



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 8/9/2011

Agenda Placement: 7H

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Schulze, Tracy - Auditor-Controller
Auditor - Controller
REPORT BY: Tracy Schulze, AUDITOR-CONTROLLER - 299-1733
SUBJECT: Fiscal Year 2011-12 Internal Audit Plan

RECOMMENDATION

Auditor-Controller requests the Board to approve and instruct the Clerk of the Board to file the Internal Audit Plan for fiscal year 2011-12.

EXECUTIVE SUMMARY

In accordance with sections 1111 and 2020 of the *International Standards for the Professional Practice of Internal Auditing* the Auditor-Controller is required to communicate the Internal Audit Plan to the Board of Supervisors and seek approval.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In accordance with sections 1111 and 2020 of the Standards, the Auditor-Controller is required to communicate the Internal Audit Plan to the Board of Supervisors and seek their approval of the plan. Accordingly, the Internal Audit Section is requesting approval of the following tentative plan which would be completed by June 30, 2012:

- Eight (8) Transient Occupancy Tax Audits
- Five (5) Departmental Audits
- Three (3) Solid Waste Rate Reviews
- Four (4) Agreed-Upon Procedures for Napa-Vallejo Waste Management Authority
- Four (4) Agreed-Upon Procedures for Napa County Housing Authority
- Nine (9) Reviews of Special District and Joint Power Agency Audits
- Four (4) Quarterly Cash Counts of the Treasurer-Tax Collector
- Three (3) mandated fee calculations (Parole Revocation, Daily Jail Rate & Booking Fee)
- Ten (10) Revolving Fund Audits
- One (1) Agency/Special Revenue Fund Audits
- Coordination and Completion of the Schedule of Federal Financial Assistance
- Tracking and Reporting of All ARRA Grants

The completion of the above plan is contingent upon additional tasks of higher risk or priority being assigned during the fiscal year as well as maintaining the current staffing level.

Additional Goals

In an effort to complete the above tasks, the Internal Audit Section will continue to develop electronic engagement manuals. The manuals will provide guidance to staff and assist in achieving a greater efficiency in completing the various engagements. A manual is currently in process for the Revolving Fund Audits and is expected to be completed before the commencement of the audits in fiscal year 2011-12. The electronic manual for Transient Occupancy Tax Agreed-Upon Procedures has been recently updated and is currently in use, providing a more efficient and consistent tool for staff.

There have been various interpretation issues with regards to our Transient Occupancy Tax Ordinance, resulting in difficulty in completing some engagements. The Auditor-Controller's office is working with County Counsel to review the ordinance and recommend revisions to the Board by December, 2011.

The Auditor-Controller is working towards performing County-wide internal-control and financial procedure audits. These audits will look at overall compliance of policies and procedures to determine if county-wide education or outreach is needed and if the procedure or policy is up to date with current practices. These audits may also result in recommendations of revisions to current procedures and/or policies.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi