



THE HONORABLE
GWEN MARSHALL

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

CLERK OF COURTS • COUNTY COMPTROLLER • AUDITOR • TREASURER • RECORDER

DIVISION OF INTERNAL AUDITING

Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control, and governance processes.

Authority

Section 1. (d), Article VIII, State Constitution, provides for the election of certain County Officers including a Clerk of the Circuit Court (Clerk & Comptroller). The latter part of this section specifies the Clerk & Comptroller shall be ex officio clerk of the Board of County Commissioners (BoCC), auditor, recorder, and custodian of all county funds. Section 16 Article V, State Constitution, also specifies the Clerk & Comptroller shall have the duties quoted above. The Supreme Court of Florida in the case of Alachua v. Powers (351 So. 2d 32) ruled the Clerk & Comptroller is to act as county auditor in all auditing functions except when the BoCC employs an independent certified public accountant. The Attorney General, in Opinion No. 086-38, ruled the Clerk & Comptroller "...as ex officio county auditor is not authorized to perform post-audit functions on the records of other constitutional officers."

Pursuant to the legal authority and responsibility cited above, the Clerk & Comptroller has established the Division of Internal Auditing (Division) to fulfill the responsibilities of the office as they relate to auditing functions other than the preaudit of disbursements from the Board of County Commissioners funds. The preaudit function is performed by the Clerk & Comptroller's Finance Department. As Authorized by Sections 125.01(1)(x), 11.45(1)(e), and 11.45(3)(a)3., Florida Statutes, the BoCC retains an independent certified public accounting firm to perform an annual financial audit of its accounts and records including the accounts and records of all county officers named in Section 1. (d), Article VIII, State Constitution.

The County Charter states that the Clerk & Comptroller shall serve as the Auditor to the Commission as specified by law. As a result of the legal authority cited above, the Clerk & Comptroller has established the Division to fulfill these responsibilities.

Further, Article III, Section 11-46 (d) of the Leon County Code of Ordinances for the Tourist Development Tax program designates the Clerk & Comptroller as its agent to perform the audit functions associated with this tax. The auditor is authorized and empowered to examine, at all reasonable hours, the books, records, and other documents under Article III in order to determine whether vendors of transient rental accommodations who are or who may be subject to the tax are collecting and remitting the tax or otherwise complying with this article, Section 125.0101, Florida Statutes and Chapter 212, Florida Statutes.

Mission and Core Principles

The mission of the Division is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight to the Clerk & Comptroller and the BoCC.

The core principles for the Division are:

1. Demonstrates integrity.
2. Demonstrates competence and due professional care.
3. Is objective and free from undue influence (independent).
4. Aligns with the strategies, objectives, and risks of the organization.
5. Is appropriately positioned and adequately resourced.
6. Demonstrates quality and continuous improvement.
7. Communicates effectively.
8. Provides risk-based assurance.
9. Is insightful, proactive, and future-focused.
10. Promotes organizational improvement.

Independence and Objectivity

The internal audit activity must be independent, and internal auditors must be objective in performing their work. Internal Auditors must have an impartial, unbiased attitude and avoid any conflict of interest. If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to the Clerk & Comptroller and the Audit Committee.

The Division shall report functionally and administratively to the Clerk & Comptroller with oversight by the Audit Committee.

Scope of Work

The scope of internal audit work includes any operation under the direction of the Clerk & Comptroller and the BoCC. The scope of the Division's work includes, but is not limited to, the following general areas:

1. Review of the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
2. Review the systems established to ensure compliance with those policies, plans, procedures, laws and regulations, which could have a significant impact on operations.
3. Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
4. Investigate occurrences of alleged fraud, abuse, or illegal acts.
5. Appraise the economy, efficiency, and effectiveness with which resources are employed and review management's operational internal controls.
6. Review operations or programs to ascertain whether the results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

Division of Internal Audit Responsibilities

The authority and responsibilities for carrying out the internal auditing function for Leon County empowers the Division to:

1. Have unrestricted access to all county properties, records, and personnel relevant to the fulfillment of their audit responsibilities.
2. Develop a flexible annual audit plan using appropriate risk-based methodology, with input from all levels of management.
3. Conduct audits of county activities in collaboration with the Clerk & Comptroller, BoCC, or the County Administrator and communicate results.
4. Develop and maintain engagement programs to ensure complete and effective audit coverage and reporting.
5. Maintain a fraud, waste and abuse hotline.
6. Evaluate policies and procedures.
7. Ensure the Division maintains sufficient knowledge, skills, experience, and professional certifications.
8. Provide periodic updates to the Clerk & Comptroller regarding audit activities, emerging trends, and best practices.
9. Maintain a Quality Assurance and Improvement Program (QAIP).
10. Perform consulting services to assist management in meeting Clerk & Comptroller and BoCC department objectives.
11. Coordinate the Division's activities with external auditors to achieve audit and county objectives.

Standards

The Division will adhere to The Institute of Internal Auditors' *International Professional Practices Framework* (Red Book).

When appropriate, the Division will adhere to the United States Government Accountability Office's *Government Auditing Standards* (Yellow Book).

Reviewed, revised, and approved this 8th day of November 2017.


Gwen Marshall, Leon County Clerk of Court & Comptroller

 11/8/17
Dr. William Hillison, Audit Committee Chairman