

POLICIES AND PROCEDURES MANUAL CLERK OF THE CIRCUIT COURT AND COMPTROLLER LAKE COUNTY, FLORIDA		Prepared by: Terri Freeman	Reviewed by: Denise Bell
		Recommended Approval by: Terri Freeman	Clerk Approval: Gary J. Cooney
POLICY NO:	2.2.01	Effective Date: 6/5/2013	Last Revision: 07/19/2022

SUBJECT: INSPECTOR GENERAL DEPARTMENT CHARTER

Purpose and Mission

The purpose of the Inspector General Department (IGD) is to provide assurance to citizens and leadership through investigations and objective risk-based audits.

The IGD also performs special engagements and consulting regarding risks and controls as requested by management, the Board of County Commissioners, the Clerk of the Circuit Court and Comptroller, and other Constitutional Officers.

Standards for the Professional Practice of Internal Auditing

The IGD will adhere to the mandatory elements of The Institute of Internal Auditors' (IIA) International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing.

Authority

By authority of the Constitution of the State of Florida, Article VIII, Section 1. (d), "...the clerk of the circuit court shall be ex officio clerk of the board of county commissioners, auditor, recorder and custodian of all county funds." The Constitution of the State of Florida, Article V, Section 16, also specifies that the Clerk of the Circuit Court shall have the duties quoted above.

The Lake County Clerk of the Circuit Court and Comptroller (Clerk) is elected by and accountable to the citizens of Lake County, thus is independent from the Lake County Board of County Commissioners (BCC) and County management.

Pursuant to the legal authority and responsibility cited above, the Clerk has established the Inspector General (IG) position to fulfill the responsibilities of the office as they relate to the auditing and investigation functions other than the pre-audit of disbursements from BCC funds. The County Finance Department, which also reports to the Clerk, performs the pre-audit function. The IGD responsibilities include a post-audit review of significant County financial risks as well.

The IG reports administratively to the Chief Deputy Clerk and functionally to the Clerk. The scope of the IGD engagements includes operations under the direction of the BCC, including activities recorded in the fiduciary fund in the County's financial statements as defined in the Governmental Accounting Standards Board (GASB) Statement Number 84.

The Attorney General, in Opinion No. 86-38, states, "Until legislatively or judicially determined otherwise, that the clerk of circuit court as ex officio county auditor is not authorized to perform post-audit functions on the records of other constitutional officers." Therefore, the scope of the IGD's authority does not include agencies under the direction of constitutional officers. However, the IGD will perform special engagements and risk and control consulting services if requested by a constitutional officer, including the Clerk.

To establish, maintain, and assure that the IGD has sufficient authority to fulfill its duties, the Clerk will:

- Approve the IGD's charter.
- Approve the audit plan.
- Approve investigations into possible instances of fraud, waste, or abuse.
- Approve the IGD's budget and resource plan.
- Receive communications from the IG on the IGD's performance relative to its plan, investigations, and other matters.
- Approve decisions regarding the appointment and removal of the IG.
- Approve the remuneration of the IG.
- Make appropriate inquiries of the IG to determine whether there is inappropriate scope or resource limitations.

The IG will have unrestricted access to, and communicate and interact directly with, the Clerk, including in private meetings without management present.

The Clerk authorizes the IGD to:

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

Independence and Objectivity

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

Auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality

compromises are made, and that they do not subordinate their judgment on audit or investigation matters to others.

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

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for Lake County or its affiliates.
- Initiating or approving transactions external to the IGD.
- Directing the activities of any Lake County employee, except to the extent that such employees have been appropriately assigned to assist with audits or investigations.

Where the IG has or is expected to have roles and/or responsibilities that fall outside of auditing or investigations, safeguards will be established to limit impairments to independence or objectivity.

Auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to the appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The IG will inform the Clerk immediately if any independence or objectivity issues, such as conflicts of interest, arise in the IGD.

The IG will disclose to the Clerk any interference and related implications in determining the scope of auditing or investigations, performing work, and/or communicating results.

Scope of Audit Activities

The scope of audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Lake County management and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Lake County. Audit assessments include evaluating whether:

- Risks relating to the achievement of the BCC's strategic objectives are appropriately identified and managed.
- The actions of Lake County's officers, directors, employees, and contractors are in compliance with Lake County's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.

- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Lake County.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The IG will report periodically to the Clerk, County Manager, and senior management regarding:

- The IGD's purpose and responsibility.
- The IGD's plan and performance relative to its plan.
- The IGD's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Clerk and County Manager.
- Results of audit engagements, investigations, or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to Lake County.

The IG also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The IGD may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the IGD does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibility

The IG has the responsibility to:

- Ensure the IGD collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the IGD charter.
 - The Inspector General must be a Certified Public Accountant (CPA) or Certified Internal Auditor (CIA).
- Submit, at least annually, to the Clerk, County Manager, and senior management a risk-based audit plan for review. The Clerk will provide approval of the audit plan.
- Communicate to the Clerk the impact of resource limitations on the audit plan.
- Review and adjust the audit plan, as necessary, in response to changes in Lake County's operations, risks, programs, systems, and controls.
- Communicate to the Clerk, County Manager, and senior management any significant interim changes to the audit plan.
- Ensure each engagement of the audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.

- Follow up on engagement findings and corrective actions, and report periodically to the Clerk, County Manager, and senior management any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure trends and emerging issues that could impact Lake County are considered and communicated to the Clerk, County Manager, and senior management as appropriate.
- Ensure emerging trends and successful practices in auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the IGD.
- Ensure adherence to Clerk's Office and Lake County relevant policies and procedures, unless such policies and procedures conflict with the IGD charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Clerk.
- Ensure conformance of the IGD with the Standards, with the following qualifications:
 - If the IGD is prohibited by law or regulation from conformance with certain parts of the Standards, the IG will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - If the Standards are used in conjunction with requirements issued by other authoritative bodies, the IG will ensure that the IGD conforms with the Standards, even if the audit also conforms with the more restrictive requirements of other authoritative bodies.

Quality Assurance and Improvement Program

The IGD will maintain a quality assurance and improvement program that covers all aspects of the IGD. The program will include an evaluation of the IGD's conformance with the Standards and an evaluation of whether internal auditors apply The IIA's Code of Ethics.

The program will also assess the efficiency and effectiveness of the IGD and identify opportunities for improvement.

The IG will communicate to the Clerk on the IGD's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Clerk's Office or Lake County operations.

Lake County Clerk of the Circuit Court and Comptroller

Procedure Routing & Approval Sheet

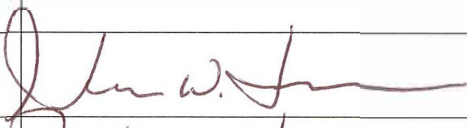
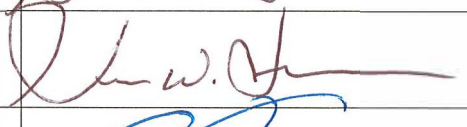
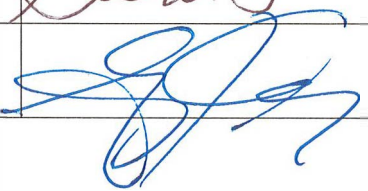
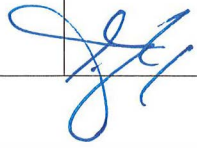
All Procedures of the Lake County Clerk of the Circuit Court and Comptroller require the approval signature of the submitting department's Senior Management Staff Member before the procedure may be put into the proper PDF format and included on the Clerk Intranet. Therefore, a standardized routing and approval cover letter is hereby created that will be used and attached to any procedure being proposed and submitted.

The following person(s) affix their name and initials below to attest that the attached document has been prepared, reviewed, and submitted through the applicable Senior Management Staff Member within the Clerk's Office for approval.

DEPARTMENT:	Inspector General	DIVISION:	N/A
SECTION:	N/A	EFFECTIVE DATE:	07/21/2022

Procedure Name:	Inspector General Department Charter	Procedure Number:	
Affected Users Notified by Preparer:	Date <u>7/21/2022</u>	N/A	Initials TWF

Procedure Approval Form:

	Name	Title	Initials	Date
Prepared by:		Inspector General	TWF	07/21/2022
Reviewed by:		Inspector General	TWF	07/21/2022
Approved by:		Clerk		07/21/2022