

Brad E. Embry

*Clerk of the Circuit Court and County Comptroller
Okaloosa County, Florida*

Charter for the Department of Inspector General

MISSION AND SCOPE OF WORK

The mission of the Department of Inspector General (Department) is to improve the efficiency and effectiveness of government operations by providing independent, objective investigative and audit services to the citizens of Okaloosa County.

The Department will conduct audits and investigations to ensure the accuracy and effectiveness of accounting, financial, budgeting, personnel, procurement, contracting activities and other operating policies, procedures and systems, as well as compliance with state laws, county ordinances, provisions of grants and contracts and other rules and regulations. It is the intent of the Department to promote awareness of the potential for fraud, waste, and abuse throughout the County, to provide guiding principles and identify those responsible for the development of effective internal control systems, and to educate the citizens of Okaloosa County and policymakers regarding the operation of County government.

The scope of the Department of Inspector General's authority includes any operation under the direction of the Clerk of the Circuit Court and County Comptroller (Clerk) or the Board of County Commissioners (Board). It also includes other functions for which the Board provides financial support as separate entities in its budget or of which the Board is the ex-officio governing body. The scope of authority **does not** include other constitutional officers.

The scope of the Department of Inspector General work includes the following two general areas:

Audit Services

1. Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
2. Review the system of controls established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and determine whether the organization is in compliance.
3. Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
4. Assess the economy, efficiency and effectiveness with which resources are employed as well as management's operational control not strictly within the scope of financial statements.
5. Review operations or programs to ascertain whether the results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

6. Perform assurance services when requested by the county to act as their designated auditor under the terms of a contract with an external party.

Investigations

1. Investigate suspected fraud, waste, abuse or other inappropriate activity.
2. Notify the Clerk of the Circuit Court, County Administrator, or such other officials as appropriate, if an investigation substantiates that a fraudulent act has occurred.
3. Consult with law enforcement agencies as necessary if a substantiated fraudulent act has criminal implications.
4. Is authorized to investigate County affairs, and for that purpose may administer oaths and compel the production of books, papers and other evidence material to said inquiry.

AUTHORITY

By authority of the Constitution of the State of Florida, Article VIII, Section 1. (d), "...the Clerk of the Circuit Court (Clerk) shall be ex-officio clerk of the Board of County Commissioners, auditor, recorder, and custodian of all county funds." The Constitution of the State of Florida, Article V, Section 16, also specifies that the Clerk of the Circuit Court shall have the duties quoted above.

Pursuant to the legal authority and responsibility cited above, the Clerk has established the Department of Inspector General to fulfill the responsibilities of the office as they relate to investigations and auditing functions other than the pre-audit of disbursements from Board funds. The Clerk's Finance Department performs the pre-audit function. The Department of Inspector General responsibilities include a post-audit review of that function as well.

The Inspector General (IG) is the Chief Audit Executive (CAE) for the Clerk. In the discharge of his/her duties, the Inspector General shall be accountable to the Clerk to:

- Conduct audits of operations of the Board of County Commissioners and the Clerk of Court's Office.
- Report significant issues related to the processes for controlling the activities of the Board of County Commissioners' operations and the Clerk's Office, including recommendations for potential improvements to those processes, and provide information concerning such issues through final resolution.

- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit) as directed by the Clerk.
- Report periodically on the Department's compliance with professional standards and the results of the Department's quality assurance and improvement program.

The Inspector General and staff of the Department of Inspector General are authorized to:

- Have unrestricted access to all functions, records, property, and personnel.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit or investigative objectives.
- Obtain the necessary assistance of personnel in units of the County where they perform audits or investigations, as well as other specialized services from within or outside the County.

The Inspector General and staff of the Department of Inspector General activity are **not** authorized to:

- Perform any operational duties for the County.
- Initiate or approve accounting transactions external to the Department.
- Direct the activities of any County employee not employed by the Department except to the extent such employees have been appropriately assigned to the Department or to otherwise assist the Department of Inspector General.

INDEPENDENCE

To provide for the independence of the Inspector General activity, its personnel report to the Inspector General, who reports functionally and administratively to the Clerk of Courts. Since the Clerk is elected, and thus responsible to the citizens and taxpayers of Okaloosa County, the Clerk is considered to be independent. The Inspector General must communicate and interact directly with the Clerk of Courts. The Clerk, as County Comptroller, communicates with the Board of County Commissioners, but this does not restrict the Inspector General from communicating with the Board of County Commissioners directly. The Department has no direct responsibility to, or authority over, any area subject to its audit, review and investigation. Therefore, the Department is organizationally independent from those areas which it will be auditing, reviewing and investigating. The Inspector General has the authority and responsibility to conduct audits/investigations of all agencies funded by the Clerk, the Board, and departments under the County Administrator and to issue reports thereon.

RESPONSIBILITY

The Inspector General and staff of the Department of Inspector General have the authority and responsibility to:

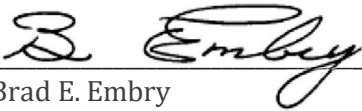
- Develop a flexible annual audit plan using a documented assessment of the organization's strategies, objectives, and risks including any control or risk concerns identified by management and submit that plan to the Clerk for review and approval.
- Implement the annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by the Clerk, the Board, or the County Administrator.
- Initiate audits or investigations and assist management during the year, even though the projects/items are not on the Annual Audit Plan.
- Recruit, develop and retain a professional audit/investigative staff with sufficient knowledge, skills, abilities, experience and professional certifications to meet the requirements of the charter and effectively deploy those resources. The Inspector General should hold at appointment, or be required within a time certain after appointment, certification as a Certified Inspector General by the Association of Inspectors General.
- Perform consulting services, beyond Inspector General's assurance services, to assist management in meeting its objectives. Examples may include facilitation, process design, training and advisory services.
- Keep the Clerk informed of emerging trends and successful practices in auditing and investigations.
- Evaluate the effectiveness of and contribute to the overall improvement of risk management processes within the Clerk's Office.
- Create and maintain a fraud, waste, and abuse hotline and conduct investigations as indicated by the circumstances.
- Investigate suspected instances of fraud.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.
- Maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include an evaluation of the internal audit functions' conformance with the Global Internal Audit Standards and an evaluation of whether auditors apply the Institute of Internal Auditors, Inc. (IIA)'s Ethics and Professionalism standards. This program will also assess the efficiency and effectiveness of the audit function and identify opportunities for improvement.

STANDARDS OF AUDIT AND INVESTIGATIVE PRACTICES

The Department of Inspector General will govern itself by adherence to the following standards:

1. The mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework including the Global Internal Audit Standards, Topical Requirements and Global Guidance.
2. *Principles and Standards for Offices of Inspector General* as published by the Association of InspectorsGeneral.

While this Charter is not intended to fully reiterate the standards of audit and investigative practices, it is intended to be consistent with applicable standards and should be interpreted in a manner consistent with those standards. Standards not directly incorporated into this Charter shall nonetheless be fully and appropriately applicable to the Department of Inspector General.



Brad E. Embry
Clerk of the Circuit Court and County Comptroller



RENEE F. LARKEY
Inspector General

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