

**Annual Audit Report (FY 09-10)  
and  
Audit Plan for FY 10-11**



**P I N A L ♦ C O U N T Y**  
*wide open opportunity*

*Presented by*

**Office of Internal Audit**

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# Annual Audit Report for Fiscal Year 2009-2010

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The Office of Internal Audit accomplished the following during Fiscal Year 2009-2010:

- √ Completed Scheduled Audit Projects:
  - Pinal County Sheriff's Office – Finance Division
  - Human Resources
  - HHS Procurement and Contracting
  - Recorder's Office
  - Facilities Management
  - Information Technology
  - Juvenile Court – Cash Handling Audit
  - Fleet Services Follow-up Audit
  - Public Works Audit Follow-up
  - Fairgrounds Audit Follow-up
  - Housing Audit Follow-up
  
- √ Completed Special Requests/Investigative Analysis Projects
  - Long Term Care Special Project
  - PCSO Towing Contract and Rotation Schedule Review
  - Pinal County Memorial Fund Special Project
  - Research for TB Policy Review
  
- √ Other Work:
  - Assisted in Management of more than 100 Reports to the SilentWhistle Hotline
  - Prepared Quarterly Hotline Reports for the Board of Supervisors
  - Completed the Annual Risk Assessment
  - Developed the Annual Audit Plan for Fiscal Year 2010-2011

Following is the Annual Audit Plan for Fiscal Year 2010-2011, which summarizes the audits and projects the Office of Internal Audit anticipates completing during the forthcoming fiscal year.

## **Annual Audit Plan for Fiscal Year 2010-2011**

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### ***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 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, operational, and/or compliance risks. Internal Audit also considered concerns shared the Board of Supervisors, Audit Committee and management, 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 audit projects, a total of 1750 unassigned hours has been reserved for other special audits, investigations, and/or projects requested by the Board of Supervisors,

Elected Officials, County Manager, or Department Directors. Planned audits for Fiscal Year 2010-2011 are outlined on the following pages.

## **Major Audit Projects**

### **Pinal County Treasurer's Office**

Our primary objective is to review the process and procedures for establishing new cash accounts, and evaluate related internal controls over maintaining and closing cash accounts at the Treasurer's Office.

*Estimated Audit Hours Required: 500*

### **Animal Care and Control**

Our primary objective is to determine if internal controls are adequate to ensure efficiency and effectiveness of operations, protection of assets, proper allocation and use of resources, and the achievement of departmental goals.

*Estimated Audit Hours Required: 500*

### **Finance Department Procurement/Purchasing Division**

Our primary objective is to review and evaluate the efficiency and effectiveness of the Purchasing Division's processes and procedures; and assess compliance with County and State Procurement Code, other related policies, and best practices.

*Estimated Audit Hours Required: 400*

### **Justice Courts/ Constables – Expense Reporting**

Our primary objective is to evaluate employee expense reporting and reimbursement for compliance with County financial policies and procedures.

*Estimated Audit Hours Required: 300*

***Audit Follow-up Projects:***

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

**Human Resources Department**

**HHS Procurement/Contracting**

**Recorder's Office**

*Estimated Audit Hours Required for Audit Follow Up Projects: 450*

***Other Audit Projects:***

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

**Tipping Fee Agreements and Landfill Leases:**

Our primary objective is to review and evaluate controls related to tipping fee agreements and landfill leases.

*Estimated Audit Hours Required: 250*

**Audit of Cash Controls:**

- *Development Services' One Stop Shop*
- *Hearing Office*
- *Public Health Clinics*

Our primary objective is to evaluate current cash handling procedures and ensure compliance with the County procurement code and applicable County policies.

*Estimated Audit Hours Required: 300*

**Other Special Projects and Audit Requests**

TBD

*Estimated Audit Hours Reserved for Other Audit Projects: 1750*