

Santa Clara County - Internal Audit Division
Mission Statement and Charter
Effective July 1, 2004

MISSION STATEMENT

Internal Audit's mission is to assist the Board of Supervisors and County Management in accomplishing their goals and objectives by providing audit services in accordance with the appropriate professional standards and to ensure proper accountability of public funds.

VALUES

In carrying out our mission, we share certain standards and values. We are committed to:

- Perform our audits in accordance with Professional Standards. The preferred standards are those of the IIA (Institute of Internal Auditors), but other professional standards will be used as applicable to the assignment.
- Maintain independence and objectivity.
- Conduct ourselves with the highest degree of integrity, proficiency and due professional care in compliance with the Code of Ethics established by the IIA.
- Maintain relationships with the County community characterized by respect, helpfulness, sharing, patience, and openness.
- Maintain relationships with our fellow auditors characterized by open communication, trust, mutual respect, and professionalism.
- Demonstrate a high level of personal productivity and timeliness.
- Exhibit teamwork and creativity.
- Achieve continuous professional improvement through the pursuit of professional certifications and of educational goals in the profession.

PRODUCTS

The primary output is the independent analysis and recommendations necessary to assist management in improving processes. This is accomplished by the following methods of communication:

- Audit Reports - to clients.
- Management Communications (e.g. letters, memos, e-mail, presentations) - to management.
- Quarterly Status Reports –to the FGO (Finance and Government Operations Committee).
- Annual Audit Workplan – to the FGO.

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OBJECTIVES OF AUDITS AND REVIEWS

Internal Audit's objectives are to:

- Examine and evaluate the policies, procedures and systems which are in place to ensure (1) safeguarding of assets, (2) compliance with policies, plans, procedures, laws, and regulations, (3) reliability and integrity of information, (4) economical and efficient use of resources, and (5) accomplishment of established objectives and goals for operations or programs.
- Audit the accounts and records of all offices and departments (a) when requested by the Board of Supervisors or County Executive or (b) upon a vacancy of an agency/department head charged with the responsibility for receipt, disbursement, or custody of cash.
- Produce cost savings that will exceed the cost of running the Internal Audit Division.
- Assist in contracting for audit services.
- Assist in developing systems, policies and procedures.
- Obtain a reasonable assurance that material misstatements in the financial statements, including those arising from fraud, are detected.

SCOPE OF AUDIT COVERAGE AND AUTHORITY

- The general scope of audit coverage is Countywide and no function under the control of the Board of Supervisors is exempt from audit. Internal audit has the authority to examine all County records and operations and interview all County employees regarding records and operations.
- Internal Audit will treat information that is obtained in the conduct of an assignment in the same manner as the respective client treats the information.
- In performing their work, Internal Audit staff members have neither direct authority over, nor responsibility for, any of the activities audited.
- Internal Audit will audit contractors if required by a grant or there is a concern of the County having received value in accordance with the contract.

INDEPENDENCE

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. In order for the desired results to be realized, Internal Audit staff members must perform their work objectively. They should be independent of the activities they audit. They must have no authority over, responsibility for, or vested interest in the activities they audit.

In order to maintain independence and objectivity, staff members will not be assigned audits involving the following instances:

- Any situation in which a conflict of interest or bias is present, personally or professionally, or may reasonably be inferred.
- Any situation involving a member of the auditor's immediate family.

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QUALITY

Quality in an audit assignment is achieved when:

- It is comprehensive, timely and adds value to the goals and objectives of the County.
- It results in an improvement in the operational and functional processes where such an opportunity exists.
- There is good communication throughout and within the organization.
- The audit objectives, scope, and procedures are continuously reassessed to ensure efficient use of audit resources.
- Audit objectives are achieved in an efficient and timely manner.
- Audit work is adequately documented using a systematic and disciplined approach.
- Clients have an opportunity to review findings, conclusions, and recommendations in order to achieve agreement on the facts of the finding and mutual agreement towards the improvement of processes to meet the County's goals and objectives.
- Applicable professional standards are met.

ESTABLISHING AUTHORITY AND DECLARING POLICY FOR INTERNAL AUDITS

The Internal Audit Division is a staff function of the County Controller-Treasurer Department. County Policy 110 authorizes the Internal Audit Division to examine all County records and operations and to interview all County employees regarding records and operations. Internal Audit assists in achieving County objectives by bringing a systematic approach to evaluate and improve the efficiency and effectiveness of risk management, governance, and control processes.

Internal Audit achieves this through independent, objective assurance and consulting activities related to:

- Assessment of business risk
- Identification and recommendations of internal control process improvements
- Recommendations towards the enhancements of the efficiency and effectiveness of business operational processes.
- Ensuring compliance with federal and state regulations and County policies and procedures.
- Assisting other County operations in contracting for audit services.

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PROFESSIONAL CERTIFICATIONS, EDUCATION AND TRAINING

In order to accomplish Internal Audit's objects and responsibilities, it is recognized that well-trained and professionally certified internal auditors are critical to success. A successful professional certifications and training program is accomplished by:

- Integrating the strategic Internal Audit goals, the annual Internal Audit workplan and the individual career tracks of the internal auditors.
- Maximizing the training resources available with the County and through professional societies.
- Providing sufficient resources and paid time to achieve the annual training necessary to maintain professional certification and accomplish the annual Internal Audit workplan.
- Sponsoring professional certifications that relates to the strategic Internal Audit goals.