

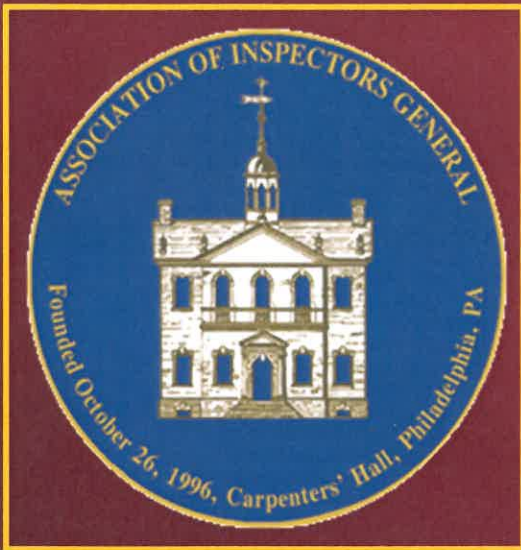


DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

INTERNAL QUALITY ASSESSMENT REPORT

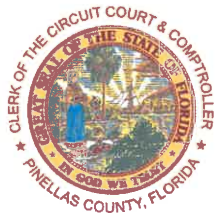


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Hector Collazo Jr.
Inspector General/Chief Audit Executive

Internal Quality Assessment Team
Ava Jurek, MS, CIA, CIGA, CIGI, CCA – Inspector General Manager (Team Leader)
Darcy Eckert, CIGA – Inspector General Auditor I (Team Member)

June 30, 2016



Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

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June 30, 2016

Ken Burke, CPA
Clerk of the Circuit Court and Comptroller
Ex Officio County Auditor

Enclosed is the Internal Quality Assessment Report for the Division of Inspector General. This review was done in advance of the External Quality Assurance review due in August 2016. The Internal Quality Assessment team consisted of Ava Jurek, Inspector General Manager, Team Leader, and Darcy Eckert, Inspector General Auditor I, Team Member.

In accordance with the guidelines published by the Association of Local Government Auditors and the Association of Inspectors General, we have conducted an Internal Quality Assessment Review. The objectives of our review were to determine if the Division of Inspector General follows the *International Standards for the Professional Practice of Internal Auditing* (the Standards) and the *Principles and Standards for Offices of Inspector General* (the Principles), and identify opportunities to enhance its management and work processes.

The Standards require that the Inspector General/Chief Audit Executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. This internal quality assessment report complies with the Standards.

Respectfully Submitted,

Hector Collazo, Jr., Inspector General/Chief Audit Executive
Division of Inspector General

Ava Jurek, Inspector General Manager, Team Leader

Darcy Eckert, Inspector General Auditor I, Team Member



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INTRODUCTION

Synopsis

We have completed an Internal Quality Assessment (assessment) of the Pinellas County Clerk of the Circuit Court and Comptroller's Division of Inspector General (Division) for the period November 1, 2011 – July 31, 2016. We have unanimously concluded that both Audit Services and the Public Integrity Unit are operating effectively and generally conform to the *International Standards for the Professional Practice of Internal Auditing* (the Standards) issued by the Institute of Internal Auditors as part of their *Professional Practices Framework* and the *Principles and Standards for Offices of Inspector General* (the Principles). We noted some areas for consideration regarding the audit supervision process, conflict of interest documentation, and the exculpatory materials disclosure policy. It is our opinion that the Division's internal control system is operating effectively to provide reasonable assurance of conformance to standards and principles that the Division follows.

Scope and Methodology

We reviewed and conducted tests of the internal quality control system for the period of November 1, 2011 – July 31, 2016 in order to determine if it operated to provide reasonable assurance of conformance with the Standards and the Principles. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide for Assessing Conformance with International Standards for the Professional Practice of Internal Auditing* by the Association of Local Government Auditors (ALGA).

Opinion

Based on the results of our review, it is our opinion that the Division's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with the Standards for assurance and consulting engagements, and the Principles for investigations.

The areas for consideration noted are related to the Division's internal policies regarding independence and engagement supervision, which exceed the required standards and principles, and an exculpatory evidence policy, which is considered to be a best practice.

We commend the Inspector General/Chief Audit Executive (Inspector General/CAE) for leading a progressive organization with a forward-thinking approach, and striving to continuously improve the Division's operations.

Summary Of Areas For Consideration

NO.	AREAS FOR CONSIDERATION CAPTIONS RECOMMENDATIONS	MANAGEMENT RESPONSES	IMPLEMENTATION STATUS
1	<i>Supervisory Review Of Some Audit Engagements May Be Strengthened.</i>		
	Inspector General consider strengthening the audit engagement review and supervision process.	Concur	In Progress
2	<i>Some Audit Engagements Do Not Contain Completed Conflict Of Interest Statements.</i>		
	Inspector General consider reminding staff to ensure a Conflict of Interest statement is completed for every project.	Concur	In Progress
3	<i>Some Investigations Do Not Contain Completed Conflict Of Interest Statements.</i>		
	Inspector General consider educating staff to ensure every investigation includes a signed Conflict of Interest statement for each investigator and supervisor working on the case.	Concur	In Progress
4	<i>There Is No Policy to Assure That Exculpatory Materials Are Disclosed.</i>		
	Inspector General consider updating the Audit Services & Public Integrity Unit Manual to include a policy that exculpatory materials should be disclosed.	Concur	In Progress

Background

The Internal Quality Assessment Team (the Team) members hold Certified Internal Auditor and Certified Inspector General Auditor designations and have previous government audit experience. The review covered the risk assessment and planning processes, audit and investigation tools and methodologies, engagement and staff management processes, and a thorough examination of a representative sample of audits and investigations working papers and reports.

The audit and investigation environments are well structured and progressive, where the Standards and Principles are understood and management is endeavoring to provide useful tools and implement appropriate practices. The Division utilizes the TeamMate software system, which contains all audit and investigation files. The Team found files well organized and easy to follow and understand. Among other tools and practices are frequent professional training for staff that exceeds the Standards and Principles, including training directed toward obtaining the Certified Internal Auditor, Certified Inspector General Auditor, and Certified Inspector General Investigator designations, among others, and Federal Law Enforcement Training. The Division also utilizes self-assessment tools for operating and financial controls, concise reports with a focus on risk, and maintains a good reputation and credibility with clients. The Division has in place a robust quality control system, and underwent several peer reviews and Commission for Florida Law Enforcement reaccreditations. Staff members also have experience performing quality assurance reviews and investigations for other governmental entities. Consequently, our comments and observations are intended to build on the solid foundation already in place by the Division.

Areas For Consideration

Our internal quality review disclosed certain practices that could be improved. The responses contained herein are those received from the Division's Inspector General/CAE.

Audit Services

1. Supervisory Review Of Some Audit Engagements May Be Strengthened.

The Team noted that in some instances, the Inspector General Manager prepared some or all audit documents including the Audit Plan, Budget, and all Fieldwork work papers, and subsequently reviewed the projects. At the conclusion of each engagement, an independent third party performed a thorough Quality Assessment.

Standard 2340 states:

Engagement must be properly supervised to ensure objectives are achieved, quality assured and staff developed.

To ensure that each engagement is properly supervised, an audit should be managed and reviewed by an individual other than the person conducting the audit.

We recommend:

Inspector General consider strengthening the audit engagement review and supervision process.

Inspector General/CAE Response: I concur with your recommendation and will ensure the proper review and supervision of all audit engagements. It is important to note that as the Inspector General/CAE, I review all audit work papers and program steps, and we have an independent IG staff assigned to conduct a thorough Quality Assessment of all audits prior to the report being issued.

2. Some Audit Engagements Do Not Contain Completed Conflict Of Interest Statements.

The Division's policy requires staff to complete a Conflict of Interest statement for each engagement. The Team noted that in the audits reviewed, Conflict of Interest statements were not completed. However, staff complies with the Standards by signing an annual Conflict of Interest statement. Since the Division's policy exceeds the Standards' requirement, staff should strive to meet the Division's policy requirements.

Standard 1120 states:

Internal Auditors must have an impartial, unbiased attitude and avoid any conflict of interest.

To ensure the auditor's independence and objectivity are maintained, any conflict of interest is disclosed and the Division's policy is followed, auditors should complete the Conflict of Interest statement for every project.

We recommend:

Inspector General consider reminding staff to ensure a Conflict of Interest statement is completed for every project.

Inspector General/CAE Response: I concur with your recommendation and will ensure the Conflict of Interest step in every project is signed off for each IG staff assigned to the audit. As noted in your report, all IG staff sign an annual conflict of interest form per the standards. However, we have added an additional step in each project (audit) as a reminder to the staff to consider if there are any conflicts specific to the assignment.

Public Integrity Unit

3. Some Investigations Do Not Contain Completed Conflict Of Interest Statements.

The Division's policy requires staff to complete Conflict of Interest statements for each investigation. The Team noted Conflict of Interest statements were not completed in the investigations reviewed. However, staff complies with the Principles by signing an annual Conflict of Interest statement. Since the Division's policy exceeds the Principles' requirement, staff should strive to meet the Division's policy requirements.

The Principles state:

The Inspector General and OIG staff involved in performing or supervising any assignment should be free from personal or external impairments to the independence and should constantly maintain an independent attitude and appearance.

It is essential to establish and maintain independence, which allows for the conclusions and recommendations to be impartial, that IG staff completes the Conflict of Interest statement for each case.

We recommend:

Inspector General consider educating staff to ensure every investigation includes a signed Conflict of Interest statement for each investigator and supervisor working on the case.

Inspector General/CAE Response: I concur with your recommendation and will ensure the Conflict of Interest step in each project is signed off for each IG staff assigned to the investigation. As noted before, all IG staff sign an annual Conflict of Interest form per the standards. However, we have added an additional step in each investigation project as a reminder to the staff to consider if there are any conflicts specific to the assignment.

4. *There Is No Policy To Assure That Exculpatory Materials Are Disclosed.*

Exculpatory evidence is evidence favorable to the respondent and exonerates the respondent from guilt. It is considered a best practice to include exculpatory evidence in the investigative reports in cases where such evidence is gathered. Although it is not a requirement per the Principles, such policy adds accuracy, fairness and objectivity to the investigative report.

The Principles state:

All reports shall present factual data accurately, fairly, and objectively, and present results of investigation in a persuasive manner.

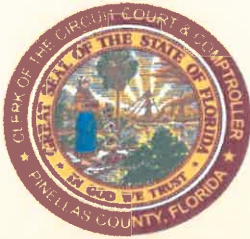
We recommend:

Inspector General consider updating the Audit Services & Public Integrity Unit Manual to include a policy that exculpatory materials should be disclosed.

Inspector General/CAE Response: I concur with your recommendation and will update the IG Manual to include a policy that exculpatory materials should be disclosed. It is important to note that despite the fact that we do not have a written policy and/or there is no specific standard addressing exculpatory materials, it is the policy and practice of this office to obtain sufficient, competent, and relevant evidence to afford a reasonable basis for the investigative findings and conclusions, which includes documenting exculpatory materials that may exonerate the Respondents.

Inspector General/CAE General Response To The Recommendations:

The IG office has started to review and is updating *all* of our policies, procedures, manuals, audit and investigative forms, as well as our electronic work paper system to ensure they are in alignment with the recently updated *International Standards for the Professional Practice of Internal Auditing and the Commission For Florida Law Enforcement Accreditation, Florida Inspectors General Standards Manual* and your recommendations.



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