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EXECUTIVE OFFICE

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COUNTY COUNCIL
Snohomish County, Washington



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ORDINANCE NO. 87-116
INTERNAL AUDITS;
AMENDING SNOHOMISH COUNTY CODE
CHAPTER 4.02

BE IT ORDAINED:

Section 1. SCC 4.02.030, adopted by Ordinance 86-039 on April 23, 1986, is amended as follows:

4.02.030 Authority of the county council and responsibilities of the internal auditor.

- 1) The county council shall be authorized to utilize the internal auditor to examine any office, department, or organization which receives appropriations from the county. Such office, department, or organization shall hereinafter be referred to as an agency. The council, in exercising this authority, shall develop policies and procedures that provide for an orderly review and evaluation of governmental activities being examined.
- 2) The internal auditor, in assisting the county council, shall have access to all of the records, properties, and personnel relevant to the subject under examination.
- 3) The internal auditor shall be charged with the responsibilities as follows:
 - a) To conduct his examination in an impartial and professional manner.
 - b) To adhere to generally accepted governmental auditing standards and procedures as adopted by the Comptroller General of the United States ((American Institute of Certified Public Accountants)).
 - c) To discuss findings and recommendations with management of the agency under review.
 - d) To conduct an "exit interview" with the executive and the management of the agency under review during which a preliminary draft of the audit report is presented and discussed.
 - e) To request from the executive and the management

of the agency under review a written response to each finding or recommendation stating either agreement or disagreement with each finding.

- f) To conduct a post-audit interview with the management of the agency under review.
- g) To submit a final audit report on each examination to the county council, county executive, and to the management of the agency under review. Such report shall incorporate both the executive's and agency's response to each of the findings and recommendations.
- h) Ensure that the ongoing activities of agencies being examined are not unreasonably interrupted during the audit.
- i) Facilitate cooperation and coordination of audit efforts with the executive in order to achieve maximum benefit of findings and recommendations.

Section 2. SCC 4.02.040, adopted by Ordinance 86-039 on April 23, 1986, is hereby repealed.

NEW SECTION, Section 3. A new section 4.02.040 is added to chapter 4.02 SCC as follows:

4.02.040 General process. The following describes the annual process by which audit projects are selected and the steps to be followed in conducting internal audits:

- 1) The internal auditor shall provide the council and the executive with a list of potential audit projects no later than August 1, each year.
- 2) The executive may provide written comments to the council regarding the list of potential audit projects or recommend additional audit projects. Such written comments and/or recommendations shall be submitted by the executive to the council no later than two weeks after delivery of the list of potential audit projects.
- 3) The council shall review any written comments submitted by the executive. The council shall prioritize potential audit projects.
- 4) The internal auditor will obtain the council's prioritized list and establish a preliminary statement of scope and objectives for each project.
- 5) Preliminary time budgets shall be prepared by the internal auditor for each potential project. From this, an annual workplan will be developed for the ensuing year.
- 6) The council shall review the annual workplan

with the internal auditor and may make amendments thereto.

- 7) Upon approval of the annual work plan by the council, the internal auditor shall be authorized to proceed with any audit project included in the work plan.
- 8) Prior to commencing with field work on any specific audit project, a preliminary review/survey shall be performed by the internal auditor.
- 9) The internal auditor shall prepare and present to the council a proposed scope of services to be performed.
- 10) The council shall review the proposed scope of services and may suggest amendments to the proposal.
- 11) Under the direction of the council, the internal auditor shall prepare a letter describing the scope of services to be performed. Copies of the letter shall be delivered to the council, executive and management of the agency under review.
- 12) The internal auditor shall perform the examination pursuant to SCC 4.02.070.
- 13) At the conclusion of his field work, the internal auditor shall prepare a preliminary draft of the audit report.
- 14) The internal auditor shall conduct an exit interview to discuss the contents of his preliminary audit report with the executive and the management of the agency under review.
- 15) The internal auditor shall revise his report as deemed appropriate and request a written response to each finding from the executive and management of the agency under review which states either agreement or disagreement with each finding.
- 16) Written responses shall be obtained from the executive and the management of the agency under review within twenty working days of the exit interview and shall be incorporated in the final audit report. If no response is received within the timeframe specified, the audit report may be issued without executive or agency responses.
- 17) The internal auditor shall conduct a post-audit interview with the management of the agency under review.
- 18) A final audit report shall be delivered to the

council, executive, and the management of the agency under review.

Section 4. SCC 4.02.080(1), adopted by Ordinance 86-039 on April 23, 1986, is amended as follows:

4.02.080 Special audits.

- 1) The executive may recommend to the county council that the internal auditor perform special audits. Special audits shall be requested by the executive in writing and identify the anticipated objectives of the audit. Requests for special audits shall be reviewed by the county council and prioritized in relationship to other potential projects.

Section 5. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, such decision shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

PASSED this 9th day of December, 1987.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

Shelley Bartholomew
Chairperson

Approved as to Form:

Mark W. [Signature]
Deputy Prosecuting Attorney

ATTEST:

Bartholomew J. Mordon
Clerk of the Council

- () APPROVED
() VETOED
() EMERGENCY

DATE: 12-14-87

[Signature]
JOHN MARTINIS
Deputy Executive
County Executive