



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

**FY 2016 INTERNAL QUALITY ASSESSMENT OF
THE COUNTY AUDIT DEPARTMENT**

REPORT # 312

SEPTEMBER 30, 2016

MEMORANDUM

DATE: September 30, 2016

TO: Pat Frank, Clerk of the Circuit Court

FROM: Steve Hooper, CIA, CGAP, CCSA, CFE
Director of County Audit

SUBJECT: Internal Quality Assessment Report of the County Audit Department

Enclosed is the Internal Quality Assessment Report of the County Audit Department as it relates to the International Standards for the Professional Practice of Internal Auditing (Red Book) and the U.S. Government Accountability Office Government Auditing Standards (Yellow Book).

The Standards require that, *“the chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.”* The enclosed internal assessment report complies with the Standards.

**FY 2016 INTERNAL QUALITY ASSESSMENT REVIEW
HILLSBOROUGH COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT ACTIVITY
SEPTEMBER 30, 2016**

Purpose: In accordance with the *International Standards for the Professional Practice of Internal Auditing* published by The Institute of Internal Auditors and the *U.S. Government Accountability Office Government Audit Standards*, the County Audit Department's (CAD's) Assessment Team conducted an internal quality assessment of the Clerk of the Circuit Court's County internal audit activities. The principal objectives of this Assessment were to evaluate the CAD's conformity to the Standards, evaluate the CAD's effectiveness in carrying out its mission and Statement of Purpose, Authority and Responsibility, identify opportunities to enhance the CAD's management and work processes, and to evaluate the CAD's value added services to the Board of County Commissioners and the Clerk of the Circuit Court functions.

Assessment Team: The County Audit management team performed the Internal Quality Assessment. The three Team members are Certified Internal Auditors (CIAs) and one has been awarded the Accreditation in Internal Quality Assessment/Validation (AIQA/V) from the Institute of Internal Auditors.

Margaret Brown, CIA, AIQA/V
Audit Manager

Raul Cardona, CAMS, CIA, CISA
Senior Internal Auditor

Greg McCullough, CPA, CIA, CFE
Senior Internal Auditor

Scope: The Assessment Team performed a detailed self-study, interviewed CAD staff members, surveyed the CAD Director and staff members, reviewed the CAD's risk assessment and audit planning processes, evaluated the effectiveness of CAD carrying out its mission and Statement of Purpose, Authority and Responsibility, reviewed audit tools and methodologies, assessed engagement and staff management processes, and performed a Standards compliance evaluation on a representative sample of six sets of working papers and reports. The Assessment Team did not interview or survey CAD's audit clients.

Utilizing the sample of working papers and reports, the Assessment Team compared actual practices to Red Book and Yellow Book Standards. The Team rated conformance to the Standards on the Institute of Internal Auditors conformance definitions:

- "Generally conforms" means that an internal audit activity has a charter, policies, and processes that are judged to be in accordance with the Standards, with some opportunities for improvement.
- "Partially conforms" means deficiencies in practice are noted that are judged to deviate

from the Standards, but these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner.

- “Does not conform” means deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

Conclusion: It is the Assessment Team’s opinion that the CAD generally conforms to all of the following Red Book and corresponding Yellow Book Standards:

<u>Red Book</u>	<u>Yellow Book</u>	<u>Standard</u>
1000	1.04-1.06/2.10	Purpose, Authority, and Responsibility
1100	1.19/3.02-3.04/3.06/3.13-3.14/3.17/3.26-3.27/3.31-3.34/3.46	Independence and Objectivity
1200	1.24/2.10/3.60-3.64, 3.66-3.68/3.69/3.72/3.76/3.79-3.81	Proficiency and Due Professional Care
1300	2.23-3.25/3.82-3.85/3.96/3.98, 3.100-3.101/3.104-3.105/7.30	Quality Assurance and Improvement Program
2000	3.30/3.31/3.70-3.72/3.91/3.98/6.40-6.41/6.45	Managing the Internal Audit Activity
2100	1.06/2.10/6.16-6.20/6.22-6.23	Nature of Work
2200	6.06-6.09/6.11-6.12/6.37/6.51	Engagement Planning
2300	3.92/6.10/6.16/6.23-6.32/6.38/6.40 6.53/6.56-6.59/6.60-6.77/6.79	Performing the Engagement
2400	6.48/6.78/7.03/7.07-7.09, 7.11/7.14-7.19/7.27-7.29/7.30-7.31/7.44/A7.02	Communicating Results
2500	6.36/A1.08	Monitoring Progress
2600	A1.08/A3.02-A3.03	Management’s Acceptance of Risks
IIA Code of Ethics	1.03/1.10-1.14/1.17/1.19-1.22 3.23-24	IIA Code of Ethics

The Assessment Team did not identify any CAD activity that “partially conforms” or “does not conform” to the Red Book and the Yellow Book Standards.

Based upon testing, the Assessment Team concluded that the CAD’s environment is well structured and progressive. The CAD is effective in carrying out its mission and Statement of Purpose, Authority and Responsibility. The Standards are understood and management is endeavoring to provide useful audit tools and implement appropriate practices. Among these tools and practices are: on-going professional training for CAD staff members; making enhancements to the annual risk assessment process; developing new tools to facilitate self-assessment across the organization; issuing concise reports with a focus on risk; and having a good working relationship with clients.