

Ventura County Auditor-Controller  
Internal Audit Division

AUDIT PLAN  
JULY 1, 2006 through JUNE 30, 2007

Ventura County Auditor-Controller  
Internal Audit Division

AUDIT PLAN  
JULY 1, 2006 through JUNE 30, 2007

---

TABLE OF CONTENTS

	<u>Page</u>
MISSION STATEMENT	1
GOALS AND OBJECTIVES	2
PERFORMANCE MEASUREMENTS	3
AUDIT PLANNING PROCESS	4
AUDIT RESOURCES	5
PLANNED AUDITS	6
FUTURE POTENTIAL AUDIT SUBJECTS	7

Ventura County Auditor-Controller  
Internal Audit Division

AUDIT PLAN  
JULY 1, 2006 through JUNE 30, 2007

---

**MISSION STATEMENT**

The Internal Audit Division, through cooperation with County management, accomplishes timely audits that foster positive change to reduce risk and enhance the economy, efficiency, and effectiveness of Ventura County departments/agencies.

Ventura County Auditor-Controller  
Internal Audit Division

AUDIT PLAN  
JULY 1, 2006 through JUNE 30, 2007

---

GOALS AND OBJECTIVES

The Internal Audit Division goals and objectives for fiscal year 2006-07 include:

1. Improve the timeliness of audit reports.
2. Provide support to department/agency management in the development and ongoing evaluation of internal control systems.
3. Issue 12 audit reports during the fiscal year.
4. Identify \$500,000 in cost savings to the County.
5. Use Internal Audit Division staff as follows (not including standard estimated accruals for vacation, sick, and holiday hours):
  - 80% direct time (i.e., billable audit hours)
  - 20% indirect time (i.e., training, administrative projects, staff meetings, etc.)
6. Identify 20 potential audit subjects.
7. Issue three special project engagement reports.
8. Perform an annual quality assurance review.
9. Schedule eight training sessions to increase staff knowledge of auditing techniques.
10. Follow-up on previously issued significant audit reports within 6 to 18 months of management's reported corrective action.
11. Encourage staff development, resulting in 50% of Internal Audit Division staff with relevant professional certifications (i.e., CPA, CIA, CFE).

Ventura County Auditor-Controller  
Internal Audit Division

AUDIT PLAN  
JULY 1, 2006 through JUNE 30, 2007

---

PERFORMANCE MEASUREMENTS

To evaluate the effectiveness of the Internal Audit Division and to determine whether operational adjustments are necessary, the following performance measurements have been adopted:

1. 80% of non-mandated audits:
  - Produce results that justify the audit hours expended.
  - Result in additional revenue and/or cost savings to the County.
  - Address performance measurements.
  - Address management issues.
2. 20% of non-mandated audits:
  - Address streamlining operations.
  - Address increased efficiency through automation.
  - Are requested by auditee management.
  - Impact on countywide systems.
  - Cross organizational lines or involve interagency coordination.
  - Address previously-submitted audit needs.
3. 80% of audits are completed within budgeted hours allocated.
4. 100% of audit findings are corrected or corrective action has been initiated by management during the course of the audit.
5. 100% of audit findings are noted to have corrective action implemented during follow-up audits.
6. 100% of audits of Special Districts, Joint Powers Authorities, and Federal Award Subrecipients are in compliance with applicable requirements.

Ventura County Auditor-Controller  
Internal Audit Division

AUDIT PLAN  
JULY 1, 2006 through JUNE 30, 2007

---

**AUDIT PLANNING PROCESS**

A. **Audit Selection:**

The Auditor-Controller makes the final determination in selecting audits that will be performed. To achieve optimum utilization of audit resources, audits are selected using the following criteria:

1. Legal mandates
2. Audit requests (i.e., from Board of Supervisors, County management, Grand Jury, etc.)
3. Financial exposure
4. Potential risk of loss
5. Operating benefit opportunities
6. Changes in operations
7. Date and result of last audit
8. Capabilities of the audit staff
9. Sensitivity to:
  - a. Mismanagement
  - b. Unauthorized use of resources
  - c. Erroneous reports of data
  - d. Illegal or unethical acts
  - e. Adverse or unfavorable public opinion

B. **Audit Process:**

Once audit areas are selected, additional subject research (i.e., a survey) is performed to assure that the area warrants an audit. During the survey, objectives identifying areas that could benefit from detailed evaluation are developed through use of interviews, observations, and limited testing.

C. **Audit Plan Updating and Reporting:**

The Audit Plan is prepared annually.

When originally included in the Audit Plan, audit areas have not been subjected to an audit survey; therefore, budgeted time in the Audit Plan is subjective. Once the audit scope has been determined and field work begins, the time requirements for the audit are established and may differ from the planned hours in the Audit Plan.

Ventura County Auditor-Controller  
Internal Audit Division

AUDIT PLAN  
JULY 1, 2006 through JUNE 30, 2007

AUDIT RESOURCES

<u>Position</u>	<u>Authorized</u>	<u>Assigned</u>
Deputy Director Auditor-Controller	1	1
Fiscal Manager I/II	1	0
Internal Auditor IV	2	0
Internal Auditor III	2	1
Internal Auditor II	0	0
Internal Auditor I	<u>0</u>	<u>3</u>
TOTAL	6	5

Direct Time Available

Fiscal Manager I/II	- 0 -	- 0 -
Internal Auditor IV	- 0 -	- 0 -
Internal Auditor III	1,800* x 0.80	1,440
Internal Auditor II	- 0 -	- 0 -
Internal Auditor I	1,800* x 0.80 x 3	<u>4,320</u>
TOTAL		5,760

\* Based on 2,080 annual full-time hours, subtracting standard estimated accruals of 280 hours for vacation, sick, and holiday hours.

Ventura County Auditor-Controller  
Internal Audit Division

AUDIT PLAN  
JULY 1, 2006 through JUNE 30, 2007

---

PLANNED AUDITS

Audits in Progress – Prior Fiscal Year:

<u>Subject</u>	<u>Planned Hours</u>
1. HCA Cash Controls	200
2. Countywide Contract Monitoring	400
3. FY 2004-05 Internal Quality Assurance	120
4. Follow-up of Hotline Verification 04-0006 (ISD IBM Cost Allocation)	40
5. GSA Change in Director	140
6. Prop 36	20
7. Countywide Wireless Telecom Management	280
8. GSA Lease Administration	60
9. Fire Cash Collections	150
10. Airports Lease Administration	120
11. Control Self-Assessment	<u>200</u>
	1,730

Mandated/Required Audits:

<u>Subject</u>	<u>Planned Hours</u>
1. Treasury – Quarterly and Annual Cash Counts	600
2. Tax Collector Redemptions	200
3. Probation – Reimbursements and Payments for Juveniles	200
4. AB 589 – Assessor Grant Program	240
5. Fraud Hotline	200
6. Monitoring – SEFA, Special Districts, JPAs, Subrecipients	200
7. FY 2005-06 Internal Quality Assurance	<u>120</u>
	1,760

New/Priority Audits:

<u>Subject</u>	<u>Planned Hours</u>
1. Harbor Lease Administration	240
2. GSA Cash Controls	200
3. HSA – Child Development Resources	300
4. HCA Change in Director	140
5. Library Change in Director	140
6. Business License Revenue	200
7. RAIN Program Transfer	200
8. Countywide Management of Sensitive Non-Fixed Assets	400
9. Voucher Program	200
10. Requested Audits	<u>250</u>
	2,270

TOTAL PLANNED HOURS 5,760



Ventura County Auditor-Controller  
Internal Audit Division

AUDIT PLAN  
JULY 1, 2006 through JUNE 30, 2007

---

FUTURE POTENTIAL AUDIT SUBJECTS

1. Social Services Contracts
2. Credit Card Purchases
3. Fleet Services Fuel Management
4. Sheriff's Evidence Room
5. HSA BIO Follow-up
6. Countywide Cash Controls
7. Business Continuity Planning
8. PAPG Follow-up
9. Court Payroll Controls
10. RMA Change in Director
11. Systems Development and Procurement
12. Animal Regulation Cash Controls Follow-up
13. Foster/Group Home Contracts
14. Personal Computer Standards Compliance
15. Public Health Clinic Cash Controls Follow-up
16. Sheriff's Contracts with Cities
17. Franchise Fees
18. Software Licensing Follow-up
19. Property Auction Procedures
20. Management of Public Safety Overtime
21. RMA Accounts Receivable Follow-up
22. Probation Change in Director
23. Work Furlough/Work Release
24. Public Defender Client Charges
25. Uniform Construction Cost Accounting
26. IT Asset Disposal
27. Environmental Health Operations
28. Sheriff Food Services Inventory Procedures
29. 4850 Employee Benefits
30. Fire Protection District Staffing