



# Division of Inspector General\*

## Audit Services

Clerk of the Circuit Court  
Pinellas County Florida



### **THE AUDIT SELECTION**

Areas selected for audit can come from a variety of sources. These include risk, management requests, surprise audits, and anonymous allegations of fraud, waste and abuse.

Risk must be one of the primary factors in selecting areas for audit. Risk for some aspects of County operations is higher than others for many reasons, including the type of activities, financial and operational impact to the County if something were to go wrong, strength and attitude of management, and the length of time since the areas have been audited. Those areas of the County, which are high risk, should receive more audit attention than those of lower risk. It should be noted; however, that areas of lower risk should not be ignored; rather, they should be done with less frequency than the higher risk areas.

As a part of the audit selection process, we solicited input from the Board of County Commissioners, County Administrator, County Management, Pinellas County Constitutional Officers and the Management of the Clerk's Office.

In addition to risk, management sometimes has concerns about some areas or for some other reason believes an audit is desirable. Because one of the goals of the audit function is to be of assistance to management, these management requests are considered seriously in the selection of audits to be performed.

In addition, there is a need to conduct some audits on a surprise basis whenever prior knowledge could compromise the integrity of the audit. These types of audits include cash counts, payroll distributions, and some suspected instances of fraud, waste or abuse.

Our establishment of a fraud, waste and abuse hotline has also generated areas that have resulted in audits and investigations. The hotline tips have resulted in various investigative audits and guardianship audits.

## **THE AUDIT PROCESS**

### **Commencement of an Audit**

Prior to the commencement of an audit, the Division of Inspector General will send a letter of engagement to Management outlining a description of the audit, identify the audit scope and objectives, and provide the review period the audit will cover. The letter will also request an Entrance Conference be scheduled to discuss the audit scope, methodology and objectives in more detail.

### **Preliminary Audit Survey**

Following the entrance conference, the auditor will begin the fieldwork component of the audit. Fieldwork consists of the: *Preliminary Survey Phase* – designed to obtain background information on the program, activity or function and assess for vulnerability; and *Audit Phase* – where detailed research, tests, and assessments are conducted to determine whether program systems and functions are performing as intended, and audit findings and recommendations for improvement are developed. Both phases are extremely important to the audit process.

### **Conduct the Entrance Conference**

To begin an audit, the Division of Inspector General staff meets with management to discuss activities of the area being audited, introduce audit staff, and establish working arrangements. This introductory meeting is referred to as the entrance conference.

### **Conduct Audit Fieldwork**

After the entrance conference, auditors design and execute their audit procedures. This is the information-gathering phase of the audit. Areas of concern are informally discussed with auditee personnel as work progresses. The purpose of informal discussion is to keep management informed of any potential audit findings and for them to consider the development and implementation of corrective actions early during the audit process.

### **Conduct Fieldwork Exit Conference**

After the fieldwork phase, data and audit results are analyzed, the audit results are summarized by audit staff, and audit work is reviewed by audit supervisory personnel. The summary is then provided to management, and a Fieldwork Exit Conference is held between audit staff and management to discuss the audit in detail. This allows management to review the audit findings and begin to address and implement corrective actions as quickly as possible.

### **Conduct the Exit Conference**

After the fieldwork phase, data and audit results are analyzed, the audit report is drafted by audit staff, and audit work is reviewed by audit supervisory personnel. The draft audit report is then provided to management, and a meeting is held between audit staff and management to discuss the audit in detail. This meeting is referred to as the exit conference. At this meeting, responses are requested, which are due from management two weeks later.

## **Issuance of the Audit Report**

When written responses are received from management regarding the audit recommendations, they are incorporated into the report. If management's response needs further clarification, the Division of Inspector General may reply to management's responses, which are added to the report. The Director and the Clerk of the Circuit Court then sign the final report (for audits of Board of County Commissioners' operations). The report is then issued to the Board of County Commissioners, management, and the public. All reports back to 2000 can be found on the Website of the Clerk of the Circuit Court. *(See menu column to the right for links to reports.)*