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Pasco County Clerk & Comptroller**

**2021 Department of Inspector General  
Annual Audit Plan**

**December 8, 2020**

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## INTRODUCTION

To ensure the most efficient and effective utilization of the Department of Inspector General (Department) resources, it is essential that areas selected for audit be carefully considered. Since the audit function, like other governmental functions, must provide the maximum possible benefit to Pasco County citizens, audits that will add the most value are prioritized. Due to the large number of possible areas to audit throughout Clerk and County operations and limited staff resources to audit them, a careful audit selection process was established. A risk-based planning process was conducted to develop an annual audit plan. The methodology of selecting audits and those areas selected for audit in 2021 are presented below.

### **Sources of Areas Selected for Audit**

Areas selected for audit can come from a variety of sources. These include risk assessments, management and teammate requests, unannounced audits, and anonymous allegations of fraud, waste, and abuse.

Risk must be one of the primary factors in selecting areas for audit. Risk for some aspects of Clerk and County operations are higher than others for many reasons, including the:

- Type of activities
- Management turnover
- Financial and operational impact to the County if something was to go wrong
- Length of time since the area was audited

Those areas of the Clerk and County which are high risk receive more audit attention than those of lower risk. However, areas of lower risk are not ignored; rather, they are audited with less frequency than the higher risk areas.

As part of the audit selection process, the Department also solicited input from management to assist in the assessment and ranking of risk. Management requests are seriously considered in the selection of audits to be performed because one of the goals of the Department is to assist management. Input was solicited from: the Board of County Commissioners, Clerk & Comptroller, County Administrator, the Clerk and County Attorneys, and Clerk and County management.

In addition, there is a need to conduct certain audits on a continuous basis. Some are unannounced to management whenever prior knowledge of the audit could compromise the integrity of the audit. These types of audits include, but are not limited to, cash counts and reported instances of fraud, waste, or abuse.

## **Risk Assessment Methodology**

The first step in a risk-based approach to auditing is to identify the audit universe. These are the areas of operations in the Clerk and County departments or divisions. A comprehensive list of operations was compiled using the Clerk and County's budget document and organizational charts. Utilizing a budget document helps to ensure all operations involving Clerk and County funding are identified. This provides reasonable assurance that all significant operations are included in the audit universe. Through this process, over 140 auditable entities were identified. After the auditable entities were identified, risk associated with each entity was assessed based on six risk factors:

1. Operational Impact
2. Complexity of Operations
3. Dollar Impact
4. Degree of Autonomy
5. Number of Years Since the Last Audit
6. Public Perception

The risk factors above were weighted and a numerical risk score was assigned for each auditable entity. Total weighted scores were calculated and auditable entities were grouped into high, medium, and low risk categories.

The risk assessment methodology is in accordance with the *International Standards for the Professional Practice of Internal Auditing and the Principles and Standards for Offices of Inspector General*.

## **Annual Audit Plan Development**

The Annual Audit Plan (Plan) is a planning tool for the use of Department resources. The Plan is subject to change throughout the year as the need or circumstances arise. Department reports will be issued during the year as engagements are completed. Final reports are included on the Department of Inspector General's page of the Clerk & Comptroller's website.

The 2021 Plan primarily includes management requests and areas in the high-risk category. However, some areas with lower risk were also included. One project included in the 2021 Plan is a carryover from the 2020 Plan. That project was not completed due to COVID-19 limitations. In an effort to continue to add value to the Clerk and County operations, the 2020 Plan was amended to include engagements that could be conducted according to professional standards, while remaining compliant with COVID-19 restrictions.

## PLANNED PROJECTS

### Risk Assessment Audits

Traffic Operations	Review Criminal Courts' policies, procedures, and workflow processes related to Driver's License suspensions.
Building Inspections	Audit of third party inspection contracts, vendor payments, related work-flows, and policies and procedures.
Fixed Assets	Review of policies, procedures, and workflow related to: processing, tracking, disposal, and updating the fixed asset inventory system or module.
Utilities Warehouse Inventories	Physical inventory to verify BCC blind counts performed by BCC teams. This project will begin in September 2021 to allow the auditor to verify the physical fiscal year-end counts.

### Continuous Audits and Requests

Audit Comment Tracking & Continuous Follow-up	Recommendations and corrective actions from prior projects
Evidence	Continuous sample testing during the year of sensitive and non-sensitive evidence.
Cash Verification-Public Infrastructure	Unannounced cash counts, safe inspection, and reconciliations of change and petty cash funds.
Cash Verification-Public Services	Unannounced cash counts, safe inspection, and reconciliations of change and petty cash funds.
Criminal Warrant Recalls & Releases	A detailed review of procedures & workflows related to warrant recalls and releases of criminal warrants.

### Self-assessment and Peer Review Quality Assurance Assessments

Quality Assurance Improvement Plan (QAIP) IG self-assessment; unforeseen requests for assistance.	A documented QAIP is required in the year preceding a formal Peer Review. A Peer Review (Red Book) is planned for 2022.
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**Projects in Progress as of December 8, 2020**

Document Security	Carryover from 2020. This Court Records engagement is anticipated to be completed through fieldwork in 2020. Hours are budgeted from the review, reporting, and quality control portions of the original engagement.
Unannounced Cash Count Verification	Carryover from 2020. This Clerk engagement is anticipated to be completed through fieldwork in 2020. Hours are budgeted from the review, reporting, and quality control portions of the original engagement.
Unannounced Cash Count Verification	Carryover from 2020. This Board engagement is anticipated to be completed through fieldwork in 2020. Hours are budgeted from the review, reporting, and quality control portions of the original engagement.



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