Ensuring The Job Is Done Right
Quality Assurance & Peer Review

Hector Collazo Jr., CIG, CFE, CISA, CIGA, CIGI, CFS, CRISC, CRMA
Inspector General/Chief Audit Executive
727-464-8371
hcollazo@pinellascounty.org
IMPORTANT TO REMEMBER

NO TWO

INSPECTORS GENERAL/INTERNAL AUDIT
FUNCTIONS ARE EXACTLY THE SAME

MANY FLAVORS OF EACH
“The nicest thing about standards is that there are so many of them to choose from.”

~Andres S. Tannenbaum
Internal Audit Departments & Inspector Generals
Professional Auditing Standards

*International Standards for the Professional Practice of Internal Auditing,*
The Institute of Internal Auditors

[Image: The Institute of Internal Auditors]

[Image: RED BOOK]

*Government Auditing Standards,*
U.S. Government Accountability Office

[Image: GAO]

[Image: YELLOW BOOK]
Internal Audit Departments
& Inspector Generals
Professional Auditing Standards

Principles and Standards for Offices of Inspector General,
Association of Inspectors General

Defers to
YELLOW BOOK
RED BOOK

GREEN BOOK
Let’s Not Forget
The Most **Important** Standard

**WYWTD**

STANDARD

*Purple Book*
WHATEVER YOU WANT TO DO
AUDIT STANDARD

Hoping You Get It Right!
Inspector Generals
Professional Investigative Standards

*Principles and Standards for Offices of Inspector General,*
Association of Inspectors General

*Florida Inspectors General Standards,*
Commission for Florida Law Enforcement Accreditation (CFA)
Inspector Generals
Professional Investigative Standards

Quality Standards For Investigations

Council of the Inspectors General on Integrity and Efficiency

November 15, 2011
Let’s Not Forget
The Most *Important Standard*

WYWTD
INVESTIGATIVE STANDARD

*Purple Book*
Hoping You Get It Right!
What Do We Mean By Standards?

- Level of quality accepted as the norm.
- “A level of quality or excellence that is accepted as the norm or by which actual attainments are judged.”
- “Very widely used and generally regarded as authoritative.”

~Encarta Dictionary
What Can Standards Do For The IG/IA?

ASK YOURSELF:

- Are we measuring performance of services?
- Can we defend against lawsuits and complaints?
- Do we have proven written procedures?
- Are employees accountable?
- What are you measuring your work against?
Standards
Increase Your Office's CREDIBILITY
<table>
<thead>
<tr>
<th>Comparison:</th>
<th>YELLOW BOOK</th>
<th>RED BOOK</th>
<th>GREEN BOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation:</td>
<td>Governmental (US) Federal State Local</td>
<td>Global Governmental Private Sector</td>
<td>Global (Members) Governmental (US) Federal State Local</td>
</tr>
</tbody>
</table>
### Comparison:

<table>
<thead>
<tr>
<th></th>
<th>YELLOW BOOK</th>
<th>RED BOOK</th>
<th>GREEN BOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Users:</strong></td>
<td>Internal (IG) &amp; External Auditors</td>
<td>Internal Auditors</td>
<td>Internal IG Auditors</td>
</tr>
<tr>
<td><strong>Type of Engagements:</strong></td>
<td>Financial, Attestation &amp; Performance (Non-Audit Services are not GAGAS)</td>
<td>Assurance &amp; Consulting</td>
<td>Defers to RED BOOK</td>
</tr>
</tbody>
</table>
Quality Assurance

1300 – Quality Assurance and Improvement Program

The [Director] must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.

1310 – Quality Program Assessments

The quality assurance and improvement program must include both internal and external assessments.

1311 – Internal Assessments

Internal assessments must include:
• Ongoing monitoring of the performance of the internal audit activity; and
• Periodic reviews performed through self-assessment or by other persons within the organization with sufficient knowledge of internal audit practices.
Quality Assurance

The Division of Inspector General has incorporated the internal assessment into the audit activities with the continuous review, development and enhancement of the quality assurance program ensuring the program covers all aspects of the audit activity and continuously monitors its effectiveness.

The Division of Inspector General has incorporated the internal assessment into the audit process. The preliminary assessment is conducted after the planning phase of the audit process has been completed and the audit program has been written. Prior to the beginning of fieldwork, the Director reviews and approves the Audit Plan, Time Budget and the Field Work Program. All preliminary work is reviewed and approved prior to the beginning of fieldwork.

The assessment is conducted after fieldwork has been completed and the report (i) has been reviewed by the Director and is ready for sending to the Clerk for review; (ii) has been cross-referenced to supporting workpapers by the Supervisor; and (iii) in addition to the cross-referenced report, the **QA questionnaire is done on every audit by the Supervisor and IG auditor.**
Audit Quality Control Checklist

Division of Inspector General, Audit Services
Quality Review Checklist

Purpose: To assist in determining the extent to which the Audits being reviewed were conducted in compliance with the Quality Control policies and procedures prior to the issuance of the report.

<table>
<thead>
<tr>
<th>Audit Name</th>
<th>Project Number</th>
<th>Date Reviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspector General Auditor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUPERVISING INSPECTOR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GENERAL AUDITOR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A. Planning the Engagement (Standards 2200 – 2240)</th>
<th>YES</th>
<th>NO</th>
<th>NA</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Assess the relevance and completeness of the background information gathered in advance of the engagement, such as:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Organization charts, financial budgets, and reports</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Relevant organization policies and procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Relevant government regulations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Prior audit activity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Is there evidence that audit planning included the following:</th>
<th>YES</th>
<th>NO</th>
<th>NA</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Obtaining an understanding of the program to be audited to help assess possible audit objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Obtaining an understanding of internal controls as it relates to the specific objectives and scope</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Identification of criteria to be used to evaluate matters subject to audit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Determine whether the entrance conference included:</th>
<th>YES</th>
<th>NO</th>
<th>NA</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Request for auditee’s suggestions and areas of concern for the engagement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Planned scope and objectives for the engagement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Communication of general information concerning the planning and performance of the audit to management officials responsible for the program being audited and others as applicable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- When and with whom issues and potential recommendations will be discussed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Division of Inspector General, Audit Services
### Quality Review Checklist

**Purpose:** To assist in determining the extent to which the Follow-up Audits being reviewed were conducted in compliance with the Quality Control policies and procedures prior to the issuance of the report.

<table>
<thead>
<tr>
<th>Audit Name/Date Issued</th>
<th>Project Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspector General Auditor</td>
<td>Date Reviewed</td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td>Date Reviewed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
<th>NA</th>
<th>Comments/WP Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Does the report include:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. The audit results, including findings, conclusions, and recommendations, as appropriate?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H. Communicating results and follow-up (Standards 2400-2500)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Recommendations for actions to correct identified problems and improve programs and operations, when appropriate?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H. Communicating results and follow-up (Standards 2400-2500)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. A statement the audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H. Communicating results and follow-up (Standards 2400-2500)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Did the work papers contain a time budget?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Engagement Management (Standard 2030)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Necessary Budget amendments with director approval?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Engagement Management (Standard 2030)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Are all the items necessary to meet the audit documentation standard present?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Examining and evaluating information (Standards 2310-2340)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervising Inspector General Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Initialed and dated by the preparer, and for at least section summaries and a reasonable sample of detailed work papers, by the reviewer?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Investigation Quality Control Checklist

**Division of Inspector General, Public Integrity Unit**

**Quality Review Checklist**

Purpose: To assist in determining the extent to which the investigations being reviewed were conducted in compliance with the Principles and Standards for Offices of Inspector General.

<table>
<thead>
<tr>
<th>Investigation Name</th>
<th>Project Number</th>
<th>Inspector General Auditor</th>
<th>Date Reviewed</th>
<th>Inspector General Auditor</th>
<th>Date Reviewed</th>
<th>SUPERVISING INSPECTOR GENERAL AUDITOR</th>
<th>Date Reviewed</th>
</tr>
</thead>
</table>

## 1. General Standards

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>NA</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image_url" alt="Image of checklist table" /></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUPERVISING INSPECTOR GENERAL AUDITOR**

### A. Staff Qualifications
- Individuals assigned to conduct investigative activities should collectively possess the knowledge, skills and experience required for the investigative work.

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

### C. Due Professional Care
- Due professional care should be used in conducting investigations and in preparing accompanying reports.

## 2. Qualitative Standards

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>NA</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image_url" alt="Image of checklist table" /></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUPERVISING INSPECTOR GENERAL AUDITOR**

### A. Quality Control
- This Standard requires to ensure quality and expedite the progress of investigations, proper supervision will be exercised from the start of such work to its completion.

### B. Planning
- Investigative work is to be adequately planned.

### C. Data Collection and Analysis
- Investigative data is to be collected and analyzed effectively.

---

*Ken Burke, CPA, Clerk of the Circuit Court and Comptroller*

*Pinellas County, Florida*
1. Project Start-up TeamMate - Audit Senior Tasks: Obtain a project number from the Secretary and set up the new project in TeamMate under that number. Set-up the project following the TeamMate New Project Wizard steps, selecting “Select a Planned Project From TeamMate Suite Database” and then “TeamSchedule Plans” for the Plan year. After choosing the project, complete the New Project Wizard steps using the Standard Audit Library. After the Project is set up, import the assigned Auditors from the TeamStore to the project. In the project, under Profile, Schedule Tab, input the start date using the start letter date in the estimated, scheduled and actual fields in the Project Date section. Create a Project Folder (Project##-Name) at F:/Users/Shared/TeamMate/Import/ [Time-A].

Completed by md.
Step #7 - Reconciliation Summary

Complete the reconciliation summary template, cross-reference to supporting data, and verify that the reconciling items are appropriate.

1. Combine in a single Excel spreadsheet with multiple tabs, a summary of the ACL data from Procedure C.1 into a formal reconciliation of the number of records and dollar amounts using the following data:

   a. CLKGQ847 Open Cash Bond Report as of the reconciliation date. Total the "Open Amts"
   b. CLKAD235 Cash Appearance Bonds Report (account #3185) as of the reconciliation date. Total the "Ending Balances"
   c. Records with amount being zero
   d. Records with zero in the amount column
   e. Records on CLKGQ847
   f. Records with amount in zero column
   g. Records with zero in the amount column

Click on the left button to Prepare, right button to Review.
Quality Assurance

1312 – External Assessments

External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization. The chief audit executive must discuss with the board:
• The need for more frequent external assessments; and
• The qualifications and independence of the external reviewer or review team, including any potential conflict of interest.

The Division of Inspector General participates in external assessments through The Institute of Internal Auditors and/or Association of Inspectors General. The next external assessment is expected to be performed in 2011.

1320 – Reporting on the Quality Assurance and Improvement Program

The [Director] must communicate the results of the quality assurance and improvement program to the [Clerk of the Circuit Court].

1321 – Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing”

The chief audit executive may state that the internal audit activity conforms with the International Standards for the Professional Practice of Internal Auditing only if the results of the quality assurance and improvement program support this statement.

1322 – Disclosure of Nonconformance

When nonconformance with the Definition of Internal Auditing, the Code of Ethics, or the Standards impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the nonconformance and the impact to senior management and the board.
"Don’t you think this internal audit’s gone too far?"
Peer Review Purpose

At its most basic level, Peer Reviews answer the fundamental question of:

“Who audits the auditors and investigators?”

Which is the most common question asked of Inspector General and Internal Audit (IG/IA) staff.
Peer review is a process of self-regulation by a profession or a process of evaluation involving qualified individuals within the relevant field.
Peer Review Objective

IG/IA required to implement and maintain a system of quality control which encompasses leadership, emphasis on performing high-quality work, and the IG/IA policies and procedures designed to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements.
Importance of Peer Reviews

A means of maintaining the highest standards of professionalism and provides accountability to the public and entities under its jurisdiction.

- Required by professional standards (Yellow book, every three years or governing regulation; Red book, every five years, or governing regulation).
- Our work must hold up to the highest scrutiny;
- Provide assurances of the internal controls of our organization;
- It is an underpinning for an Inspector General function.
Standards – Testing

- Independence
  - Personal Impairments
  - External Impairments
  - Organizational Independence
- Professional Judgment
- Competence
- Quality Control and Assurance
- Planning
- Supervision
- Evidence and Documentation
- Legal and Regulatory Requirements
- Reporting Standards
Recipients of Peer Reviews

- Public Accounting Firms
- State and Local IG/IA Organizations
- Federal IG’s
Who Performs Peer Reviews?

- The Public Company Accounting Oversight Board “PCAOB” performs peer review for public accounting firms.

- The Federal agencies use a Round Robin approach with other Federal Agencies to have peer reviews performed.

- State and Local IGs/Audit Organizations use ALGA, Auditor General or similar professional organizations.

- Association of Inspectors General.
Peer Review Committee

As co-chairs of the Peer Review Committee, Tom Courtfield and Sheryl Stockler are pleased to report that all requested peer reviews to date have been conducted. They have received great feedback to indicate how the process added value to the agency under review by highlighting operational strengths and areas for consideration. As an Executive, peer reviews are a great tool for ensuring compliance with the standards (Yellow, Red, Green, and/or Silver); receiving commendable(s); and given areas for consideration to enhance operations. If you are interested in a peer review, please contact either Tom or Sheryl as reviews require as much as six months advance notice.
External Audit Peer Reviewers

Audit organizations that performs audits or attestation engagements in accordance with GAGAS undergo external peer reviews once every three years. GAGAS prescribes:

- The elements of the scope of the peer review, including performing a risk assessment to help determine the number and types of engagements to select;
- The requirement for reporting on the results of the peer review;
- The qualifications of review staff; and
- The distribution of peer review reports.

GAGAS also prescribes the requirements for granting extensions of deadlines for submitting peer review reports.
General Goals

- Encourage professional development and provide a professional network
- Foster policy research and analysis
- Standardize practices, policies, conduct, and ethics
- Sponsor educational programs
- Establish professional qualifications, certifications and licensing
- Encourage interdisciplinary scholarship
- Conduct joint educational ventures
- Exchange information and ideas
- Identify trends
Who Performs Peer Reviews?
ALGA, AIG, IIA, CPA Firms, Auditor General

- A team selected from the most experienced members within the association that come from an office structure similar to the one to be reviewed.

- Team members have a wealth of knowledge in their field and will place themselves, during the review period, as if they were on the management team. Their experience enables them to tell the boss what the office does right and where improvements need to occur.
Peer Review Products

- Detailed (verbal) Out-brief:
  - Audit Director/Inspector General
  - Senior Staff

- Compliance (written) Letter:
  - Level of Compliance
  - Summary of Exceptions
  - Purpose, Scope & Method

- Management Letter:
  - Commendables’ & Areas for Consideration
Composition of Peer Review Team

For each of the areas:  
**Audit, Investigations**

The team consists of:

- Experienced/seasoned professionals
- Well versed in applicable professional standards, laws, and regulations
- Possess strong knowledge of applicable operations
- Sufficient knowledge of how to perform a peer review
Overview of the Peer Review Process

The review consists of an external reviewer or team of reviewers who assesses the adequacy of the organization's internal quality control system and its overall level of compliance with government standards.

**BOTTOM LINE:**
Do you have well documented processes and are you following them?
Standards – Peer Reviewers Measure Against

- Public Accounting Firms, Federal, State and Local Government adhere to AICPA, PCAOB and Government Auditing Standards (Yellow book) and/or Institute for Internal Auditors Standards (Red book).

- Investigative Units adhere to Quality Standards for Investigations issued by the CIGIE (PCIE).

- Internal Standard Operating Procedures/Handbooks.
Standards – Testing

- Independence
  - Personal Impairments
  - External Impairments
  - Organizational Independence
- Professional Judgment
- Competence
- Quality Control and Assurance
- Planning
- Supervision
- Evidence and Documentation
- Legal and Regulatory Requirements
- Reporting Standards
Responsibilities

**Peer Review Team Members**

- Select review team
- Determine review period
- Coordinate requests in preparation of Peer Review

**Organization**

- Organizational background Information
  - Identify Peer Review Coordinator
  - Staffing, budget, and organizational alignment data
  - Audit/Investigative/Inspection Reports (and corresponding working papers) for period under review
- Guidance, Policies, and other Directives
- Staff qualifications, ratings, and training files
- IG/IA staff list with position titles
- Travel costs for team members
Phases of the Peer Review Process

There are three major review phases:

1) Preparation
2) Site-visit
3) Reporting

The entire process should normally take about three months to complete.

However, only ONE week on-site at your office!
Phase 1: Preparation

- Select peer reviewers and lead/captain
- Sign the Review Agreement/MOU – VERY IMPORTANT
- Obtain any confidentiality requirements on documents
- Obtain background information and a description of the organization
- Review reviewee’s website
- Coordinate travel accommodations for reviewers
- Begin preliminary review of organization's policies, procedures, and reports to determine sample size

Preparation begins about two months prior to on-site.
Phase 2: The Site Visit

- The site-visit begins with an entrance conference with the Inspector General/Chief Audit Executive and the Senior Management team.

- The review team examines the organization's internal quality control systems and a sample of products for compliance. Typically, no advance notice is given regarding the reports selected for review.

- In addition, the reviewers conduct an exit with the Inspector General to discuss their conclusions, positive comments and areas for considerations. The site visit should generally last from three to five working days.
Areas of Review

Organization’s Quality Control System

- Internal Policies and Procedures
- Training and qualifications of staff (performance reviews)
- Independence issues & organizational alignment
- Internal quality assurances/Quality Assurance function
- Report documentation
- Report distribution

Review of IG/IA Documentation

- Review of working papers & reports
- Internal interviews: staff & management
- External interviews – IG’s direct report, department heads (customers), law enforcement partners
Phase 3: Peer Review Results

- Detailed (verbal) Exit Conference:
  - Audit Director/Inspector General
  - Senior Staff

- Compliance Letter:
  - Level of Compliance with Standards
  - Summary of Exceptions
  - Purpose, Scope & Method

- Management Letter:
  - Commendables’ & Areas for Consideration
Determining Relative Importance

- **Matter** – one or more “No” answers to questions in peer review checklists that team concludes warrant further consideration in the evaluation of quality control.

- **Finding** – one or more related matters that result form a condition in the system of quality control or compliance.

- **Deficiency** – one or more findings that could create a situation in which the IG/IA would not have reasonable assurance of performing and/or reporting in conformity with applicable professional standards in one or more important respects.

- **Significant Deficiency** – one or more deficiencies that taken as a whole does not provide reasonable assurance of performing and/or reporting in conformity with applicable professional standards in all material respects.
TAMPA — Hillsborough County’s internal performance auditor has received a stinging audit of his own shop.

A peer review ordered by county commissioners and finalized this week says the work done by internal performance auditor Jim Barnes’ three-person office does not conform with accepted professional standards. The review found “deficiencies in practice” that were significant enough to impair Barnes’ ability to meet those standards.

But the review lays as much blame on how the office is set up and the way commissioners have directed Barnes’ work. Until steps are taken to better structure how the office operates, the auditor’s office will not be able to “function in a manner that would be independent, objective and competent,” according to the report by Richard Tarr, an internal auditor from Orlando.

Barnes said he is already working to implement some of the steps Tarr recommended that he has control over. Some other measures, he said, will have to wait until commissioners address aspects of the report directed at them.

He acknowledged he has made some mistakes, but has tried to learn from them and do his best. He took some exception to some aspects of the report that he said were not based on accepted professional standards.

The report makes recommendations on restructuring the way the office operates to bolster its independence and effectiveness, starting with creating a job description. It suggests moving Barnes’ office away from the second floor at County Center where commission offices are located and creating an audit committee of people outside government with knowledge of accounting to review and guide his work.

The report suggests eliminating budget analyst duties, saying that is the county administrator’s responsibility and noting that it creates a potential conflict. It also suggests removing the “performance” from Barnes’ title because it limits the types of audits he should be performing. The changes would require amending the county’s charter, which must be approved by voters.

As for Barnes, the report says his office has not adopted policies to ensure it complies with professional standards and sometimes doesn’t follow its own procedures. It says Barnes does not adequately document his work or the information used to reach findings in his audits, which doesn’t meet professional standards.

Commissioners reached Tuesday said they had yet to see the report and were hesitant to react to it.
AIG Peer Review Results

COMPLIANCE LETTER

- Compliance
- Noncompliance
- Exceptions

In drawing conclusions, reviewers consider the circumstances, pattern, pervasiveness, and significance of exceptions in reaching an overall conclusion. The use of sound, professional judgment is critical due to the absence of quantitative criteria for measuring the severity of deficiencies and instances of nonconformance with standards.
AIG Peer Review Results

MANAGEMENT LETTER

- Detailed discussion of the identified deficiencies and areas for consideration for correcting those deficiencies. A letter to management may also be issued when an organization is judged to be in full compliance, however, the Reviewers wish to address less significant matters and make suggestions for improvement.

- The Management Letter is provided in DRAFT to the IG/IA for review prior to its final release.
Publishing Results

- The Compliance Letter intended for publication.

- The Management Letter is provided as a useful tool for the Inspector General and management team.

- GAS 3.105 requires external audit organization to make its most recent peer review report publicly available; for example, by posting the peer review on an external web site. For Government audit organizations, the peer review report should be communicated to appropriate oversight bodies.
Quality Assurance

Division of Inspector General

Accredited Office of Inspector General
By the Commission of Florida Law Enforcement Accreditation

The mission of the Division of Inspector General (Division) is to improve government and preserve the public trust by providing independent, comprehensive audits and investigations designed to add value and improve the County’s operations and contracts. We strive to educate citizens and policymakers regarding the operation of their government. The Division will conduct investigations to ensure compliance with the Pinellas County Clerk of the Circuit Court’s Fraud, Waste and Abuse Policy and Procedures designed to facilitate the development of internal controls that will provide for the detection, prevention, and reporting of fraud, waste and abuse directed against County government. It is the intent of the policy to promote awareness of the potential for fraud, waste and abuse throughout the County, and to provide guidelines and assign responsibility for the development of adequate internal controls and systems.

The Inspector General provides independent, objective, prompt, and effective examinations and surveys designed to:

- Ensure the economy, efficiency, and effectiveness of County programs and activities;
- Promote accountability and ethical conduct by desegregating and evaluating the financial and administrative operations of County government agencies and programs; and
- Enhance the integrity and transparency of County government.

Inspector General Reports, Publications & Contact Information

INSPECTOR GENERAL REPORTS
ANNUAL REPORTS
ANNUAL AUDIT PLANS
PEER REVIEW and CFA ACCREDITATION

Follow Us!
Checklists

Association of Local Government Auditors: Peer Review Guide for Assessing Conformance with International Standards for the Professional Practice of Internal Auditing:

Members Only American Institute of CPA’s (AICPA):
http://www.aicpa.org/InterestAreas/PeerReview/Resources/TeamandReviewCaptainChecklists/2013/Pages/2013TeamCaptainChecklists.aspx

Quality Standards – Council of the Inspectors General on Integrity and Efficiency:
http://www.ignet.gov/pande/standards1.html
DIVISION OF INSPECTOR GENERAL
KEN BURKE, CPA. CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

Write: Fraud Hotline
       Public Integrity Unit
       Division of Inspector General
       510 Bay Avenue
       Clearwater, FL 33756

Phone: (727) 45FRAUD (453-7283)
Fax: (727) 464-8386

E-Mail: fraudhotline@pinellascounty.org
Internet: www.mypinellasclerk.org

Accredited Office of Inspector General
by the Commission for Florida Law Enforcement Accreditation