

**COUNTY OF VENTURA
INTERNAL AUDIT CHARTER
June 20, 2017**

This charter identifies the purpose, authority, and responsibility of the internal audit activity of the County of Ventura (“County”).

PURPOSE:

The purpose of the County Auditor-Controller’s Internal Audit Division (“IAD”) is to provide independent, objective assurance and consulting services designed to add value and improve the County’s operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The IAD helps the County accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

AUDITING STANDARDS:

In compliance with California Government Code Section (“GC §”) 1236, internal audits will be conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* (“Standards”) promulgated by The Institute of Internal Auditors (“The IIA”). The IAD will adhere to the mandatory elements of The IIA’s International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *Standards*, and the Definition of Internal Auditing.

Internal audits may also be conducted in compliance with: the Statutes of the State of California; *Government Auditing Standards* issued by the Comptroller General of the United States; and generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants, as applicable.

AUTHORITY:

The Auditor-Controller is the chief audit executive for the County as defined within the *Standards*, established by GC § 26883, and designated by order of the County Board of Supervisors (“BOS”) on May 12, 1953, as amended on February 21, 1955. As an elected official, the Auditor-Controller is independent from the County’s organizational structure, which allows objective reporting of audit results. The Auditor-Controller has unrestricted access to, and communicates and interacts directly with, the BOS through regular attendance at BOS meetings and the ability to place items on the BOS meeting agenda. The Auditor-Controller may meet privately with BOS members without management present to the extent allowed by law.

The BOS authorizes the IAD to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information, except where specifically prohibited by law.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of the County, as well as other specialized services from within or outside of the County, in order to complete the engagement.

INDEPENDENCE AND OBJECTIVITY:

The Auditor-Controller will ensure that the IAD remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Auditor-Controller determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will have no direct operational responsibility or authority over the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.

The Auditor-Controller is the chief accounting officer for the County in accordance with GC § 26881, and establishes the County's accounting policies and procedures. California law also mandates the Auditor-Controller to perform a variety of accounting, financial, and auditing duties. Where the Auditor-Controller has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity. Safeguards include ensuring that the IAD has no responsibility over the accounts and records being audited.

Daily activities will be managed by the Auditor-Controller Deputy Director, IAD. This position is exempt from civil service and serves in an "at will" capacity. To promote objectivity of this position, dismissal of the incumbent without cause will require Auditor-Controller disclosure to the BOS and the County Executive Officer ("CEO").

RESPONSIBILITY:

The IAD is responsible for evaluating the various functions and control systems in the County and for advising management and the BOS concerning their condition. The fulfillment of this responsibility includes, but is not limited to:

- Conducting audits of economy and efficiency in the use of County resources to accomplish established goals and objectives.
- Evaluating the reliability and integrity of financial and operating information that is developed within the County and the means used to identify, classify, and report such information.
- Determining the sufficiency of and adherence to County plans, policies, and procedures, and compliance with laws and regulations.
- Ascertaining the adequacy of controls for safeguarding County assets and, when appropriate, verifying the existence of assets.
- Assessing the adequacy and effectiveness of processes for controlling activities and managing risks.
- Performing special reviews requested by County management or the Board of Supervisors.

Upon completing an audit, the Auditor-Controller will communicate the results to appropriate levels of management, the CEO, and the BOS, as may be appropriate. Audit reports will identify corrective actions taken or planned by management and will include a timetable for completion of corrective actions where appropriate.

The performance of these reviews does not relieve County management of any assigned responsibilities.

This charter also does not relieve or limit the responsibility or authority of the CEO to conduct performance studies, investigations, or reviews in the efficient and economic use of County resources or the operational effectiveness of County agencies, departments, and programs as set forth in County Ordinance 4224 and amended by ordinances 4235 and 4265.

Additional core responsibilities of the IAD include: leading the County's Control Self-Assessment Program in accordance with County Administrative Policy No. Chapter VII(A)-13, *Internal Control Policy*; administering the Employee Fraud Hotline in accordance with GC § 53087.6 and as authorized by the BOS on February 27, 2001; monitoring audits of special districts and joint powers authorities in accordance with GC § 26909 and GC § 6505, respectively; evaluating the audits of Federal award subrecipients; compiling the Schedule of Expenditures of Federal Awards for the County's Single Audit; and coordinating County audit contracts.