



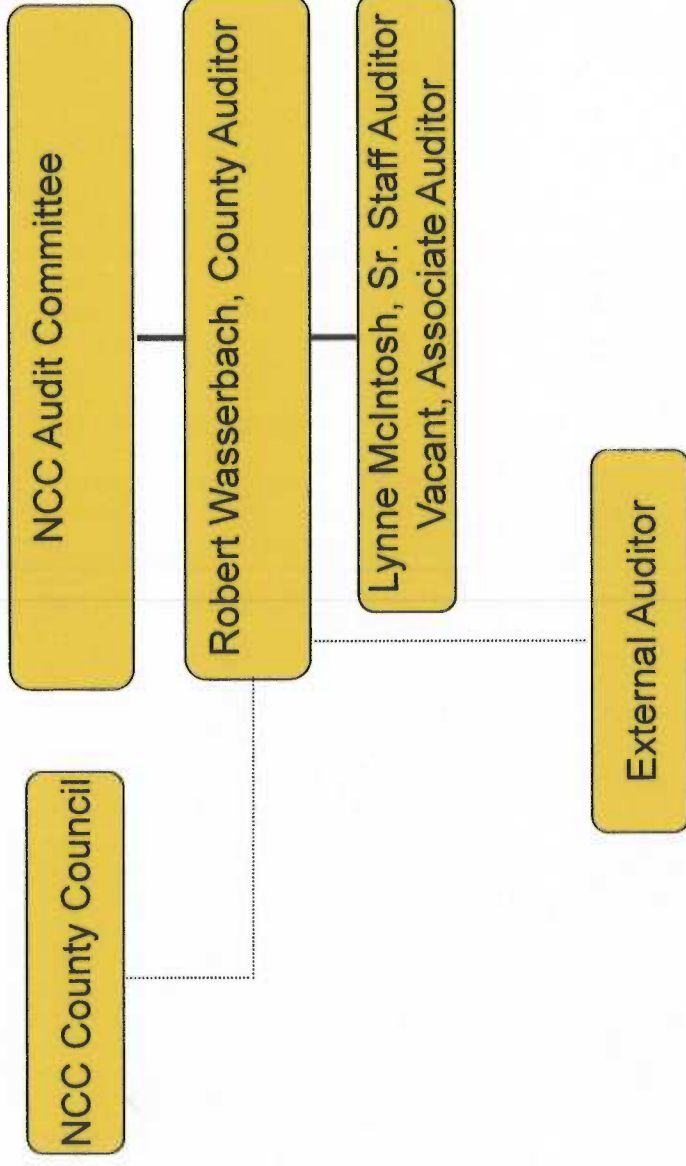
**COUNTY AUDITOR**

**FY 2017**

**BUDGET REQUEST**

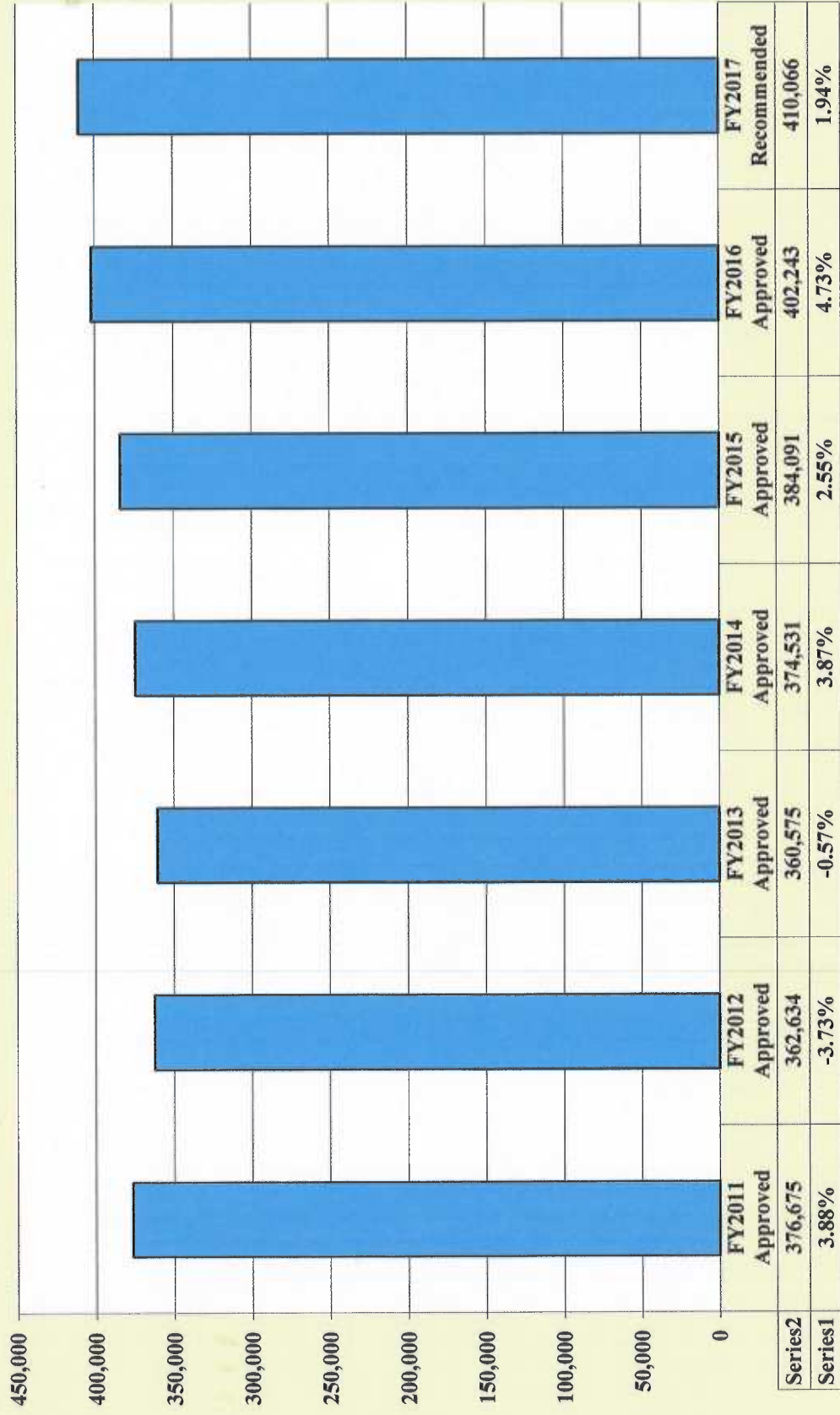
**March 29, 2016**

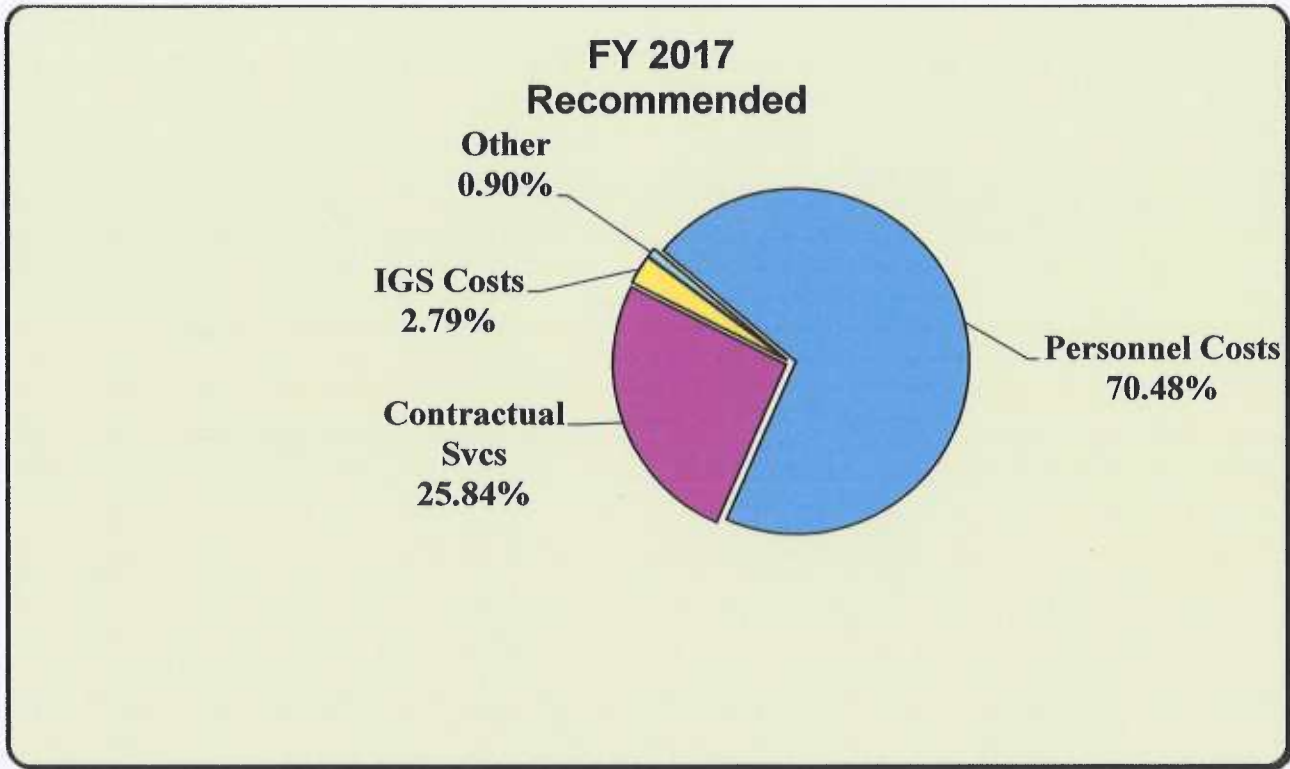
# County Auditor's Office



To assist County Government in ensuring adequate internal controls exist to mitigate the risks the County faces in achieving its objectives.

### County Auditor Budget History





<u>Object Level</u>	<u>FY 2017 Recommended</u>	<u>Percent of Budget</u>
Personnel Costs	\$289,008	70.48%
Contractual Svcs	105,950	25.84%
IGS Costs	11,433	2.79%
Other	3,675	0.90%
<b>Recommended Budget</b>	<b>\$410,066</b>	

**COUNTY AUDITOR  
FY 2017 BUDGET RECOMMENDATION**

Object Level	FY2016 Approved	FY2017 Recomm'd	FY2016 Approved vs. FY2017 Recomm'd	% Incr (Decr) over FY2016 Approved
Salaries and Wages	\$192,762	\$197,141	\$4,379	2.27%
Employee Benefits	88,939	91,867	2,928	3.29%
Training and Civic Affairs	2,925	3,300	375	12.82%
Communication and Utilities	250	225	(25)	NA
Materials and Supplies	250	150	(100)	-40.00%
Contractual Services	104,690	105,950	1,260	1.20%
Equipment Replacement	0	0	0	
Fixed Charges	0	0	0	
Land/Structures	0	0	0	
Contingency	0	0	0	
IGS Costs	12,427	11,433	(994)	-8.00%
Intragov. Service Credits	0	0	0	
<b>Total:</b>	<b>\$402,243</b>	<b>\$410,066</b>	<b>\$7,823</b>	<b>1.94%</b>

**County Auditor  
FY 2017  
Budget Recommendation**

Object Level	FY 2017 Recommended	\$ Change	% Change
<b>Salaries and Wages :</b>	<b>\$197,141</b>	<b>\$4,379</b>	<b>2.27%</b>
Regular salary increases.			
<b>Employee Benefits:</b>	<b>\$91,867</b>	<b>\$2,928</b>	<b>3.29%</b>
Regular benefit increases.			
<b>Training and Civic Affairs:</b>	<b>\$3,300</b>	<b>\$375</b>	<b>12.82%</b>
Slight dollar increase offset by decreases in other areas such as Materials & Supplies.			
<b>Communication and Utilities:</b>	<b>\$225</b>	<b>(\$25)</b>	<b>NA</b>
Slight decrease.			
<b>Materials and Supplies:</b>	<b>\$150</b>	<b>(\$100)</b>	<b>-40.00%</b>
Decrease based upon past history.			
<b>Contractual Services:</b>	<b>\$105,950</b>	<b>\$1,260</b>	<b>1.20%</b>
Current contract with external auditors provides for a slight increase each year.			
"Information System Support Services" remain at \$2,540 to reflect the utilization of a 3rd party to administer the Fraud, Waste, and Abuse Hotline.			
<b>IGS Costs:</b>	<b>\$11,433</b>	<b>-\$994</b>	<b>-8.00%</b>
This figure is supplied to us by the County Administration.			





**NEW CASTLE COUNTY  
COUNTY AUDITOR  
FY 2016 ACCOMPLISHMENTS**

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Note: Due to unfortunate circumstances beyond the control of the County Auditor's Office, the Office was restricted in its ability to perform audit work for a period of approximately six months. This unfortunate situation has now been rectified.

Performed comprehensive audit of County Investments. Audit report indicated internal controls needed improvement in the following areas:

- Development of an investment policy which is properly authorized by the County Executive.
- Periodic assessment of risk tolerance of investment portfolio(s).
- Monitoring of County investment managers to ensure compliance with County investment policy.
- Procurement of outside investment managers in a manner which complies with County Code.
- Review of contracts for investment managers.
- Transparency to County Council and to the public on various aspects of the investment process.
- Ensuring County reserve funds are easily ascertainable and withdrawals are properly authorized.

The County Investments audit also revealed that over \$90 million in County reserve funds has not been actively managed since early 2013 and, thus, has not exceeded any of the policy benchmarks.

Issued audit report on the process of customers connecting to the County sewer system and ensuring sewer billing accounts are established for such customers. The audit revealed two material weaknesses in ensuring an account is established for every customer connecting to the sewer system. We determined that there were some customers connected to the sewer system who were not paying for sewer service.

Worked with Finance Committee Co-Chairs, Office of Finance, and Special Services Department to ensure County's Fiscal Year 2015 Financial Statements reflected, in a Note, that the County intended to restrict over \$20 million in capital recovery fees for Sewer Fund debt service. Otherwise, these funds would have been available for any purpose within the Sewer Fund. Recommended to County Council that legislation be enacted to ensure these funds are restricted by Code to the payment of Sewer Fund debt service or Sewer Fund capital projects.

Performed comprehensive review of documents associated with \$3 million loan to Delaware Board of Exchange and provided memorandum to County CAO on audit concerns, including potential violations of County investment policy.

As a result of external auditor's management letter recommendation, initiated partnership with Office of Finance to begin implementing internal control concepts from "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States.

Managed, with the Finance Department, the annual Financial Statement Audit, Single Audit, and Pension Audit. The County received unmodified opinions on all three audits.



**NEW CASTLE COUNTY  
COUNTY AUDITOR  
FY 2017 CHALLENGES**

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Ensure external auditors meet key deadlines established by Finance and Audit Departments, and that the annual audited financial statements are issued on a timely basis.

Work with new County CAO to build a partnership between County Auditor's Office and Executive Office in together working to improve internal controls in County Government. Work with Office of Finance to begin implementing internal control concepts from "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the U.S.

Concentrate on performance auditing, looking for ways to increase County revenues, decrease County expenses, and ensuring County assets are adequately protected.

Help to ensure an ethical culture throughout County government by thoroughly investigating reports filed on the Fraud, Waste, and Abuse Hotline and by marketing the Hotline to ensure employees and citizens are aware of it.

Have Audit Committee approve a plan each quarter, so that the Audit Committee can then be informed at each quarterly meeting of how well the County Auditor's Office did in achieving the Quarterly Audit Plan. Having a Quarterly Plan keeps us better focused on achieving that Plan.

Engage ALGA (Association of Local Government Auditors) to perform Quality Assurance Review of County Auditor's Office to ensure compliance with GAGAS (Generally Accepted Governmental Auditing Standards).

Continue to educate County Departments and County Council on the Mission, Role, and Responsibilities of County Auditor's Office.





**NEW CASTLE COUNTY  
COUNTY AUDITOR  
FY 2017 PERFORMANCE MEASURES**

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County's audited financial statements (including results of Single Audit) issued by 12/31/16.  
County Pension Program's audited financial statements issued by 1/31/17.

Input from Executive and Legislative Branches on quarterly Audit Plans to ensure we are evaluating controls in areas management deems critical to the County.

Identification in audit reports, where applicable, of opportunities for additional revenues and/or decreased expenses.

Completion of Quarterly Audit Plan, reporting to Audit Committee of Audit Plan Progress, and Audit Committee approval of all audit reports issued.

At least four regularly-scheduled meetings with County Audit Committee.

Presentations on Internal Audit made to County Departments and the enhancement of a page on the County's website which includes key information (such as agendas for Audit Committee meetings and audit reports issued) concerning the County Auditor's Office.

Quality assurance review performed by ALGA showing the County Auditor's Office is in compliance, in all material respects, with GAGAS.

**New Castle County  
County Auditor  
FY 2017 Contractual Services Details**

OCA	OCA Title	Object Level	Object Level 3 Title	FY 2017 Budgeted Amount	Explanation		
010200	County Auditor	5401	Accounting & Auditing Fees	103,410	Funding is primarily for external auditors.		
		5406	Other Professional Services	0			
		5409	Info. Systems	2,540	3rd Party Administrator for Fraud, Waste, & Abuse Hotline.		
		Subtotal Contractual Services				\$ 105,950	
				IGS Costs			
		5900	IS Contractual-Data Processing	11,058			
		5901	IS Contractual - Photocopies	\$ 300			
		5902	IS Contractual - Printing	\$ 75			
		Subtotal IGS Costs			\$ 11,433		
		<b>Total Contractual Services &amp; IGS Costs</b>				<b>\$ 117,383</b>	

**New Castle County  
County Auditor  
FY 2017 Budget Detail**

FY 2017 Recommended Budget	Object Level 1	Object Level 3	Total
	11 Salaries & Wages	1001 Salaries & Wages - FT	162,141
		1002 Salaries & Wages - PT	35,000
	<b>11 Salaries &amp; Wages Total</b>		<b>197,141</b>
		1500 Employee Benefits - FT	88,367
	15 Employee Benefits	1520 Employee Benefits - PT	3,500
	<b>15 Employee Benefits Total</b>		<b>91,867</b>
	22 Training/Civic Affairs	2001 Airfare	-
		2003 Taxi and Shuttle	-
		2004 Mileage Reimbursements	100
		2005 Tolls	-
		2006 Parking Fees	50
		2010 Hotel Accommodations	500
		2020 Meals	150
		2101 Conference Fees	900
		2102 Seminar Fees	800
		2301 Membership Dues	800
	<b>22 Training/Civic Affairs Total</b>		<b>3,300</b>
	23 Communications/Utilities	3100 Postage	-
		3200 Telephone Service	225
	<b>23 Communications/Utilities Total</b>		<b>225</b>
	24 Materials/Supplies	4000 Books and Subscriptions	150
		4101 Office Supplies	-
		4104 Computer Supplies	-
	<b>24 Materials/Supplies Total</b>		<b>150</b>
	25 Contractual Services	5200 Service Contracts	-
		5401 Accounting & Auditing	103,410
		5406 Other Professional Services	-
		5409 Info. System Support	2,540
	<b>25 Contractual Services Total</b>		<b>105,950</b>
	30 IGS Charges	5900 IS Contractual - Data Processing	11,058
		5901 IS Contractual - Photographic	300
		5901 IS Contractual - Printing	75
	<b>30 IGS Charges Total</b>		<b>11,433</b>
<b>County Auditor Total</b>			<b>410,066</b>