

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

2017 Legislative Session

Legislative Day No. 26

Resolution No. 161-2017

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 Internal Auditor during Calendar Year 2017.

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 21st day of November, 2017.

ATTEST:



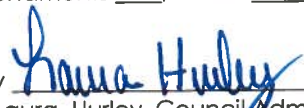
Laura Hurley,
Council Administrator

COUNTY COUNCIL OF
WICOMICO COUNTY, MARYLAND


John T. Cannon,
Council President

CERTIFICATION

This Resolution was Adopted , Adopted with Amendments ____, Failed ____, Withdrawn ____ by the County Council on November 21, 2017.

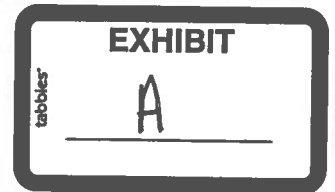
Certified by 

Laura Hurley, Council Administrator



Wicomico County, Maryland
OFFICE OF THE INTERNAL AUDITOR

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Steve Roser CPA, CIA/ CRMA, CFE
Internal Auditor

November 6, 2017

Annual Report

Background

The Office of the Internal Auditor for Wicomico County (IA) submits herewith a progress report for the seventh 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 Bob Culver, Council Administrators Matt Creamer, and Laura Hurley along with the Wicomico County Audit Committee for their invaluable support during the past year. Additional thanks go to the Department Heads, 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

Concessions Audit

We evaluated concessions operations at the Wicomico County Youth and Civic Center. A robust system of controls was in evidence during our observations including the handling of alcohol.

Paving Consultation

IA evaluated the process of maintaining various county road surfaces with an emphasis on determining maintenance schedules. We found a well-maintained comprehensive system for road surface evaluation, scheduling, and resurfacing (especially given our limited resources).

Fuel System Audit

The fuel system showed improvement over past audits. The County is finally able to address some of the problems with the AIM unit compliance.

Payroll Audit

Human Resources currently manages payroll. We found several areas where (in our opinion) internal controls need some work. HR and Finance management disagreed with some of our findings. The auditors will continue to monitor controls.

E-Recyclables Audit

The auditors found adequate internal controls and adherence to controls for the processing of electronic recyclables. The county faces reduced commodity prices for e-recyclables. Solid Waste expects the trend to continue. The county must nonetheless continue to find ways to reduce landfill tonnage.

Audits Under Way

The following projects were under way as of November 2017:

- Inventory Audit
- Cell Phone Audit
- Accruals Audit

Scope and objectives for these and other planned projects can be found in the FY2018 Annual Audit Plan posted on the county website.

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:

- Conservation Funds
- E-recyclables
- Fuel
- Hotline Protocols
- Landfill Fees
- Medical Claims
- Munis Security

Other Items

The Auditor assisted Council with evaluation of the budget by performing analysis and gathering additional information. Additionally we vetted 39 applications, held interviews, and hired Levin Hitchens III as the County Assistant Internal Auditor. Mr. Hitchens begins county service on November 9, 2017. Special thanks go to Council Administrator Hurley and the Audit Committee for their assistance in the process.

This office performed five investigations (including two hotline complaints) unrelated to the audits concerning various areas of the County on a variety of issues. Some of the investigations consumed large amounts of time. Additionally, IA completed the following reports and projects for the benefit of the Office of the Internal Auditor, County Council, and the County Executive:

- Administrative sessions with Council
- Website maintenance for posted Audit Reports
- FY 2017 Annual Report
- Audit Committee matters
- FY 2018 Annual Audit Plan
- Countywide Risk Assessment
- IA attended most budget hearings and County Council Meetings
- Review of numerous budget matters
- Review of the County fraud hotline
- Independence Declaration
- Coordination with external auditors
- Review of Liquor Control Board, Board of Education, and other financial reports
- Participation in the County Safety Committee
- Acquire continuing education hours to support retention of four certifications
- Participation with:
 - The Institute of Internal Auditors
 - Institute of Internal Auditors Baltimore Chapter
 - Maryland Association of CPAs
 - American Institute of CPAs
 - Maryland Government Finance Officers Association
 - Association of Certified Fraud Examiners

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,

J. Stephen Roser, CPA

J. Stephen Roser CPA
Internal Auditor