

HERNANDO COUNTY
CLERK OF CIRCUIT COURT
AND BOARD OF COUNTY COMMISSIONERS
AUDIT SERVICES DEPARTMENT CHARTER

Introduction:

Internal auditing is an integral part of the constitutional duties of the Clerk of the Circuit Court as auditor of the Board of County Commissioners (BOCC). The Clerk's Audit Services Department (ASD) provides independent, objective assurance, attestation, and consulting activity designed to add value, increase efficiency of operations, and improve stewardship of public resources. This is accomplished through a systematic, disciplined approach used to evaluate and improve the effectiveness of risk management, control, and governance processes.

Authority and Independence:

Article VIII Section 1(d) of the Florida Constitution provides for the election of certain county officers including a Clerk of Circuit Court. The latter part of this section specifies that the Clerk of Circuit Court shall be ex officio clerk of the Board of County Commissioners, auditor, recorder and custodian of all county funds. Article V Section 16 of the Constitution also specifies that the Clerk of Circuit Court shall have the duties quoted above. One of the ways the Clerk fulfills this important duty and integral part of the checks and balances of county government is through the establishment of the Audit Services Department.

As an independently elected Constitutional Officer, the Clerk is directly responsible to the citizens and taxpayers of Hernando County and is not under the direction or control of the BOCC. The ASD reports directly to the Clerk and has no direct responsibility or authority over any area subject to its audit and review. The ASD is organizationally independent from those areas which it will be auditing and reviewing.

Role:

The ASD has the authority and responsibility to conduct audits and reviews of all departments, programs and functions funded by the BOCC and issue reports thereon. The ASD will assist county administration in the investigation of suspected fraudulent activities and notify the appropriate level of management of the results. This authority does not extend to other constitutional officers. To facilitate the accuracy and completeness of audits and reviews, it is necessary that the ASD have access to all relevant resources. Accordingly, the ASD is granted authority for full, free, and unrestricted access to any and all of the BOCC activities, records (either manual or electronic), property, functions, and personnel relevant to any function under review. All employees are to assist Audit Services by providing any necessary personnel to assist the ASD in the performance of its mission.

The ASD may employ consultants, staff assistants, or use the services of public accounting firms as may be necessary for the conduct of auditing responsibilities. Where appropriate and with BOCC approval, the cost of outside services may be billed to the auditee. This document shall not prohibit the BOCC or county management from obtaining independent outside consultants as considered necessary.

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Professional Standards:

The ASD has the responsibility to conduct all audits in accordance with professional standards. These include but are not limited to the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors. In addition, the ASD will adhere to Clerk of Circuit Court policies and procedures and the Audit Services operational policies and procedures manual.

Audit Services Planning and Priorities Committee

The Audit Services Planning and Priorities Committee (ASPPC) is created as an advisory team to assist the ASD in the effective discharge of its responsibilities. The ASPPC will meet at least semiannually in order to review the ASD audit plan and provide suggestions or guidance on future audits. The ASPPC shall consist of the following individuals or their designee: Clerk of the Circuit Court, County Administrator, Director of Financial Services, the Assistant County Administrator responsible for the Office of Management and Budget, the County Attorney, and a representative from the firm engaged to perform the County's annual fiscal audit. Additional members, if any, will be decided by the ASPPC.

Planning

The ASD will be responsible for preparing a flexible audit plan for each fiscal year. This plan should include the departments, programs and functions to be audited. The plan should be based upon a risk assessment, undertaken at least annually, and should include the input of the ASPPC. The plan will be approved by the Clerk and presented to the ASPPC and the BOCC for their review; however, nothing contained herein shall limit the Clerk from performing his statutory and constitutional responsibilities in safeguarding county assets.

Audit Scope

The Board of County Commissioners, County Administration, and the Clerk's Department of Financial Services work together to design an adequate and functioning network of risk management, control and governance processes for the operation of County government. These processes should provide a reasonable assurance of (1) reliable financial and operating data and reports, (2) compliance with laws and regulations, (3) effective and efficient business practices, and (4) safeguarding the public resources and assets entrusted to them.

The scope of work of the ASD is to determine independently and objectively whether the network of processes provides reasonable assurance that:

- Business risks are identified and managed appropriately.
- Significant financial, managerial, and operating information is accurate, reliable, and communicated timely.
- Those entrusted with public assets protect them from physical loss due to damage, improper or illegal activities, or exposure to the elements.
- Resources are acquired economically, used efficiently, and adequately protected

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- Those entrusted with public resources safeguard them through effective business practices. In this context, internal auditing evaluates whether operating standards have been established for measuring economy and efficiency; whether operating standards are understood, measured, and monitored; whether deviations from operating standards are identified, analyzed and communicated to those responsible for corrective action; and whether effective corrective action is taken.
- County control processes foster quality and continuous improvement.
- There is effective interaction among those responsible for governance of county operations.
- County employees act in compliance with applicable laws, regulations and County policies, standards, and procedures.

Reporting

Following the conclusion of each formal audit, a written report will be prepared and issued by the ASD. Upon approval by the Clerk, the report will be forwarded to the BOCC, members of the ASPPC, and other management personnel as appropriate. These reports will contain, as applicable, the responses of the auditee to each audit recommendation. If responses are not received within the time period prescribed, and no alternative arrangements are made, the report will be issued without responses.

If an ASD inquiry is closed following a preliminary investigation and does not rise to the level of a formal audit, the ASD may close the inquiry with a memorandum or letter to the appropriate county management personnel.

According to Section 119.0713(2), Florida Statutes, "the audit report of an internal auditor prepared for or on behalf of a unit of local government becomes a public record when the audit becomes final. An audit becomes final when the audit report is presented to the unit of local government."



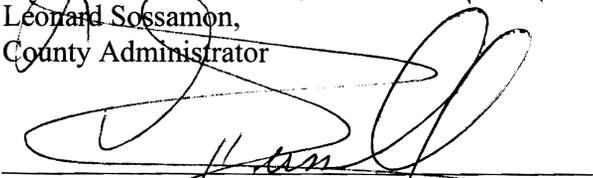
Donald C. Barbee, Jr.,
Clerk of Circuit Court & Comptroller

Date: 5/17/13



Leonard Sossamon,
County Administrator

Date: 5-14-13



David D. Russell, Jr., Chairman,
Board of County Commissioners

Date: 5-14-13

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY**
BY 

County Attorney's Office