



Legislation Details (With Board Report)

**File #:** 19-0180      **Name:** Internal Audit Update FY2018-19  
**Type:** General Agenda Item      **Status:** General Government - Consent  
**File created:** 3/19/2019      **In control:** Board of Supervisors  
**On agenda:** 5/7/2019      **Final action:**  
**Title:** Receive an update on the Auditor Controller’s Fiscal Year 2018-19 Internal Audit Plan.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. Board Report, 2. Attachment A, 3. Attachment B, 4. Attachment C, 5. 22. Completed Board Order

Date	Ver.	Action By	Action	Result
5/7/2019	1	Board of Supervisors	received	Pass

Receive an update on the Auditor Controller’s Fiscal Year 2018-19 Internal Audit Plan.

RECOMMENDATION:

It is recommended that the Board of Supervisors:  
Receive an update on the Auditor Controller’s Fiscal Year 2018-19 Internal Audit Plan.

SUMMARY/DISCUSSION:

On September 25, 2018, the Board of Supervisors (Board), through Resolution No. 18-316, approved the Internal Audit Policy and revised Budget Committee Roles and Responsibilities recommended by the CAO’s Office. On December 12, 2018 the Board approved the Auditor-Controller Internal Audit Division’s (IAD) Internal Audit Policies and Operations Manual and the Fiscal Year 2018-19 Internal Audit Plan.

Originally, the plan contained 12 projects covering a period of 7 months. In hind-sight, scheduling was overly ambitious. The IAD has worked on 5 projects. Completing 4 audits and the Risk Assessment project over a 5-month period (December through April) is reasonable given the complexities of the Risk Assessment and the Parks Lakes Operations and Concessionaire audit.

Audit reports have been issued for the Treasury’s December 31, 2018 Statement of Assets and Transient Occupancy Tax operator, Central Coast Resolution and the County Assessor Social Security Number Truncation Program. The IAD has also issued an “interim audit update” on the Parks Lakes Operations and Concessionaires audit. The final audit report is compiled and is awaiting RMA management’s responses to recommendations provided before issuance anticipated by May 10, 2019.

Fieldwork on the County-wide Risk Assessment has been completed. The IAD recently received a draft copy and has clarified ambiguous items with Macias, Gini & O’Connell, LLP (MGO) the accounting firm who assisted with the Risk Assessment. The IAD is working to finalize the Risk Assessment and expects to review the document along with the audit plan for FY2019-20 with the Budget Committee on May 29, 2019 and the Board on June 11, 2019.

Attachment A is the Budget Summary contained in the approved Fiscal Year 2018-19 Internal Audit Plan. Attachment B is a visual depiction of the scheduled audits and their timing. Both attachments have been

updated to reflect budget vs. actual activity.

Attachment C is the External Audit Plan schedule, which lists those audits completed, scheduled or anticipated. Changes to this schedule include the completion of the CAFR, Measure X, and Treasury Oversight Committee audits and the addition of an RFP for audit services surrounding the District Attorney's Fraud Programs funded through grant programs.

OTHER AGENCY INVOLVEMENT:

This Board Report and related materials are in-line with the Internal Audit Policy and the Institute of Internal Auditors, International Professional Practices Standards, which require the IAD to 1) present an Internal Audit Plan based on prioritization using a risk-based assessment of County programs and operations, 2) explain any significant divergence from the approved Internal Audit Plan, and 3) the impact of any resource limitations.

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 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

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Attachments:

Attachment A - FY2018-19 Budget Summary

Attachment B - FY2018-19 Internal Audit Plan Schedule

Attachment C - FY2018-19 External Audit Plan Schedule