audits to be performed by external accounting firms. All updates, modifications, or changes to the Risk Assessment will be approved by the Board.

OTHER AGENCY INVOLVEMENT:

On November 13, 2018 the Budget Committee supported the items in this Board Report.

FINANCING:

The BOS has approved \$100,000 budgeted in CAO Other General Expenses fund (001-CAO014-8039-6601) to conduct audits, as determined by the BC, by outside firms. The Auditor-Controller IAD (001-1110-AUD001-8375) is requesting \$48,840 of the funding to be used for the Agreement with Macias Gini & O'Connell. Previous funding of \$7,225 for IA software leaves a balance of \$43,935 for outside firms to conduct audits.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The internal audit activity is a key cog in the risk management framework. The mission of the Auditor-Controller's Internal Audit Division is to help Monterey County 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

Prepared by: Maria Papurello, Administrative Services Assistant, 755-5084

Approved by: Harvey Howells, CPA, CIA, Chief Deputy, Auditor-Controller,  
Internal Audit Division, 755-5493

Attachments

Internal Audit Charter  
Agreement, Macias Gini & O'Connell