

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

2019 Legislative Session

Legislative Day No. 06

Resolution No. 57-2019

Introduced by: The President of the Council

**A RESOLUTION ACCEPTING THE AUDIT REPORT
ON SOLID WASTE INVENTORY**

WHEREAS, under Section 305, titled "County Internal Auditor" of the Charter of Wicomico County, Maryland, the Internal Auditor is charged with the duty to report on internal accounting controls, administrative and operating practices and procedures, and other pertinent financial and compliance matters within Wicomico County; and

WHEREAS, the Internal Auditor has submitted an Audit Report on Solid Waste Inventory. The objectives of the audit were as follows: (1) Evaluate internal control over parts and inventory; (2) Assure adherence to controls; and (3) Evaluate methodology for disposition of obsolete inventory.

NOW, THEREFORE, BE IT RESOLVED, by the County Council of Wicomico County, Maryland that the Solid Waste Inventory Protocol Audit Report, attached as Exhibit A, is accepted.

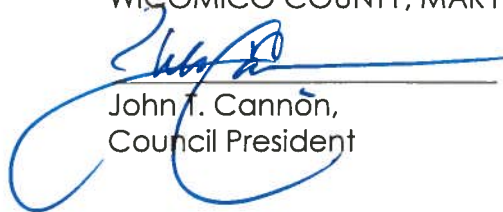
Done at Salisbury, Maryland, this 19th day of March, 2019.

ATTEST:

COUNTY COUNCIL OF
WICOMICO COUNTY, MARYLAND



Laura Hurley,
Council Administrator



John T. Cannon,
Council President

CERTIFICATION

This Resolution was Adopted , Adopted with Amendments ____, Failed ____, Withdrawn ____ by the County Council on March 19, 2019.

Certified by 

Laura Hurley, Council Administrator



Wicomico County, Maryland
OFFICE OF THE INTERNAL AUDITOR

P.O. BOX 870
SALISBURY, MARYLAND 21803-0870
410-548-4696
FAX 410-548-7872



Steve Roser, CPA, CIA/CRMA, CFE
Internal Auditor
Levin Hitchens III
Assistant Internal Auditor

February 22, 2019

Internal Auditor's Report

The County Council and County Executive of Wicomico County, Maryland:
Pursuant to Section 305(D) of the Wicomico County Code and Council Resolution No. 81-2018, the Office of the Internal Auditor (IA) has conducted a review of the inventory protocol for Solid Waste. The purpose of the audit was to assure internal control over the handling of automotive parts and related inventory items and to assess adherence to those controls.

IA conducted the audit with due professional care, and IA planned and performed the audit to obtain reasonable assurance about whether the inventory control practices are in compliance with applicable policies and procedures and whether those policies and procedures are adequate to obtain an acceptable level of control.

IA extends our appreciation to Management and Staff of Wicomico County Public Works for their timely assistance, cooperation, and candid assessment of the Solid Waste inventory program.

Respectfully submitted,

J. Stephen Roser, CPA

J. Stephen Roser, CPA
Internal Auditor

Contents

Internal Auditor’s Report	1
Contents.....	2
Audit Report.....	3
Background	3
Objectives	3
Scope and Methodology	3
Conclusion.....	3
Auditor Comment	3
Auditor’s Closing Remark.....	4
Photographs of Secure Inventory Storage Area (1/3/2019).....	4

Audit Report

Background

The County hired a new Inventory Specialist for Solid Waste during FY2019. The Auditor held numerous meetings with Solid Waste Accounting and Inventory Specialists to track the progress of reestablishing Solid Waste inventory for mechanical parts and other items in the available JJ Keller software. The software designs allow for tracking of inventory through entry of purchases and usage (work orders) for the affected items. Solid Waste uses periodic physical counts to test the inventory records.

Objectives

The objectives of the audit were to:

1. Evaluate internal control over parts and inventory
2. Assure adherence to controls
3. Evaluate methodology for disposition of obsolete inventory

Scope and Methodology

Objectives and methodology were adjusted as information was gathered. The audit period examined on a test basis was FY2018 to date. The Scope was open ended. Observations and Inquiries with appropriate personnel were conducted, as well as examination of various documents (subject to change based on preliminary surveys and interviews) pertaining to the following:

- Map inventory process
- Evaluate internal controls

Conclusion

Based on testing, evidence gathered, observations, and interviews performed pursuant to the Solid Waste Inventory Audit, the Auditors are of the opinion that the Solid Waste Inventory is currently at a level satisfactory¹ to the criteria tested.

Auditor Comment

Solid Waste Personnel (in the Auditor's opinion) successfully converted spreadsheet inventory records to an electronic software version designed to better control and account for inventory levels. It should be noted that the JJ Keller software system is identical to the system employed by Roads Division allowing for consistency. Additionally the Auditors worked closely with our External Auditors (PKS & Company, PA) on this matter and we will continue to monitor the efficacy of the inventory protocol at Solid Waste.

¹ For the purposes of this audit, IA uses a three-tier grading system recommended by the International Professional Practices Framework (IPPF) as expressed by the IPPF Practice Guide issued March 2009. The three tiers are Inadequate System of Internal Control, Adequate System of Internal Control, and Satisfactory System of Internal Control. Satisfactory findings indicate that overall controls are satisfactory, although some enhancements may be recommended. It is the highest rating on the scale.

Auditor's Closing Remark

The Wicomico County Office of the Internal Auditor would like to thank management and staff from Wicomico County Department of Public Works for their timely cooperation and assistance during the audit.

Photographs of Secure Inventory Storage Area (1/3/2019)





Laura Hurley

From: Steve Roser
Sent: Tuesday, February 26, 2019 12:35 PM
To: John Cannon; Laura Hurley
Cc: Levin Hitchens III; Lynn Sande
Subject: Solid Waste Inventory Audit
Attachments: Audit Report SW Inventory FY2019.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Hi John and Laura

The Auditors would like to present the attached Audit Report for resolution and possible acceptance during the March 19 Legislative Session

Thanks!

Steve

Steve Roser, CPA/CIA/CFE

Internal Auditor

Wicomico County, MD

Office: 410-548-4696

Cell: 443-783-1432

Fax: 410-548-7872

The above message (including attachment/s if any) contains privileged and confidential information intended only for the use of the addressee named. If you are not the intended recipient of this message, you must not copy or take any action in reference to it. If you have received this message in error, please notify Steve Roser, CPA immediately and delete all copies from your system.