

**Meeting of the
Audit Subcommittee
Yolo County
June 13, 2024
3:00 p.m.**

All meetings of the Yolo County Audit Subcommittee will be held in person at the Yolo County Administration Building, located at 625 Court Street, Woodland, Room 202. Please note: Zoom participation will no longer be supported.

If you have anything that you wish to be distributed to the Committee and included in the official record, please contact Nathan Lugo, Audit Manager at least two (2) working days before the meeting at 530-666-8668 or nathan.lugo@yolocounty.org.

Committee Members:

Chair, Mary Vixie Sandy	(Board of Supervisors – Voting)
Jim Provenza	(Board of Supervisors - Voting)
Lawrence Raber	(Public Member – Voting)

Yolo County Internal Audit Staff

Nathan Lugo	(Audit Manager – Non-voting)
Noemy Mora-Beltran	(Senior Auditor – Non-voting)

3:00 pm Call to Order

1. **Introductions.**
2. **Roll Call.**
3. **Approval of Agenda.**
4. **Follow-up of items from prior meeting (if any).**
 - a. Update on salaries and employee benefits on the FY24-25 Internal Audit budget.
 - b. Update on Brown Act requirements and Bagley-Keene Meeting Act regulations around executive session meetings.
5. **Public Comment**
This item is reserved for persons wishing to address the Committee on any related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are customarily limited to 3 minutes per speaker, but an extension can be provided at the discretion of the chair.

CONSENT AGENDA

- 6. Approve prior meeting minutes 2/01/2024**
- 7. Receive Division of Internal Audit Annual Report of Organizational Independence**
- 8. Receive Division of Internal Audit Self-Assessment Report**

REGULAR AGENDA

- 9. Receive update on Audit Manager Onboarding (Lugo)**
- 10. Receive update on changes to Internal Audit Reporting Lines (Lugo)**
- 11. Receive update from Internal Audit Manager on the status of the FY23/24 Audit Plan/Reports and Approve next steps for FY24/25 Audit Plan (Mora-Beltran/Lugo)**
- 12. Receive update on Internal Audit staff recruitments (Lugo)**
- 13. Receive update on status of the Whistleblower Hotline (Lugo)**
- 14. Subcommittee comments and questions**
- 15. Confirm next meeting date: July 18, 2023, at 10:00 to 11:00 am**
- 16. Adjournment (Approximately 4:00 p.m.)**

Public records that relate to any item on the open session agenda for a regular meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Committee. Public records are available for inspection by contacting Nathan Lugo, Audit Manager at 530-666-8668 or nathan.lugo@yolocounty.org and meeting materials can be inspected at County offices located at 625 Court Street, Woodland, CA 95695; those interested in inspecting these materials are asked to call 530-666-8668 to make arrangements. The documents are also available on the County of Yolo Financial Oversight Committee website located at: <https://www.yolocounty.org/government/general-government-departments/financial-services/financial-oversight-committee>.

YOLO COUNTY AUDIT SUBCOMMITTEE

MINUTES OF MEETING February 1, 2024

Members present: Mary Vixie Sandy (Supervisor-Chair), Jim Provenza (Supervisor) and Larry Raber (Public Member)

Others present: Noemy Mora-Beltran (Internal Audit), Tom Haynes (Chief Financial Officer), and Gerardo Pinedo (Chief Administrative Officer)

Moderator: Noemy Mora-Beltran

Recorded by: Noemy Mora-Beltran

- 1) **Call to order.** Mary Vixie Sandy called the meeting to order at 10:03AM with Larry Raber in attendance. Quorum was formed. Jim Provenza arrived later in the meeting.
- 2) **Introductions.** Members and Internal Audit above were in the meeting.
- 3) **Approval of agenda.** Agenda approved. (Vixie Sandy/Raber)
- 4) **Follow-up items from prior meetings (if any).** No items from follow-up were discussed.
- 5) **Public comment.** Noemy Mora-Beltran reported that no public comments were received for the record.

Consent Agenda

- 6) Approve prior meeting minutes 11/9/2023
- 7) Receive Countywide Capital Projects Audit 12/15/2023

Consent Agenda approved. (Vixie Sandy/Raber)

Regular Agenda

- 8) **Receive staff report on the status of the Division of Internal Audit Activity of current engagements and the release of audit reports since last meeting (Mora-Beltran)**
Noemy Mora-Beltran provided a status of the current engagements: capital project-completed, countywide purchase card-completed, governance & strategy audit-completed, subrecipient compliance monitoring-completed, and fiscal monitoring reviews working with on-call auditors for reviews.

The subcommittee members requested that a summary of whistleblower cases be provided at each meeting.

- 9) **Update on recruitment of Audit Manager and audit staff positions (Haynes)**
Tom Haynes provided an update on the Audit Manager recruitment and staff positions. First round of interviews for the Audit Manager conducted on 1/31/2024 by subcommittee members, Chief Financial Officer, County Administrator, and Internal Audit staff. Three candidates were interviewed and the interview panel recommended the top two to advance for second round of interviews with the

full Board of Supervisors (tentatively planned for 2/13/2024). Both candidates are well qualified and very promising. Tom is also working with Human Resources on updating the class specifications for the Auditor III position and reallocating the Auditor I/II authorized position to an Auditor III. In addition, Tom mentioned that the MOU with the Health & Human Services Agency (HHS) needs to be updated to move forward with a new Auditor II position to support with subrecipient monitoring services. The MOU has been on hold due to the retirement of Kim Eldredge (former Audit Manager) and staff's capacity. The Audit Subcommittee supports bringing Kim back as a retired annuitant to finish up the MOU and get the position going.

10) Discuss changes to the Internal Audit Reporting Lines approved by the Yolo County Board of Supervisors and impact to the internal audit function (Haynes/Pinedo)

Gerardo Pinedo mentioned that this topic was discussed at the Board Governance session on December 12, 2023 and that the Board moved forward with the proposal to restructure the Internal Audit administrative support from the Chief Financial Officer to the Clerk of the Board's Office. Tom Haynes commented that with this change Internal Audit may not have an advocate to support their goals and objectives for budget needs or a higher authority to help resolve disagreements or disputes with departments. Gerardo agreed to present the Internal Audit budget along with the Clerk of the Board and the Board of Supervisors budget. Chair Vixie Sandy also volunteered to pilot a program to provide support to Internal Audit and bridge the gap with department executives by scheduling monthly check-in meetings with the new audit manager.

The subcommittee members also discussed Brown Act requirements and new regulations on the Bagley-Keene Meeting Act around executive session meetings with the audit manager. Internal Audit staff will follow-up with County Counsel for guidance on these requirements.

11) Discuss the FY24-25 Internal Audit budget and resources (Mora-Beltran)

Noemy Mora-Beltran presented the Internal Audit budget for FY24-25. The proposed budget includes anticipated revenue for audit services based on the approved 3-year audit plan, salaries and benefits for the audit manager and two Auditor III positions, memberships, on-call audit services, software support, training, office supplies, moving expenses, and allocation for Department of Financial Services (DFS) administrative support.

Category	FY 22-23 ACTUALS	FY 23-24 ADOPTED BUDGET	Actuals YTD (Through 12/30/23)	FY 24-25 RECOMMENDED BUDGET	Description
Revenues	19,880	10,560	13,902	80,000	Estimated fees based on 3-year audit plan
Salaries and Employee Benefits	568,723	610,398	240,975	657,991	Projection for Audit Manager and two Auditor III positions
Services & Supplies	115,294	174,515	34,435	181,220	Memberships, on-call audit services, software support, training, office supplies, moving expenses
Other Expenditures	2,244	3,000	3,597	7,200	Laptops for new hires
Expense Transfer Reimbursements	67,630	75,880	12,096	75,880	DFS admin allocation (CFO, Deputy CFO, and Office Support Specialist)
Total All Expenditures	753,891	863,793	291,103	922,291	
Total All Revenue	19,880	10,560	13,902	80,000	
Variance	734,011	853,233	277,201	842,291	

12) **Approve the FY24-25 Internal Audit budget and resources (Mora-Beltran)**

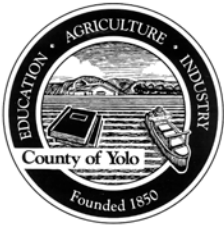
The subcommittee members approved the Internal Audit Budget for FY24-25 with direction for Internal Audit staff to verify the amount for salaries and employee benefits with the DFS Budget division. In addition, the amount for the DFS administrative allocation of \$75,880 to be excluded from the budget as Internal Audit will not receive support from DFS due to the new reporting lines.

Approved by (Vixie Sandy/Provenza/Raber)

13) **Confirm next meeting date: TBD**

The next meeting for April 18, 2024 needs to be rescheduled due to conflicts with the subcommittee member's schedules. Internal Audit staff to coordinate new meeting.

14) **Adjournment** (Approximately 11:04 a.m.)



June 13, 2024

Yolo County Audit Subcommittee
Woodland, CA 95695

Re: Annual report of organizational independence of the Division of Internal Audit

Dear Audit Subcommittee Members:

As required by International Standards for the Professional Practice of Internal Auditing (*Standards*) promulgated by the Institute of Internal Auditors, the chief audit executive (Audit Manager) must confirm with the board, at least annually, the organizational independence of the internal audit activity.

Standard 1110 – Organization independence is effectively achieved when the chief audit executive reports functionally to the board. Examples of functional reporting to the board involve the board:

- Approving the internal audit charter
- Approving the risk-based internal audit plan
- Approving the internal audit budget and resource plan
- Receiving communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters
- Approving decisions regarding the appointment and removal of the chief audit executive
- Approving the remuneration of the chief audit executive
- Making appropriate inquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations

1110.A1 – The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results. The chief audit executive must disclose such interference to the board and discuss the implications.

In February 2024, the Board of Supervisors approved a proposal to restructure the administrative reporting lines of the Division of Internal Audit from the Chief Financial Officer to the Clerk of the Board's Office to enhance independence. The Division of Internal Audit continues to report functionally to the Audit Subcommittee. The Internal Audit Charter was last updated in July 2023 and is currently being revised to reflect the recent change in administrative reporting lines.

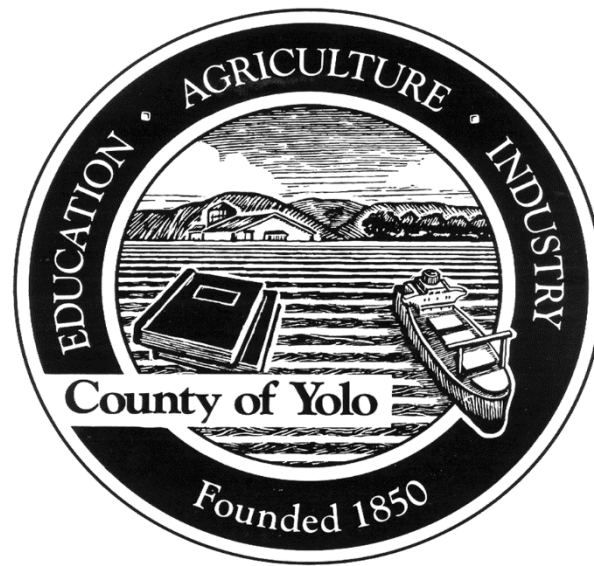
It is in this report that no impairments of independence or objectivity have been reported or any interference with audit work.

Respectively submitted,

Nathan Lugo, CPA, CIA, CFE
Audit Manager

COUNTY OF YOLO

Division of Internal Audit



Internal Audit Self-Assessment

July 1, 2023 to June 13, 2024



Transmittal Letter

June 13, 2024

Yolo County Audit Subcommittee
Woodland, CA 95695

Re: Submission of Internal Audit Self-Assessment Report

Dear Audit Subcommittee Members:

As required by International Standards for the Professional Practice of Internal Auditing (*Standards*) promulgated by the Institute of Internal Auditors, the chief audit executive (Audit Manager) must evaluate the internal audit activity's conformance with the *Definition of Internal Auditing, the Code of Ethics, and the Standards*, on a periodic basis, and submit the results to the audit committee. The last internal audit self-assessment was completed on April 19, 2023.

The purpose of the internal audit self-assessment is to evaluate the internal audit activity's conformance with the *Standards*, assess the efficiency and effectiveness of the internal audit activity, and identify opportunities for improvement. The annual internal audit self-assessment is also included in the internal audit activity's quality assurance and improvement program.

The internal audit self-assessment was focused on internal projects during the period of July 1, 2023, to the current period (date of this report). The review consisted of the review of administrative documents and audit workpapers, interviews with audit staff, other key county managers, and comparison with practices recommended by the *Standards*.

Based on my evaluation, the Yolo County Division of Internal Audit generally conforms to the *Standards* and Code of Ethics. This means that policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency of the internal audit activity. However, opportunities for improvement were identified, specifically for adoption of additional internal audit performance measures and inclusion of performance audits in the annual audit plan as noted in the report.

Sincerely,

Nathan Lugo, CPA, CIA, CFE
Audit Manager

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Executive Summary

The International Standards for the Professional Practice of Internal Auditing requires that a periodic self-assessment of the internal audit activity be conducted to validate its continued conformance with the *Standards* and the Code of Ethics and to evaluate:

- The quality and supervision of work performed,
- The adequacy and appropriateness of internal audit policies and procedures,
- The ways in which the internal audit activity adds value,
- The achievement of key performance indicators; and,
- The degree to which stakeholders' expectations are met.

Periodic self-assessments are generally conducted by senior members of the internal audit activity, a dedicated quality assurance team or individuals within the internal audit activity who has extensive experience with the International Professional Practices Framework (IPPF), Certified Internal Auditors, or other competent internal audit professionals who may be assigned elsewhere in the organization.

To accomplish the self-assessment, each standard is assessed to determine whether the internal audit activity is operating in conformance. This may include in-depth interviews and surveys of management or stakeholders, conducting post-engagement reviews, or analyzing key performance indicators. Results of periodic self-assessments must be communicated to the audit committee upon completion, as required by Standard 1320 – Reporting on the Quality Assurance and Improvement Program.

Objectives, Scope and Methodology:

The internal audit self-assessment was focused on internal projects during the period of July 1, 2023, to the current period (date of this report). The review consisted of the review of administrative documents and audit work papers, interviews with internal audit staff and key stakeholders, and the comparison with practices recommended by the *Standards*.

The IPPF *Standards* (Revised January 2017) as well as the Institute of Internal Auditors Quality Assessment Manual for the Internal Audit Activity (2017) were used as the primary criteria for the evaluation.

- Standard 1311 requires ongoing monitoring of the performance of the internal audit activity.
- Standard 1312 requires an external assessment of the internal audit activity be conducted at least once every five years to assess compliance with the standards and to evaluate the quality of the internal audit activity's operations.

Conclusion:

Based on the Audit Manager's self-assessment, including the Standards Conformance Evaluation¹, the Yolo County Division of Internal Audit generally conforms to the IPPF *Standards* and Code of Ethics and incorporates best practices within internal audit activities. Additionally, the Division of Internal Audit is well organized and innovative, understands the IPPF *Standards*, provides useful tools for audit work, ensures that high risk auditable areas are covered within the audit plan, and has implemented a fraud hotline to identify fraud, waste, and abuse in the County. The Division of Internal Audit identified

¹ See Appendix: Standards Conformance Evaluation Summary

opportunities for improvement in the areas of performance measures and consideration of performance audits in the audit plan. These areas will be a focus in the next review period.

Detail Observation and Recommendation

The Yolo County Division of Internal Audit is comprised of three full-time members: one Audit Manager and two Senior Auditors. During this review period, the division experienced significant staffing changes. The former Audit Manager retired in December 2023, and one Senior Auditor position has been vacant since September 2023. A new Audit Manager was appointed in April 2024. Furthermore, in February 2024, the Board of Supervisors approved a proposal to restructure the administrative reporting lines of the Division of Internal Audit from the Chief Financial Officer to the Clerk of the Board's Office to enhance independence. Internal Audit continues to report functionally to the Audit Subcommittee of the Financial Oversight Committee.

Internal Audit follows the set of auditing standards as required by International Standards for the Professional Practice of Internal Auditing (Standards) promulgated by the Institute of Internal Auditors (IIA). The Standards require the internal audit activity to have a Quality Assurance and Improvement Program (QAIP) which includes periodic internal and external assessments, as well as on-going monitoring of performance. The purpose of the internal audit self-assessment is to evaluate the internal audit activity's conformance with the Standards, to assess the efficiency and effectiveness of the internal audit function, and to identify opportunities for improvement. The observations are categorized into three sections as follows: Part I - Successful Internal Audit Practices; Part II - Gaps to Conformance with the Standards; and Part III - Opportunities for Continuous Improvement, each described below:

Part I – Successful Internal Audit Practices

Successful Internal Audit Practices represent areas in which the Yolo County Division of Internal Audit operates with notable effectiveness or efficiency compared to standard practices observed in other internal audit functions. The identification of these items is intended to provide internal audit stakeholders with a view of the internal audit activity's practices when compared to other internal audit activities.

Standard 1010 – Purpose, Authority, and Responsibility - *The mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing must be recognized in the internal audit charter. The chief audit executive should discuss the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework with senior management and the board.*

The Division of Internal Audit has an internal audit charter that was last updated and approved by the Board of Supervisors on July 25, 2023. The most recent updates to the charter were made to include a section for a Quality Assurance Improvement Program (QAIP), per a recommendation in a 2023 External Quality Assessment (Peer Review).

Standard 1200 – Proficiency and Due Professional Care – *Engagements must be performed with proficiency and due professional care. Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work.*

The Division of Internal Audit has the knowledge, skills, and other competencies needed to perform effective audit work. Staff are required to complete 40 hours of continuing education and 2 hours of ethics training annually. Management ensures that relevant continuing education training for internal audit staff is budgeted and included in the annual audit plan. In addition, the current Audit Manager is a Certified Public Accountant (CPA) and Certified Internal Auditor

(CIA), and all internal audit staff are also Certified Fraud Examiners (CFEs).

The Division of Internal Audit contracts with three qualified firms to provide audit services, including information system audits or other areas where the Division of Internal Audit may lack specialized expertise.

Standard 1110 – Organizational Independence – *The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities.*

The Board of Supervisors restructured the Division of Internal Audit’s administrative reporting lines, from the Chief Financial Officer to the Clerk of the Board’s Office, to enhance independence and organizational effectiveness. Additionally, the Audit Manager has established a monthly meeting with the Chair of the Audit Subcommittee for enhanced communication and coordination of internal audit activities.

Standard 2110 – Governance – *The internal audit activity must assess and make appropriate recommendations to improve the organization’s governance processes for:*

- *Making strategic and operational decisions.*
- *Overseeing risk management and control.*
- *Promoting appropriate ethics and values within the organization.*
- *Ensuring effective organizational performance management and accountability.*
- *Communicating risk and control information to appropriate areas of the organization.*
- *Coordinating the activities of, and communicating information among, the board, external and internal auditors, other assurance providers, and management*

The Division of Internal Audit manages a fraud hotline and investigates matters to identify fraud, waste, and abuse, to support ethical behavior and values within the organization.

Standard 2300 – Performing the Engagement - *Internal auditors must identify, analyze, evaluate, and document sufficient information to achieve the engagement’s objectives.*

The Division of Internal Audit uses computer assisted auditing techniques (CAATs) for data analytics and sample-based testing. Every engagement considers the use of CAATs for data analytics (e.g., ratio analysis, trend analysis, benchmarking, etc.) and to assist the auditor with performing detailed testing.

Standard 2400 – Communicating Results – *The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.*

The Division of Internal Audit initiates each engagement with an entrance conference to discuss audit objective, scope, and timing. Any deviations to the planned scope and objectives are communicated to the auditee in written form. Results of audit work are communicated in an exit conference with the auditee where each finding and recommendation is described in detail using a PowerPoint presentation. Audit reports are clear and concise with charts, fact sheets, summary of findings, and infographics.

Standard 2500- Monitoring Progress – *The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.*

The Division of Internal Audit utilizes an electronic workpaper system which includes the tracking of

corrective actions from audit findings. The system provides automated notifications to responsible managers and executives to request supporting documentation for implemented actions and status of progress made within the approved target dates. Reporting of the status of corrective actions are prepared for County management and the Audit Subcommittee.

Part II – Gaps to Conformance with the Standards

Gaps to Conformance with the *Standards* or the Code of Ethics are areas identified during the internal audit self-assessment where the Yolo County Division of Internal Audit is operating in a manner that falls short of achieving one or more major objectives, with the *Standards* or the Code of Ethics that results in an opinion for an individual standard of "partially conforms" or "does not conform." This item will include a recommendation for action to be implemented for achieving "generally in conformance" with the standard and will include the Audit Manager's response and an action plan to address the gap.

No gaps to conformance with the Standards were identified in the current review period.

Part III – Opportunities for Continuous Improvement

Opportunities for Continuous Improvement are observations of opportunities to enhance the efficiency or effectiveness of the Yolo County Division of Internal Audit. This item does not indicate a lack of conformance with the *Standards* or the Code of Ethics, but instead offers recommendations on how to better align with criteria defined in the *Standards* or the Code of Ethics. The Yolo County Audit Manager's response and action plan to address the opportunity for continuous improvement is noted.

Standard 1300 – Quality Assurance and Improvement Program – *The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.*

The Division of Internal Audit has incorporated the five essential components for an effective quality assurance and improvement program (QAIP), including an annual Internal Audit Self-Assessment, External Quality Assessment (Peer Review), use of a checklist and customer survey after each audit, performance measures of the internal audit activities, and communication of QAIP results to the Audit Subcommittee. The Division of Internal Audit received a Peer Review in 2023, and the review recommended adoption of additional key performance indicators (KPIs) to measure engagement efficiency and effectiveness.

- *Audit Manager's response: We are currently assessing internal policies and procedures for performing engagements to identify opportunities for efficiencies and improved performance. Once our assessment is complete, we will identify additional KPIs that assist in ongoing assessments of performance. Anticipated date of completion by 6/30/2025.*

Standard 2100 – Nature of Work - *The internal audit activity must evaluate and contribute to the improvement of the organization's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive, and their evaluations offer new insights and consider future impact.*

The Division of Internal Audit had a countywide risk assessment in fiscal year 2022-23 to identify high risk areas for development of a 3-year audit plan, including fiscal years 2022-23,

2023-24, and 2024-25. As part of this plan, the Division of Internal Audit has prioritized operational (i.e., adequacy of internal controls) and compliance audits. In the last Peer Review, a recommendation was made to expand the type of audits conducted to include performance audits with audit procedures that include assessments of program effectiveness (i.e., meeting the objectives or goals of the program), economy (i.e., keeping the cost low), and efficiencies (i.e., getting the most out of available resources).

- *Audit Manager's response: We are currently assessing the final year of the 3-year audit plan to ensure that the plan's scheduled audits accurately reflect the current risk landscape. Going forward, we intend to conduct a countywide risk assessment and develop an internal audit plan annually to ensure that audits respond to current risks and are performed timely. Additionally, we intend to consider performance audits, in addition to operational and compliance audits, as a tool for mitigating risk to the county, with a goal of at least one performance audit per fiscal year. Anticipated date of completion by 8/31/2024.*

Appendix: Standards Conformance Evaluation Summary

OVERALL EVALUATION		GC	PC	DNC
1000	Purpose, Authority, and Responsibility (1010) The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the <i>Standards</i> , and the Definition of Internal Auditing). The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.	X		
1100	Independence and Objectivity (1110, 1111, 1120, 1130) The internal audit activity must be independent, and internal auditors must be objective in performing their work.	X		
1200	Proficiency and Due Professional Care (1210, 1220, 1230) Engagements must be performed with proficiency and due professional care.	X		
1300	Quality Assurance and Improvement Program (1310, 1311, 1312, 1320, 1321, 1322) The chief audit executive must develop and maintain a quality assurance and	X		
2000	Managing the Internal Audit Activity (2010, 2020, 2030, 2040, 2050, 2060, 2070) The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organization.	X		
2100	Nature of Work (2110, 2120, 2130) The internal audit activity must evaluate and contribute to the improvement of the organization's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive, and their evaluations offer new insights and consider future impact.	X		
2200	Engagement Planning (2201, 2210, 2220, 2230 2240) Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations.	X		
2300	Performing the Engagement (2310, 2320, 2330, 2340) Internal auditors must identify, analyze, evaluate, and document sufficient information to achieve the engagement's objectives.	X		
2400	Communicating Results (2410, 2420, 2421, 2430, 2431, 2440) Internal auditors must communicate the engagement results.	X		
2500	Monitoring Progress The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.	X		
2600	Communicating the Acceptance of Risks When the chief audit executive concludes that management has accepted the risk that may be unacceptable to the organization, the chief audit executive must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, the chief audit executive must communicate the matter to the	X		

OVERALL EVALUATION	GC	PC	DNC
IIA Code of Ethics The Code of Ethics states the principles and expectations governing behavior of individuals and organizations in the conduct of internal auditing. It describes the minimum requirements for conduct, and behavioral expectations rather than specific activities.	X		

GC - "Generally Conforms" means that the assessor has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformity to most of the individual *Standard* or element of the Code of Ethics and at least partial conformity to the others within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the *Standards* or the Code of Ethics and has not applied them effectively or achieved their stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation, or successful practice, etc.

PC - "Partially Conforms" means that the assessor has concluded that the activity is making good-faith efforts to comply with the requirements of the individual standard or elements of the Code of Ethics or a section or major category but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or the Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

DNC- "Does Not Conform" means that the assessor has concluded that the internal audit activity is not aware of, is not making good-faith efforts to comply with or is failing to achieve many or all the objectives of the individual standard or element of the Code of Ethics or a section or major category. These deficiencies will usually have a significantly negative impact on the internal audit activity's effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.

Yolo County
Division of Internal Audit
Audit Plan - Status of Projects
Fiscal Year 2023-2024

No.	Status	Name of Engagement	Entity	Preliminary Scope	Type	Priority	Hours	% Complete	Status	Report Issued	Comment	Internal or Outsource
Carry-Forward Audits from FY 2022-23												
1	Carry Forward FY22-23	Capital Projects	Countywide	Perform a review of county capital projects to identify and test key processes and controls related to contract administration, change order management, project & cost management, and project closeout.	One-time Project	High	60	100%	Completed	12/15/2023	24 findings	Internal
2	Carry Forward FY22-23	Purchase Card Audit	General Services Department	Perform a review to provide reasonable assurance to county management that there is an acceptable level of operational accountability in the purchase card program, including the areas of card management, merchant management, and transaction analysis.	Continuous & Mandated Audits	High	200	100%	Completed	10/24/2023	9 findings	Internal
3	Carry Forward FY22-23	Payroll Processing and Changes, Employee Leave/FMLA, and Pay Rates	Human Resources Department	Perform a review of payroll processes including the health benefit calculation, leave balances, and the accuracy of employee pay rates.	One-time Project	High	250	5%	In-Progress		Audit Manager met with Interim HR Director; Initiating preliminary survey	Internal
4	Carry Forward FY22-23	Governance and Strategy	Innovation & Technology (IT) Department	Assess the IT strategic planning process. Understand how performance is evaluated, the operating budget is tracked, and resources are consumed.	One-time Project	High	250	100%	Completed	10/26/2023	11 findings	Outsource
5	Carry Forward FY22-23	Fiscal Monitoring of HHSA Subrecipients for FY21-22	Health & Human Services Agency (HHSA)	Fiscal monitoring services for County Health & Human Services Agency as required by Code of Federal Regulations 2 CFR part 200 etal. FY21-22 review includes 6 subrecipients.	Continuous & Mandated Audits	Med	300	100%	Completed	8/23/2023	6 Reviews; no reportable compliance findings. Improvements needed in P&Ps	Outsource
Audits for FY 2023-24												
6	Approved	Workforce Compensation, Recruitment, and Succession Planning	Countywide	Assess salary levels to determine if the County is offering competitive compensation and benefit packages to attract and retain professionals. Also, review staffing classifications and levels to determine if the County has adequate employees to meet the needs of the citizens and employee turnover is considered when planning.	One-time Project	High	300	0%	Not Started			Outsource
7	Approved	Contract Compliance	Countywide	Assess contract compliance practices related to competitive bidding process.	One-time Project	High	250	0%	Not Started			Internal
8	Approved	Training, Professional Development and Cross-Training	Countywide	Assess the practices related to technical training, Continuing Professional Development (CPD), and internal departmental process cross-training. Also, review the NEOGOV Learn System to determine if employee mandated trainings are being monitored and tracked to ensure compliance.	One-time Project	High	250	0%	Not Started			Internal
9	Approved	Technology System (Assessor/Clerk-Recorder/ Registrar of Voters)	Department	Access the practices related to maintaining the confidentiality, integrity and availability of data housed within the Parcel Number / Recorders Reference Search Information Systems to ensure essential information can be utilized by County staff and residents to make informed decisions.	One-time Project	High	250	0%	Potential Cancellation		Internal Audit is currently re-assessing department risks to confirm that an audit is needed.	Outsource
10	Approved	Vendor Performance Monitoring	Countywide	Evaluate policies and procedures established to assess vendor performance and service level agreements compliance to determine effective third-party risk management, service provider due diligence and performance. Audit will focus on the following: - Development of key performance indicators - Identification of key monitoring documentation - Establish status reporting - Assignment of monitoring ownership - Escalation procedures for non-compliance or non-performance	One-time Project	High	250	10%	In-Progress		Internal Audit is working with Baker Tilly to perform the audit. Kick-off meeting complete and initial interviews are currently being scheduled	Outsource
Annual Continuous & Mandated Audits for FY 2023-24												
11	Approved	Fraud Hotline & Reporting	Countywide	Maintain hotline, investigate matters, and report to Board/Audit Subcommittee. Includes developing internal policies and procedures for investigations.	Continuous & Mandated Audits	Med	100	75%	In-Progress			Internal
12	Approved	Quarterly Cash Counts	Financial Services - Treasury	Conduct quarterly cash count as required by Government Code Section 26920(a)(1).	Continuous & Mandated Audits	Med	16.5	100%	Completed	7/19/2023 11/16/2023 1/17/2024 5/7/2024		Internal
13	Approved	HHSA Subrecipient Compliance Monitoring	Health & Human Services Agency (HHSA)	Arrange subrecipient/contract monitoring services for HHSA, add any findings into IA's audit case mgmt. system for tracking CAPs, report stats to HHSA on progress of fiscal reviews. Includes drafting subrecipient monitoring policy and procedures.	Continuous & Mandated Audits	Med	180	80%	In-Progress		Working with HHSA on new MOU for Auditor II position	Internal

Yolo County
Division of Internal Audit
Audit Plan - Status of Projects
Fiscal Year 2023-2024

No.	Status	Name of Engagement	Entity	Preliminary Scope	Type	Priority	Hours	% Complete	Status	Report Issued	Comment	Internal or Outsource
14a	Approved	Fiscal Review of Substance Use Disorder (SUD) & Substance Abuse Block Grants (SABG) Contracts for FY21-22	Health & Human Services Agency (HHSA)	Perform fiscal reviews for SUD and SABG contracts. Separate engagement with HHSA. FY21-22 review includes 9 contracts.	Continuous & Mandated Audits	Med	125	100%	Completed	3/31/2024	9 reviews for FY21-22 completed; no reportable compliance findings. Improvements needed in P&Ps	Outsource
14b	Approved	Fiscal Review of Substance Use Disorder (SUD) & Substance Abuse Block Grants (SABG) Contracts for FY22-23	Health & Human Services Agency (HHSA)	Perform fiscal reviews for SUD and SABG contracts. Separate engagement with HHSA. FY22-23 review includes 8 contracts.	Continuous & Mandated Audits	Med	125	80%	In-Progress		8 reviews for FY22-23 in-progress	Outsource
15	Approved	Fiscal Monitoring of HHSA Subrecipients for FY22-23	Health & Human Services Agency (HHSA)	Fiscal monitoring services for County Health & Human Services Agency as required by Code of Federal Regulations 2 CFR part 200 etal. FY22-23 review includes 6 subrecipients.	Outsource	Med	300	100%	Completed	12/15/2023	6 Reviews; no reportable compliance findings. Improvements needed in P&Ps (1 agency)	Outsource
Other Internal Audit Activities for FY 2023-24												
16-23	Approved	Administrative Tasks	Internal Audit	Various administrative tasks, such as risk assessment, audit planning, ad hoc requests, CAPs follow-up, Audit Subcommittee support, internal meetings, external resource management, training, staff leave, etc.	Other Internal Audit Activity	N/A	2853.5	95%	In-Progress	N/A	N/A	Internal

Total audit & non-audit hours plus benefits & leave

6060

Yolo County Hours 4160

Outsource Hours 1900