

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

2013 Legislative Session

Legislative Day No. 22

Resolution No. 132-2013

Introduced by: The President of the Council

A RESOLUTION ACCEPTING THE ANNUAL REPORT SUBMITTED
BY THE COUNTY INTERNAL AUDITOR.

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 Annual Report that includes Completed Audits, Audits Under Way, Follow-Up Projects, and a summary of other items completed by the Office of the Internal Auditor.


NOW, THEREFORE, BE IT RESOLVED, by the County Council of Wicomico County, Maryland that the Annual Report submitted by the County Internal Auditor, attached as Exhibit A, is hereby approved and adopted.

Done at Salisbury, Maryland, this 5th day of November, 2013.

ATTEST:

COUNTY COUNCIL OF
WICOMICO COUNTY, MARYLAND


Matthew E. Creamer,
Council Administrator


Matt Holloway,
Council President

CERTIFICATION

This Resolution was Adopted , Adopted with Amendments , Failed , Withdraw by the County Council on November 5, 2013.

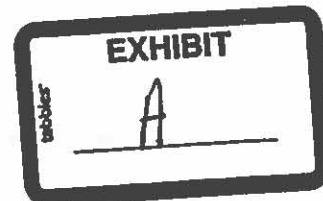
Certified by 
Matthew E. Creamer, Council Administrator



Wicomico County, Maryland

OFFICE OF THE INTERNAL AUDITOR

P.O. BOX 870
SALISBURY, MARYLAND 21803-0870
410-348-1696
FAX 410-348-7872



Steve Roser CPA, CIA, CRMA
Internal Auditor

November 5, 2013

Annual Report

Background

The Office of the Internal Auditor for Wicomico County (IA) submits herewith a progress report on the third year in office for Steve Roser CPA. Your Internal Auditor would like to thank the County Council for the opportunity to serve Wicomico County in this capacity. I would also like to thank County Executive Rick Pollitt, Council Administrator Matt Creamer, and the Wicomico County Audit Committee for their invaluable support during the past year. Additional thanks go to the Department Heads (especially the Directors of Administration and Finance), County Accounting Professionals, and all the other associates within the county and the State of Maryland who have been so supportive in their interest and openness when it comes to assessing various County functions. Any success we enjoy as IA and Audit Committee is directly attributable to the people who make Wicomico County work.

Completed Audits

ESG Contract Compliance

We followed the progress during the energy upgrade to numerous County facilities in order to assure contract compliance. A large amount of future work remains to assure the guaranteed savings contained in the energy contract. That process should begin as soon as the County gathers enough financial data to do so.

Fleet

IA Performed an audit of the County fleet excluding the Sheriff's Office vehicles. Objectives were to assure that vehicles are used in compliance with existing rules and to evaluate efficiency and effectiveness. We concluded that current fleet practices are at a level satisfactory to the objectives. Additionally, we made several recommendations to management.

Landfill Fees and Billing

Landfill cash audit objectives were to assure proper record keeping and evaluate internal controls. Several findings were addressed and efforts are underway to follow-up.

Landfill Inventory

The Landfill Inventory Audit revealed a satisfactory system in place to control storage and usage of parts and other inventory items. Additionally, the audit revealed a robust inventory system that is well organized and lean.

RedSpeed

The RedSpeed audit focused on developing an understanding of operations and internal control assurance. The program was found to be satisfactory to its stated purpose: reduction of speeding violations in designated school zones.

Roads Division Inventory

The Roads Division Inventory Audit revealed significant gaps in internal control. Roads Division staff and management are working to correct problems. IA will follow-up on the progress.

Revenue Recognition Consultation

IA was asked to review selected workpapers from Finance analyzing trends and regression analysis for collection of income taxes in the County. The report appears along with the other approved reports on the County website.

Liquor Control Board Formula Consultation

IA assisted Council and the Liquor Control Board (LCB) in the codification of a formula used to calculate the County payment from LCB. Please see Resolution 127-2013 for more information.

Audits Under Way

The following projects were under way as of November 2013:

- Service Contracts Audit
- Assets Audit
- Festivals Cash Audit

Scope and objectives for these and other planned projects can be found in the FY2014 Annual Audit Plan.

Follow-up

Many of our completed projects require follow-up. Subsequent work on many of these audits is just as important (and time-consuming) as the audit itself. IA performed additional work on the following completed projects:

- FLSA Project
- Hotline
- Humane Society
- Vendor Audit
- DOC Inmate Accounts Audit
- Fuel Audit
- Postage Audit
- Telecommunications Audit

Other Items

This office performed five investigations unrelated to the audits concerning various areas of the County on a variety of issues. Additionally, IA completed the following reports and projects for the benefit of the Office of the Internal Auditor, County Council, and the County Executive:

- Completion of the FY 2014 Annual Audit Plan
- Annual Risk Assessment
- Participation in the budget process as an independent observer
- Successful completion of all requirements for the credentialed designation: Certification in Risk Management Assurance (CRMA)
- Participation on the County Safety Committee as an independent observer
- Assisting in the management of hotline complaints in the prescribed manner
- Attendance at County Council meetings
- Coordinating and conducting Audit Committee quarterly meetings
- Maintaining required CPEs for CPA/CIA/CRMA licensing
- An Independence Declaration required by the Standards issued July 2013
- Assist with ERP planning as an independent source
- Acquiring intern assistance from Salisbury University with the support of Dr. Keeton
- Collaborate with external auditors on numerous matters
- Begin the process of qualifying as a Certified Fraud Examiner
- Facilitate email security roundtable discussion
- Other minor projects
- Participation with:
 - The Institute of Internal Auditors
 - IIA Baltimore Chapter
 - MACPA
 - AICPA
 - MDGFOFA
 - ACFE

Closing Remark

The Office of the Internal Auditor would like to thank all those who participated in the various projects described herein. The quality of relationships previously developed with Council, Senior Management, and County associates in the spirit of cooperation for the betterment of Wicomico County, and in effort to improve efficiency and effectiveness, was further developed to everyone's benefit. As always, I hope all stakeholders view any small contribution this office made in the past year favorably.

Respectfully Submitted,

Digitally signed by J. Stephen Roser, CPA
DN: cn=J. Stephen Roser, CPA, o, ou,
email=srosier@wicomicocounty.org, c=US
Date: 2013.10.18 08:21:17 -04'00'

J. Stephen Roser CPA/CIA/CRMA
Internal Auditor