

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

Larry Haugl
DEPT: Auditor-Controller

BOARD AGENDA # *B-1

Urgent Routine

AGENDA DATE September 15, 2009

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of Internal Audit Division's Audit Schedule for the Period July 2009 to June 2010 - Auditor-Controller

STAFF RECOMMENDATIONS:

Approve the Internal Audit Division's Audit Schedule for the Period July 2009 to June 2010

FISCAL IMPACT:

Auditing is an integral element of government accountability. The internal audit function helps ensure that policies and procedures adopted by the Board of Supervisors and County management is adhered to. The internal auditing program provides the Board of Supervisors and the citizens of Stanislaus County objective assurance and consulting services designed to add value and improve county operations. The cost of the Internal Audit positions has been funded in the 2009/2010 Proposed Budget.

BOARD ACTION AS FOLLOWS:

No. 2009-623

On motion of Supervisor Grover, Seconded by Supervisor Monteith
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

The annual audit schedule is a detailed schedule of audit projects to be performed during the fiscal year. It lists the name of the entity to be audited, a description of the type of audit to be performed, and the annual period covered. Refer to 2009-2010 Audit Schedule, Exhibit A, attached.

The types of audits that are performed include:

- Annual financial statement audits per State code requirements
- Compliance audits of various programs as needed or legally required
- Quarterly reviews of Stanislaus County Treasury Statement of Assets
- Purchasing card audits to determine compliance with the Purchasing Card and Travel Policy
- Payroll reimbursement audits to determine compliance with the Travel Policy
- Agreed-upon procedures based on specific procedures on a subject matter
- Review of specific processes and procedures to strengthen internal controls
- Consulting engagements
- Other miscellaneous engagement services required by County departments

During fiscal year 2009-2010 the Internal Audit Division will be able to conduct audits that have not been performed in the past. These new engagements are listed on Exhibit A. We estimate six months of the fiscal year will be dedicated to these engagements dependent upon availability of resources, staffing levels and staffing qualifications.

POLICY ISSUES:

Efficient Delivery of Public Services:

Government Code Section 26883 grants the Board of Supervisors the power to require that the County Auditor-Controller shall audit the accounts and records of any department, office, board or institute under its control. Internal Audit Division policies and procedures require that the Board of Supervisors approve the annual audit schedule every year.

The schedule was developed in concert with the Chief Executive Office. While the schedule represents a plan for fiscal year 2009-2010, there will be activities that we have not been made aware of that will need attention by the Internal Audit staff.

STAFFING IMPACT:

The Internal Audit Division has six full time auditors assigned to the division. One of the positions is the Internal Audit Manager and the remaining five positions are Internal Auditors. Due to budget constraints two positions are not currently filled. The annual audit schedule is based on a staffing level of four positions.

**Internal Audit Division Audit Schedule
FY 2009-2010**

Department	Description	Period
Departments and Related Agencies	Compliance-Purchasing Card Audits	7/1/08 - 6/30/09
Specific Departments	Compliance-Payroll Reimbursement Audits	7/1/08 - 6/30/09
Property Tax Admin Cost Allocation	Review	6/30/2009
Redevelopment Agency	Financial & Compliance Audit	6/30/2009
Treasurer: Quarterly Cash Count	Financial Review	FY 09-10
Treasurer: Endowment Fund Compliance	Examination	6/30/2009
Year End Cash Count	Internal Control Review	6/30/2009
Public Facility Fee: Ceres Newman Unincorporated Areas	Agreed-Upon Procedures:	FY 08-09
New Engagements: America Recovery and Reinvestment Act of 2009 Funds	Agreed-Upon Procedures	FY 08-09 or FY 09-10
North McHenry Revenue Sharing Agreement	Agreed-Upon Procedures	
Transit Occupancy Tax Revenue	Agreed-Upon Procedures	
Gift Cards	Internal Control Review	
Tax Collector - Revenue Cycle	Internal Control Review	
Follow-up Engagements: Public Facility Fee - City of Oakdale Checkwriter - Oracle Reconciliation		FY 09-10
Unscheduled Audits	Requests from Departments	To be Determined

NOTE:

This schedule is based upon a staff of four full-time employees, one Internal Audit Manager and three auditors. The engagements listed under the new engagements section are engagements that are being considered and at the most three of these engagements would be completed with a full staff level. Changes in staffing levels will effect the completion of the engagements listed above and may result in adjustments to the schedule during the fiscal year.