

Department of Inspector General Charter

Mission and Scope of Work

The mission of the Department of Inspector General (Department) is to promote accountability and integrity in government and preserve the public trust by providing independent and objective audits, investigations, and consultations designed to add value and improve the operations of Bay County and Clerk of Court.

The Department of Inspector General provides risk-based, objective assurance, advice, and insight to help the Board of County Commissioners (BCC) and Clerk of Court and Comptroller (CCC) accomplish their objectives by employing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. The Department promotes awareness of potential fraud, waste, and abuse throughout the County and helps facilitate prevention and detection by conducting investigations and coordinating with law enforcement and other investigative agencies as warranted.

The scope of the Department of Inspector General's authority includes all operations under the direction of the CCC or the BCC. It also encompasses other functions for which the BCC provides financial support as separate entities in its budget or for which the BCC serves as the ex-officio governing body.

Per Florida Attorney General Opinion No. 86-38, until legislatively or judicially determined otherwise, the Clerk, as ex-officio county auditor, is not authorized to perform post-audit functions on the records of other constitutional officers. Therefore, the scope of authority excludes other constitutional officers.

The scope of the Department of Inspector General's work includes, but is not limited to, the following two general areas:

Audit Services

- Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- Evaluate the system of controls established to ensure compliance with policies, plans, procedures, laws, and regulations which could significantly impact operations and determine whether the organization is in compliance.
- Assess the means of safeguarding assets and, as appropriate, verify the existence of such assets.
- Evaluate 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.
- 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.

Investigations/Public Integrity

- Investigate suspected fraud, waste, abuse/ misuse or other inappropriate activity.
- Notify the Clerk, County Manager/Administrator, or such other appropriate official if an investigation substantiates a fraudulent act.
- Consult with law enforcement agencies, as necessary, if a substantiated fraudulent act has criminal implications.
- Administer oaths and compel the production of books, papers, and other evidence material to investigations.
- Support the CCC's Probate Department and the 14th Judicial Circuit Court, guardianship assignments by conducting audits and investigations of guardianship activities.

Authority

Under Article VIII, Section 1. (d) of the Florida Constitution, "...the Clerk of the Circuit Court shall be ex-officio clerk of the Board of County Commissioners, auditor, recorder, and custodian of all county funds." Article V, Section 16 of the Florida Constitution also specifies these duties. The law also confers onto the Clerk the responsibility to act as the County's auditor. Additionally, Section 744.368 of the Florida Statutes, the Clerk "shall audit the verified inventory and the accountings. The clerk shall advise the court of the results of the audit."

Pursuant to this legal authority, the Clerk has established the Department of Inspector General to fulfill audit and investigation responsibilities, excluding the pre-audit of disbursements from BCC funds, which is performed by the CCC's Finance Department. The Department of Inspector General conducts post-audit reviews of the pre-audit function.

The Inspector General (IG), serving as the Chief Audit Executive (CAE) for the Clerk, shall be accountable to the Clerk to:

- Conduct internal audits of BCC and the CCC operations
- Investigate suspected fraud, waste, and abuse directed against the BCC and CCC.
- Report significant issues related to the processes for controlling BCC and CCC operations, including recommendations for improvements to those processes, and provide information concerning such issues through final resolution.
- Coordinate with and provide oversight of other control and monitoring functions (e.g., risk management, compliance, security, legal, ethics, environmental, external audit) as directed by the Clerk.
- Report periodically on the Department of Inspector General's compliance with professional standards and the results of its quality assurance and improvement program.

The Department of Inspector General is authorized to:

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

The Department of Inspector General is **not** authorized to:

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

Independence and Objectivity

To ensure the independence and objectivity of the Department of Inspector General, its personnel report directly to the Inspector General (IG), who serves as the Chief Audit Executive (CAE) and reports functionally and administratively to the CCC. As an elected Constitutional Officer under Article VIII, Section 1(d) and Article V, Section 16 of the Florida Constitution, the Clerk is accountable to the citizens and taxpayers of Bay County, ensuring independence from undue influence by other County entities or officials.

The IG/CAE shall have direct and unrestricted access to the Clerk for reporting purposes and may communicate directly with the Bay County Board of County Commissioners (BCC) when necessary to report significant findings, ensure transparency, or address matters of public interest. The Clerk, as County Comptroller and Auditor, facilitates communication with the BCC, but this does not limit the IG's ability to engage directly with the BCC or other oversight bodies as required.

The Department of Inspector General is organizationally independent from the operations and functions it audits, reviews, or investigates, having no direct responsibility for or authority over these areas. To further safeguard independence, the Department adheres to the following principles:

- **Conflict of Interest Protections:** The IG/CAE and staff shall comply with a code of ethics consistent with the Institute of Internal Auditors' Code of Ethics and the Association of Inspectors General's Principles and Standards, disclosing any potential conflicts of interest and recusing themselves from assignments where impartiality could be compromised.
- **Budgetary Independence:** The Department's budget shall be allocated in a manner that supports its ability to perform audits and investigations without interference from entities subject to its oversight, subject to approval by the Clerk.
- **Freedom from Interference:** The IG/CAE has the authority to determine the scope, timing, and methodology of audits and investigations without external direction or limitation from audited entities, ensuring objective and unbiased outcomes.

- **External Quality Assessments:** The Department shall undergo periodic external quality assessments, at least every five years, to validate its independence and compliance with professional standards, as recommended by the Institute of Internal Auditors (Standard 1312).
- **Whistleblower Protections:** The IG/CAE and staff shall adhere to procedures that protect the confidentiality of whistleblowers, consistent with Section 112.3187, Florida Statutes, when conducting investigations involving whistleblower complaints.
- **Periodic Charter Review:** The Clerk shall review this Charter, including the Independence section, at least every three years to ensure it remains aligned with applicable laws, professional standards, and the needs of Bay County.

These measures collectively ensure that the Department operates with the independence necessary to provide objective assurance and uphold public trust in Bay County's governance.

Confidentiality

The Department shall maintain the confidentiality of sensitive information obtained during audits, investigations, and consulting activities to protect the integrity of its work and uphold public trust. The IG/CAE, and all Department staff shall adhere to the following principles:

- **Protection of Sensitive Information:** The Department shall safeguard all records, data, and information obtained in the course of its duties, disclosing such information only as required by law, authorized by the CCC, or necessary to fulfill audit or investigative objectives, in accordance with Chapter 119, Florida Statutes, and applicable exemptions.
- **Whistleblower Confidentiality:** When handling complaints or investigations involving whistleblowers, the Department shall protect the identity and information of complainants, consistent with Section 112.3187, Florida Statutes, and ensure that such information is exempt from public disclosure unless otherwise required by law.
- **Compliance with Professional Standards:** The IG/CAE and staff shall adhere to the confidentiality requirements outlined in the Institute of Internal Auditors' Code of Ethics and the Association of Inspectors General's Principles and Standards, ensuring that confidential information is used solely for authorized purposes and protected from unauthorized access or disclosure.
- **Secure Handling of Records:** The Department shall implement appropriate administrative, technical, and physical safeguards to secure sensitive records, including electronic and paper-based documents, and ensure compliance with Florida's public records retention and security requirements.
- **Limited Disclosure:** Information obtained during audits or investigations shall be shared only with individuals or entities with a legitimate need to know, such as the Clerk, the BCC, or law enforcement agencies, as necessary to resolve findings or pursue legal action.

These measures ensure that the Department of Inspector General maintains the confidentiality of sensitive information while fulfilling its responsibilities to promote accountability and transparency in Bay County's governance.

Responsibility

The IG/CAE and staff of the Department have the authority and responsibility to:

- Develop a flexible, risk-based annual audit plan, incorporating a formal risk assessment that considers input from the CCC, BCC, and other stakeholders, as well as emerging risks and organizational priorities, consistent with Standard 9.2 of the IIA's Global Internal Audit Standards, and submit the plan to the Clerk for review and approval.
- Implement the approved annual audit plan, including any special tasks or projects requested by the Clerk, the BCC, or the County Manager.
- Initiate audits or investigations and assist management throughout the year, even if not included in the annual audit plan.
- Conduct audits and investigations of all agencies within the scope defined above and issue reports thereon.
- Follow-up on audit and investigation findings and report on the status of (recommendation) implementation.
- Utilize technology, including data analytics and automated tools, to enhance the efficiency and effectiveness of audits and investigations, ensuring staff are trained to maintain proficiency in these areas, consistent with Standard 10.3 of the IIA's Global Internal Audit Standards.
- Evaluate and provide recommendations to enhance the governance processes of the BCC and CCC, including board policies, ethical frameworks, and oversight mechanisms, consistent with Standard 1.4 of the IIA's Global Internal Audit Standards.
- Maintain a professional audit and investigative staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter. The IG shall hold or obtain, within 12 months of appointment, certification as a Certified Inspector General Auditor by the Association of Inspectors General.
- Establish and maintain a quality assurance and improvement program that includes ongoing internal assessments and external assessments at least every five years, to evaluate conformance with the IIA's Global Internal Audit Standards and ensure continuous improvement of audit and investigative activities, as required by Standard 8.2.
- Perform consulting services, beyond assurance services, to assist management in meeting its objectives, ensuring such engagements are clearly defined in scope and objectives, maintain independence, and comply with Standard 6.2 of the IIA's Global Internal Audit Standards. (e.g., facilitation, process design, training, and advisory services).
- Inform the Clerk of emerging trends, successful practices in auditing and investigations, and the impact of resource limitations on the internal audit plan.
- Maintain the fraud, waste, and abuse hotline and conduct investigations as warranted.
- Consider the scope of work of external auditors, state auditors (e.g., Department of Financial Services, Florida Auditor General, Legislative Audit Committee) and regulators to provide optimal audit coverage to the organization at a reasonable overall cost.

Standards of Audit and Investigative Practices

The Department of Inspector General shall govern itself by adherence to:

1. The mandatory elements of the Institute of Internal Auditors' Global Internal Audit Standards, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the Standards, as well as the Definition of Internal Auditing. The Department shall promote an ethical culture within Bay County by modeling integrity and ethical behavior in all audit and investigative activities, consistent with Standard 2.1.
2. Principles and Standards for Offices of Inspector General of the Association of Inspectors General.

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.


BILL KINSAUL

Clerk of Court and Comptroller


Date


HILLARY PARKER

Inspector General


Date