



Wicomico County, Maryland
OFFICE OF THE INTERNAL AUDITOR

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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. 86-2016, the Office of the Internal Auditor (IA) conducted a review of the Wicomico County Conservation Funds. A report is submitted herewith. The purpose of the consultation was to gain an understanding of the fund accounting and reporting requirements.

IA conducted the consultation with due professional care, and IA planned and performed the consultation to obtain an understanding of the current practices, analyze reporting requirements, and accounting methodology for Wicomico County Conservation Funds.

IA extends our appreciation to management and staff from the County Planning and Zoning, Information Technology, and Finance for their assistance.

Respectfully submitted,

J. Stephen Roser, CPA

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Consultation Report

Background

Wicomico County has two Conservation Funds that were the focus of this inquiry:

1. Forest Conservation Program
2. Critical Areas Fund Program

The focus of this inquiry was to evaluate accounting for the programs.

Objectives

The objectives of the consult were to:

1. Review the Forest Conservation Program
2. Review the Critical Areas Fund Program
3. Evaluate efficiency and effectiveness regarding accounting/bookkeeping
4. Make suggestions (if appropriate)

Scope

The engagement was a consultation with primary focus on understanding County mandated programs for conservation and critical areas. The Scope was open ended. Observations and Inquiries with appropriate personnel were conducted, as well as examination of various documents:

- Applicable law
- Applicable regulations
- Recordkeeping for associated revenue and expenses

Critical Area Resource Protection

The County Council established Critical Areas in 1989. Critical Areas established special regulatory protection for land and water resources located within defined Chesapeake Bay critical areas by preserving or creating afforestation within certain guidelines. According to management, the fund administration started with a \$40,000 state grant and two staff members. Regulations apply generally within 1,000 ft. of waterways including the unincorporated County and Salisbury. Developers can preserve or create afforestation within the guidelines. Alternatively, developers can pay into the fund allowing the County to create the barriers.

Forest Conservation

In 1994, the County Council adopted the Forest Conservation Program. The stated purpose was to establish special regulatory protection for forest and timberlands and to minimize the adverse effects of development on water quality. According to management, these provisions affect developments that are located more than 1,000 ft. from waterways and include municipalities. Developers have options for this program similar to those of the Critical Areas program.

Conclusion

IA offers no conclusion based upon this exercise. However, we would like to point out some issues and recommend a few changes in order to increase the efficiency and effectiveness of the programs.

Findings/Recommendations

Bookkeeping for both programs takes place initially in the Planning and Zoning Office. Numerous reports to various regulatory agencies must be filed regularly. Additionally, the day-to-day operation of the programs requires the acceptance of revenue and disbursements for expenditures. Planning and Zoning must work closely with the Finance Department in order to keep the programs functioning. IA reviewed the process and we offer the following recommendations:

1. Adjust the Munis security settings for the defined position(s) responsible for the day-to-day operation of the funds and allow read-only access to applicable data. Increased read-only access will provide additional efficiency with regard to reporting and other considerations while preserving Finance Department oversight.
2. Fund 14 in the Munis accounting system isolates the Forest Conservation Funds. It is IA understanding, however, that Critical Areas transactions take place within the general fund. IA recommends the creation of a separate fund to account for Critical Areas.

Auditor Comment

This office would like to express appreciation to Planning and Zoning, Information Technology, and Finance for their excellent cooperation and assistance related to this project.