

Audit Policy

1. Background

- a) Audit policy provides guidance on the selection of an independent accounting firm to provide opinions and/or reports on the County's financial statements and internal controls in compliance with federal and state standards.
- b) The role of the County's internal auditor is defined in the audit policy.

2. External Auditors

- a) External auditors will be selected to perform annual audits through a request for proposal (RFP) process every five years, unless otherwise approved by the Finance Committee.
- b) Recommendation of selection committee is reviewed and approved by the Finance Committee of the Board of Supervisors.
- c) External auditors will review the Comprehensive Annual Financial Report (CAFR) for submission to the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
- d) Included under the scopes of services for external auditors is the issuance of any and all required opinions, internal control and compliance reports and management letters.
- e) County assistance will be provided to external auditors, including internal auditor fieldwork, in order to produce timely and accurate financial statements and related audit opinions and reports.

3. Internal Audit

- a) The mission is to independently ascertain whether the ongoing processes for controlling fiscal and administrative operations throughout the County are adequately designed and functioning in an effective manner.
- b) To provide for the independence of the internal audits function, the Internal Audit division reports functionally to the Finance Committee of the Board of Supervisors and reports administratively to the Director of Finance and Management Services of the County.
- c) The Internal Audit Department has responsibility to:
 - i) Develop an internal audit plan annually and submit that plan to the Finance Committee for approval.
 - ii) Consider the scope of work of external auditors for the purpose of providing optimal audit coverage to the County including the contracting with external auditors for highly technical systems audits and any audit in which potential conflicts of interest may arise.
 - iii) Implement the internal audit plan as approved, including any special projects assigned by the Finance Committee and County Administrator.
 - iv) Issue periodic reports to the Finance Committee summarizing results of audit activities.
 - v) Communicate audit findings/reports to the appropriate level of management and request a written response.
 - vi) Follow-up on corrective action plans to address audit recommendations.
- d) The Internal Audit staff is authorized to have access to all of the County's functions, records, property and personnel.

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- e) The Internal Audit staff is not authorized to:
 - i) Initiate or approve accounting transactions external to the Internal Audit function.
 - ii) Initiate any performance-type audits with respect to constitutional offices without receiving prior authorization from applicable constitutional officer.