



## Legislation Details (With Board Report)

**File #:** 22-327      **Name:** FY2022-23 Internal Audit Plan  
**Type:** General Agenda Item      **Status:** Passed  
**File created:** 4/5/2022      **In control:** Board of Supervisors  
**On agenda:** 5/3/2022      **Final action:** 5/3/2022  
**Title:** a. Approve the Auditor-Controller’s Fiscal Year 2022-23 and FY 2023-24 Internal Audit Work Plan.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. Board Report, 2. FY23 & FY24 Audit Work Plan - Final 03-16-22, 3. Internal Audit Work Plan BOS 5.pdf, 4. Completed Board Order Item No. 11

Date	Ver.	Action By	Action	Result
5/3/2022	1	Board of Supervisors	approved	Pass

a. Approve the Auditor-Controller’s Fiscal Year 2022-23 and FY 2023-24 Internal Audit Work Plan.

### RECOMMENDATION:

It is recommended that the Board of Supervisors approve the Auditor-Controller’s Fiscal Year 2022-23 and FY 2023-24 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 limited IA resources. Through consultation and discussion with the Board of Supervisors, County Administrative Office (CAO), and certain Department Heads, the Internal Audit Work Plan (Attachment A) has been created for FY 2022-23 and FY 2023-24. This report seeks approval to begin scheduling and performing the projects listed on the plan.

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

- Internal Audits - 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. Additionally, the current resource constraint of IA team coupled with urgent risk mitigation need or completion timeline anticipated by departments may require certain projects or its related audit work to be contracted out to external audit firms.
- 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

- Coordinate and monitor vendor's service

To streamline the procurement process for external audit and consulting services, IA will issue a Request for Qualifications (RFQ) to establish a pool of pre-qualified audit firms to provide financial, performance and related audit and consulting services.

- Compliance Monitoring - IA is responsible for tracking the compliance of 54 special districts in Monterey County with the financial audit requirement under Government Code Section 26909. 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 Auditor-Controller's C-02 Policy for Petty Cash and Change Funds. There are currently 104 petty and change funds utilized by County departments.

During the remainder of the current FY 2021-22, IA will continue performing its mandated audit work, work related to external audit service, compliance monitoring responsibilities, work to prioritize the audit projects, and preliminary planning and research on those prioritized projects.

#### OTHER AGENCY INVOLVEMENT

This report and plan have been reviewed and approved by the Budget Committee and is well aligned with the Board-approved Internal Audit Policy. The ACO IA collaborated with the CAO to finalize the type and nature of IA projects. The IA also worked with several departments - Public Works, Facilities and Parks and Water Resource Agency - that reached out to the ACO for assistance.

#### 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 help Monterey County'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

Prepared by: James Lam, CIA, CFE, CGAP, Chief Deputy Auditor-Controller, IAD, 755-5493

Approved by: Rupa Shah, CPA, Auditor-Controller, 755-5084

Attachments:

Board Report

Attachment A - FY22-23 & FY23-24 Internal Audit Plan

