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## **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. 120-2015, the Office of the Internal Auditor (IA) has conducted an audit of the Wicomico County States Attorney's Misdemeanor Offender Program. A report is submitted herewith. The purpose of the audit was to gain an understanding and evaluate the program.

IA extends appreciation to Management and Staff at the States Attorney's Office and County Finance for their timely assistance, cooperation, and candid assessment of the Misdemeanor Offender Program.

Respectfully submitted,

J. Stephen Roser, CPA  
Internal Auditor

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## Audit Report

### Background

#### Misdemeanor Offender Program

The Wicomico County States Attorney Office created the Misdemeanor Offender Program (MOP) in an effort to assist the District Court with minor first time offenders. The program presently consists of first time drug and alcohol offenders. Theft is no longer included in the program. Participants must pay a participation fee and perform community service. A typical participation fee is \$80. Required community service is usually 40 hours for drug related offences and 20 hours for alcohol related offences. According to the program administrator, most participants are young (teens and twenties). Service is complete when participants present required evidence of completion (within 90 days) verified by the program administrator. Benefits of the program include:

- Reduction of prosecutor time to deal with such matters
- Reduced court time
- Reduced court docket
- Reduced incarceration expense
- Generates revenue for the general fund

#### Audit Objective

The objectives of the audit were to:

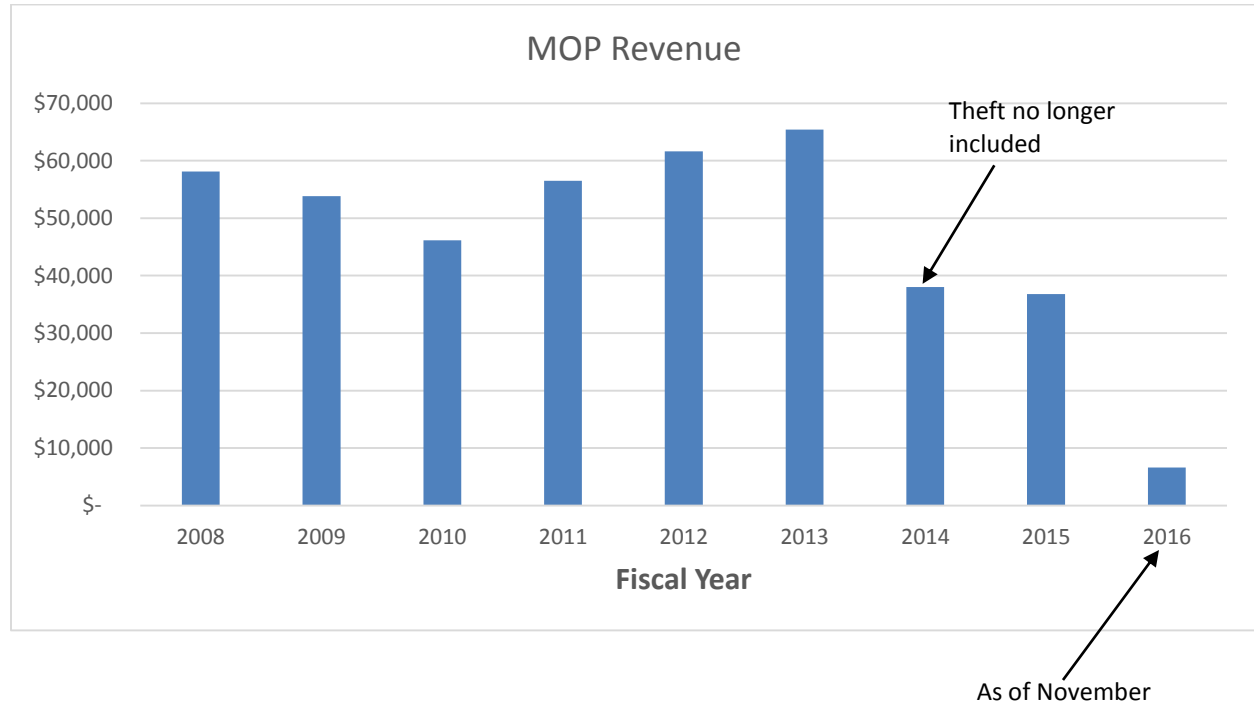
1. Gain an understanding of the MOP
2. Evaluate internal control over the accounting process
3. Make recommendations (if appropriate)

#### Scope of the Audit

The audit period examined on a test basis was FY2015 and FY2016 to date. The Scope was open ended. Observations, interviews, and Inquiries with appropriate personnel were conducted. IA performed inspections of selected documentation including bookkeeping records, aging reports, journal entries, deposit receipts, and accounts receivable.

#### General Statistics and Highlights

IA evaluated record keeping and internal control including separation of duties related to cash handling and found no anomalies. Program revenue fell sharply in FY2014 when theft was no longer included in the program. Additionally, due to changes in the Maryland marijuana laws, revenue is again down sharply as of November for FY2016. The following graph denotes program revenue from FY2008 to November 2016:



**Bookkeeping**

The program administrator maintains records in spreadsheet format. We are of the opinion that spreadsheet record keeping for a program of this size and scope is sufficient. IA (with Council’s permission) can assist the administrator in an effort to enhance the record keeping (if desired) by the inclusion of pivot tables and additional formatting within the current system.

**Conclusion**

Based upon evidence gathered along with observations and interviews, we determine that the MOP established internal controls and adherence to those internal controls are at a satisfactory<sup>1</sup> level.

**Auditor’s Closing Remark**

The Office of the Internal Auditor would like to thank the program administrator and others in the States Attorney Office and in the Finance Department for their candid assessment of the program and prompt responses to information requests.

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<sup>1</sup> 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.

### Appendix I - Internal Control Mapping

#### WCSA - internal control for MOP cash

