



Policy Type: Board

Category: Fiscal and Budget

Policy Name: Management Auditor Policy - Board Policy 3.35

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3.35 MANAGEMENT AUDITOR POLICY (Adopted 6-26-01; Amended 4-5-05; Amended 5-25-10)

3.35.1 Policy Statement

County Charter Section 302c grants the Board of Supervisors the authority to inquire into the conduct of any office or department to which the County contributes money and examine all their records and accounts. The Board's policy is to establish and maintain a management audit function that is independent of the Board's appointees and the other independently elected County officials so that the Board may carry out the Board's power under Section 302c. The Board further recognizes the degree of independence reserved to the Management Auditor in conducting audits under the General Accounting Office's Government Accounting Standards. The Board currently contracts with a private firm for management audit services and the contract provisions will supersede this policy statement where they are in conflict.

3.35.2 Management Auditor Duties

To conduct these inquiries and examinations the Board assigns the management auditor the following duties:

- Performance Audits - Economy and Efficiency



- Performance Audits - Program Performance
- Management and Technical Audits
- Ancillary Audit Services
- Budget Analysis
- Whistle Blower
- Special Studies or Projects

3.35.3 Management Auditor Performance Expectations

The Board has the following performance expectations of the Management Auditor in carrying out the Board's assigned duties:

- (A) Conduct all assigned duties in accordance with the agreed upon contract terms and with the General Accounting Office's (GAO) Governmental Auditing Standards. The Management Auditor will, at all times, remain professional in dealings with all County staff. The Board expects the Auditor to approach the assigned duties vigorously and comprehensively while maintaining, at all times, professional communication and conduct with Agency and Department management.
- (B) Be sensitive to the impact that requests for information or documentation have on the County staff's ability to carry out their normal duties and responsibilities to their primary customers.
- (C) Alert Agency/Department management prior to the release of the final draft audit report to the discovery of any significant issues or the conclusion that line staff has not provided sufficient information or adequate documentation requested on a particular topic. Prior to the release of the final draft report, the Management Auditor will give



Agency/Department management an opportunity to explain their perspective on the issue and/or provide the necessary documentation or information.

- (D) Maintain the strictest confidentiality regarding any issues relating to the audit's subject matter prior to the release of an audit's public report. Those inside the County must have a clear business need to know and those outside the County must be authorized by law or regulation to receive the information. The Management Auditor may contact other jurisdictions or agencies to obtain information where the contact is reasonable or necessary to complete the audit.
- (E) Deliver all work products in a timely manner and issue public reports, unless otherwise directed by the Board. The Board values the discovery or raising of significant, systemic, or strategic-level policy issues about how the County agencies use public resources, achieve Board adopted goals and objectives, or comply with applicable laws and regulations. The quality of the issues raised and recommendations made is more important than the quantity. In communicating findings and recommendations, shorter is better.

3.35.4 Agency/Department Performance Expectations

In working with the Management Auditor, the Board has the following performance expectations of County agency and department management that report to Board appointees. The Board requests that the Court, the independently elected County officials, and independent jurisdictions that receive County funds also follow these guidelines.

- (A) Provide timely access to staff and records as requested by the Management Auditor to complete the Board's assignments. All County staff will cooperate fully with the Management Auditor and they will communicate



and conduct themselves at all times in a professional manner with Auditor staff.

- (B) Return to the Management Auditor all copies of all draft audits issued by the Management Auditor.
- (C) Respond proactively and constructively in the development of corrective action to significant issues identified by the Management Auditor even prior to the issuing of the Auditor's final report to the Board.
- (D) Maintain the strictest confidentiality regarding any issues relating to the audit's subject matter prior to the release of an audit's public report. Those inside the County must have a clear business need to know and those outside the County must be authorized by law or regulation to receive the information. Agency/ Department management may contact other jurisdictions or agencies to obtain information where the contact is reasonable or necessary to respond to the audit. If prior to the public release of the audit, Agency/Department management believes release of audit information outside the County is required or warranted, it will contact the County Counsel who will bring the issue to the Board as appropriate.
- (E) Provide a written response to each audit, which must be incorporated in the final audit report, and focus the written response on the significant, systemic, or strategic level policy issues raised in the Auditor's report. The quality of the comments in terms of being concise, clear and to the point is more important than the quantity. In communicating responses to the Auditor's findings and recommendations, shorter is better.

3.35.5 Monitoring Implementation

The appropriate Board Appointee or independently elected Official will have responsibility for reporting on the implementation status of high



priority audit recommendations that the Board approved. The County Executive will report the status of those audit recommendations that the Board refers to the Committee or the Administration for further review prior to a final Board decision. The Finance and Government Operations Committee (FGOC) will review implementation status reports as may the Board Policy Committee that has oversight of the agency covered by the Audit. At the request of the Board or the Committee, or at the Management Auditor's discretion, the Management Auditor will provide an independent assessment of the implementation status of all Priority One recommendations approved for implementation.

3.35.6 Management Auditor Evaluation

Following FGOC published procedures, the Management Auditor will submit periodic status reports on the annual audit work plan, provide a written annual self-assessment performance evaluation, and arrange for an external quality control review of the County's Management Audit Program in accordance with current GAO Government Accounting Standards.

Related Policies

- Administrative Review of Agency Responses to Management Audits - <https://saecommon.sccgov.org/countypolicy/Administrative-Review-of-Agency-Responses-to-Management-Audits.pdf>

Related Forms and Information

None.

History

Date	Changes Made
1/29/2014	Policy Uploaded. (John Myers)



County of Santa Clara

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5/25/2010	Policy Amended. View legislative file.
4/5/2005	Policy Amended. View legislative file.
6/26/2001	Policy Adopted. View legislative file.