

Annual Audit Report and Audit Plan for FY 09-10



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Presented by

Office of Internal Audit

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Annual Audit Report for Fiscal Year 2008-2009

The Office of Internal Audit accomplished the following during Fiscal Year 2008-2009:

- √ Completed Audit Projects:
 - Public Works Construction Management
 - Fleet Management
 - Long Term Care Claims Management
 - Pinal County Fairgrounds
 - Sheriff's Inmate Funds
 - Housing (substantially complete)

- √ Completed Investigative Analysis Projects
 - Human Resources
 - Development Services

- √ Implemented the Office of Internal Audit's Managing For Results Business Plan

- √ Assisted in Managing 125 Reports to the SilentWhistle Hotline

- √ Completed the annual risk assessment and developed the Annual Audit Plan for Fiscal Year 2009-2010

Following is the Annual Audit Plan for Fiscal Year 2009-2010, which summarizes the audits and projects the Office of Internal Audit anticipates conducting and completing during the forthcoming fiscal year.

Annual Audit Plan for Fiscal Year 2009-2010

Introduction:

The purpose of the Audit Plan is to identify the audits and other activities the Office of Internal Audit anticipates completing during the fiscal year. The Plan is developed to comply with responsibilities established by the Internal Audit Charter. It is important to note that the Audit Plan is a working document that should be flexible in addressing current priorities in a changing environment. As required by the Charter, the Board of Supervisors will be notified of any significant additions, deletions, or other changes in the Audit Plan.

The Audit Plan includes audits related to internal controls; compliance with laws, policies and regulations; and economic and efficient use of resources. Audits included in the Plan were primarily identified through a county-wide risk assessment that aided in the identification of departments or functions with significant financial, managerial, and/or compliance risks. Internal Audit also considered concerns shared by management, the Board of Supervisors and the Audit Committee, as well as issues identified in reports to the SilentWhistle hotline.

While general audit objectives are included in the Plan, specific audit objectives will be determined upon completion of preliminary surveys related to each audit. During the preliminary surveys, Internal Audit staff will establish familiarity with the department and/or function by conducting background interviews and research. At that time, potential issues will be identified and the specific audit objectives and methodology will be developed. Estimated audit hours for each project may need to be revised, as a result of preliminary survey results. Depending on the amount of audit work required by the survey results and the number of unscheduled special projects that may arise during the year, all audits included in the original annual plan may not be completed. Any audits not completed will be reevaluated for inclusion in the following year's plan.

In addition to the planned major audits, a total of 1500 unassigned hours has been set aside to perform certain limited scope projects and other special audits, investigations, and/or projects requested by the Board of Supervisors, Elected Officials, County Manager, or department heads. Planned audits for Fiscal Year 2009-2010 are outlined on the following pages.

Major Audit Projects:

Pinal County Sheriff's Office

Our primary objective is to provide requested assistance to the PCSO, by performing an in-depth evaluation of financial management within the Office. As a result of the American Recovery and Reinvestment Act of 2009, we will include a review of activities related to identifying, securing and managing federal grant opportunities.

Estimated Audit Hours Required: 700

Human Resources

Our primary objective is to evaluate department operations and review general internal controls established within the Human Resources Department.

Estimated Audit Hours Required: 700

Health and Human Services

Our primary objective is to review and evaluate controls over purchasing and contracting activities within the Health and Human Services Departments. As a result of the American Recovery and Reinvestment Act of 2009, we will include a review of activities related to identifying, securing and managing federal grant opportunities.

Estimated Audit Hours Required: 700

Information Technology (IT) Department

Our primary objective is to evaluate department operations and review general internal controls established within the IT Department.

Estimated Audit Hours Required: 700

Audit Follow-up Projects:

To ensure audit recommendations have been effectively implemented, we will conduct follow-up audits for certain projects completed by Internal Audit or other agencies in the previous fiscal year:

Construction Management – Public Works

Fleet Services

Housing

Pinal/Gila Long Term Care – Auditor General Special Investigation

Estimated Audit Hours Required for Audit Follow Up Projects: 800

Other Audit Projects:

In addition to planned major audit projects, the Office of Internal Audit anticipates completing various limited scope projects, as time allows:

Pinal County Recorder’s Office - Our primary objective is to evaluate internal controls related to safeguarding confidential information within the Recorder’s Office.

Juvenile Court Services - Our primary objective is to evaluate internal controls over cash collections.

Facilities - Our primary objective is to evaluate the internal controls over department property and equipment.

Public Works - Our primary objective is to evaluate internal controls over fee collections.

Fraud Hotline Monitoring - Our primary objective is to assist the Public Integrity Committee in reviewing, managing and reporting on fraud hotline activities.

Other Special Projects and Audit Requests - TBD

Estimated Audit Hours Reserved for Other Audit Projects: 1500