



Internal Audit Department – Row Offices and County Departments Audit Services Guideline

Internal Audit Department of the Controller’s Office of Berks County, PA

The Internal Audit Department of the Office of the Controller of Berks County, PA conducts periodic audits of Row Offices, County Departments, Magisterial District Courts, Tax Collectors, and various other County functions, as necessary. We recognize the Institute of Internal Auditors (IIA) as the authoritative body for a program of internal auditing. We work with the Standards for the Professional Practice of Internal Auditing, Generally Accepted Government Auditing Standards – Yellow Book (GAGAS), the Certified Internal Auditor Code of Professional Ethics, and Generally Accepted Accounting Principles in the United States (GAAP US).

Definition of Internal Audit

The Institute of Internal Auditors (IIA) Standard defines Internal Auditing as follows: *“The Definition of Internal Auditing states the fundamental purpose, nature, and scope of internal auditing. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”*

What to Expect During an Audit

Our audit process generally follows the procedure outlined below.

1. Initial Notification

First, you will receive a request for specified information with respect to receipts and disbursements for the previous calendar year. Various reports generated through the Row Office or County Department for the previous calendar year will also be requested.

2. Planning Phase

After receipt of the information provided by the Row Office or County Department, the assigned Internal Audit Team members will begin the planning phase of the audit and determine the appropriate amount of sampling to conduct an adequate audit.

3. Fieldwork and Testing Phase

Our Internal Audit Team members will meet and talk with the staff, review policy and procedures in place, verify the activities matrix for all current staff members, obtain supporting documentation, test for compliance with certain provisions of laws and regulations, and assess the adequacy of internal controls.

4. Audit Report

After completion of the Fieldwork and Testing Phase, the Internal Audit Team members will prepare a Draft Audit Report and Findings, if applicable, that will be addressed to Management.

5. Meeting with Management and Management Response

The Manager of Auditing of the Office of the Controller of Berks County, PA (Manager of Auditing) will meet with the elected official in the Row Office or the Manager of the County Department (Auditee's Management), to review the Draft Audit Report and Findings, if applicable, that would merit a response from auditee's management. Management Response consists of three components: (1) whether you agree or disagree; (2) your action plan to correct the Finding; and (3) expected completion date.

6. Exit Conference

An Exit Conference will be held between the Manager of Auditing and Auditee's Management to discuss the Draft Audit Report and Management Response, if applicable. This is an opportunity to discuss how the audit went and discuss any remaining issues.

7. Audit Report Distribution

The Final Audit Report is then distributed electronically to the individuals identified on the related Distribution Listing. Our Internal Audit Department will also distribute a Post Audit Survey to the Auditee's Management to solicit feedback about the audit. Feedback is important to us, since it can help us improve the audit process.

8. Follow-Up

Follow-up reviews are performed on an issue-by-issue basis and typically occur shortly after the target completion date. The follow-up is done to assure that agreed-upon corrections are being implemented by the auditee and to verify that adequate corrective actions are in place.