

## Department of Inspector General CHARTER

### MISSION AND SCOPE OF WORK

The mission of the Department of Inspector General is to promote accountability and integrity in government and preserve the public trust by providing independent and objective audits, investigations, and consultations designed to add value and improve the Bay County and Clerk of Court's operations.

The Department of Inspector General will provide risk-based and objective assurance, advice and insight to help the County and Clerk accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. To promote awareness of the potential for fraud, waste, and abuse throughout the County, and facilitating the prevention and detection, of fraud, waste, and abuse, by conducting investigations, coordinating with law enforcement and other investigative agencies as warranted.

The scope of the Department of Inspector General's authority includes any operation under the direction of the Bay County Clerk of Court and Comptroller (Clerk) or the Bay County Board of County Commissioners (BOCC). It also includes other functions for which the BOCC provides financial support as separate entities in its budget, or of which the BOCC is the ex-officio governing body.

The Attorney General, in opinion No. 86-38, stated that until legislatively or judicially determined otherwise, the Clerk, as ex-officio county auditor, is not authorized to perform post-audit functions on the records of other constitutional officers. Therefore, scope of authority **does not** include other constitutional officers.

The scope of the Department of Inspector General work includes, but is not limited to, the following two general areas:

#### A. Audit Services:

1. Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
2. Review the system of controls established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determine whether the organization is in compliance.
3. Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
4. Assess the economy, efficiency, and effectiveness with which resources are employed as well as management's operational control not strictly within the scope of financial statements.
5. Review operations or programs to ascertain whether the results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

## B. Investigations/Public Integrity

1. Investigate suspected fraud, waste, abuse or other inappropriate activity.
2. Notify the Clerk, County Manager/Administrator, or such other officials as appropriate, if an investigation substantiates that a fraudulent act has occurred.
3. Consult with law enforcement agencies, as necessary, if a substantiated fraudulent act has criminal implications.
4. May administer oaths and compel the production of books, papers, and other evidence material to investigations.
5. Augment the Clerk's Probate Department Guardianship Section and the 14<sup>th</sup> Judicial Circuit Court, Guardianship Assignments, by conducting audits and investigations of guardianship activities.

## **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 shall have the duties quoted above. The law also confers onto the Clerk the responsibility to act as the County's auditor.

By authority of Section 744.368 of the Florida Statutes, the Clerk, "*shall audit the verified inventory and the accountings. The clerk shall advise the court of the results of the audit.*"

Pursuant to the legal authority and responsibility cited above, the Clerk has established the Department of Inspector General to fulfill the responsibilities of the office as they relate to audit and investigation functions other than the pre-audit of disbursements from BOCC funds. The Clerk's Finance Department performs the pre-audit function. The Department of Inspector General responsibilities include a post-audit review of that function as well.

The Inspector General (IG) is the Chief Audit Executive (CAE) for the Clerk. In the discharge of his/her duties, the Inspector General shall be accountable to the Clerk to:

- Conduct internal audits of operations of the BOCC and the Clerk.
- Conduct investigations of suspected fraud, waste, and abuse directed at against the BOCC and Clerk.
- Report significant issues related to the processes for controlling the activities of the BOCC and Clerk operations, including recommendations for potential improvements to those processes, and provide information concerning such issues through final resolution.
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit) as directed by the Clerk.
- Report periodically on the Department of Inspector General's compliance with professional standards and the results of the Department of Inspector General's quality assurance and improvement program.



The Department of Inspector General is authorized to:

- Have unrestricted access to all functions, records, property, and personnel.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit or investigative objectives.
- Obtain the necessary assistance of personnel in units of the County where they perform audits or investigations, as well as other specialized services from within or outside the County.

The Department of Inspector General is **not** authorized to:

- Perform any operational duties for the County.
- Initiate or approve accounting transactions external to the Department of Inspector General.
- Direct the activities of any County employee not employed by the Department of Inspector General except to the extent such employees have been appropriately assigned to the Department of Inspector General or to otherwise assist the Department of Inspector General.

## **INDEPENDENCE**

To provide for the independence of the Inspector General activity, its personnel report to the IG/CAE, who reports functionally and administratively to the Clerk. Since the Clerk is an elected Constitutional Officer, and thus responsible to the citizens and taxpayers of Bay County, the Clerk is considered to be independent.

The IG/CAE must communicate and interact directly with the Clerk. The Clerk, as County Comptroller and Auditor, communicates with the BOCC, but this does not restrict the Inspector General from communicating with the BOCC directly.

The Department of Inspector General has no direct responsibility to, or authority over, any area subject to its audit, review, and investigation. Therefore, the Department of Inspector General is organizationally independent from those areas which it will be auditing, reviewing, and investigating.

## **RESPONSIBILITY**

The IG/CAE and staff of the Department of Inspector General have the authority and responsibility to:

- Develop a flexible annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Clerk for review and approval.
- Implement the annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by the Clerk, the BOCC, or the County Manager.
- Initiate audits or investigations and assist management throughout the year, even though the projects/items are not on the Annual Audit Plan.
- Conduct audits and investigations of all agencies within the scope defined above and to issue reports thereon.
- Follow-up on audit and investigation findings and report on the status of recommendation implementation.

- Maintain a professional audit/investigative staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter. The IG should hold at appointment or be required to obtain within a time certain after appointment, certification as a Certified Inspector General Auditor by the Association of Inspectors General.
- Establish and maintain a quality assurance and improvement program to evaluate and ensure the IG activities conform to professional standards.
- Perform consulting services, beyond IG's assurance services, to assist management in meeting its objectives. (Examples may include facilitation, process design, training, and advisory services.)
- Keep the Clerk informed of emerging trends, successful practices in auditing and investigations, and the impacted of resource limitations on the internal audit plan.
- Create and maintain a fraud, waste and abuse hotline and conduct investigations as indicated in the circumstances.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

**STANDARDS OF AUDIT AND INVESTIGATIVE PRACTICES**

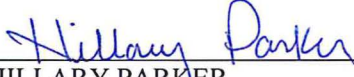
The Department of Inspector General will govern itself by adherence to the following standards:

1. The mandatory elements of The Institute of Internal Auditors' 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.
2. Principles and Standards for Offices of Inspector General of the Association of Inspectors General.

While this Charter is not intended to fully reiterate the standards of audit and investigative practices, it is intended to be consistent with applicable standards and should be interpreted in a manner consistent with those standards. Standards not directly incorporated into this Charter shall nonetheless be fully and appropriately applicable to the Department of Inspector General.

  
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 BILL KINSAUL  
 Clerk of Court and Comptroller

5/10/22  
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 Date

  
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 HILLARY PARKER  
 Inspector General

5/10/22  
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 Date