



COUNTY AUDITOR

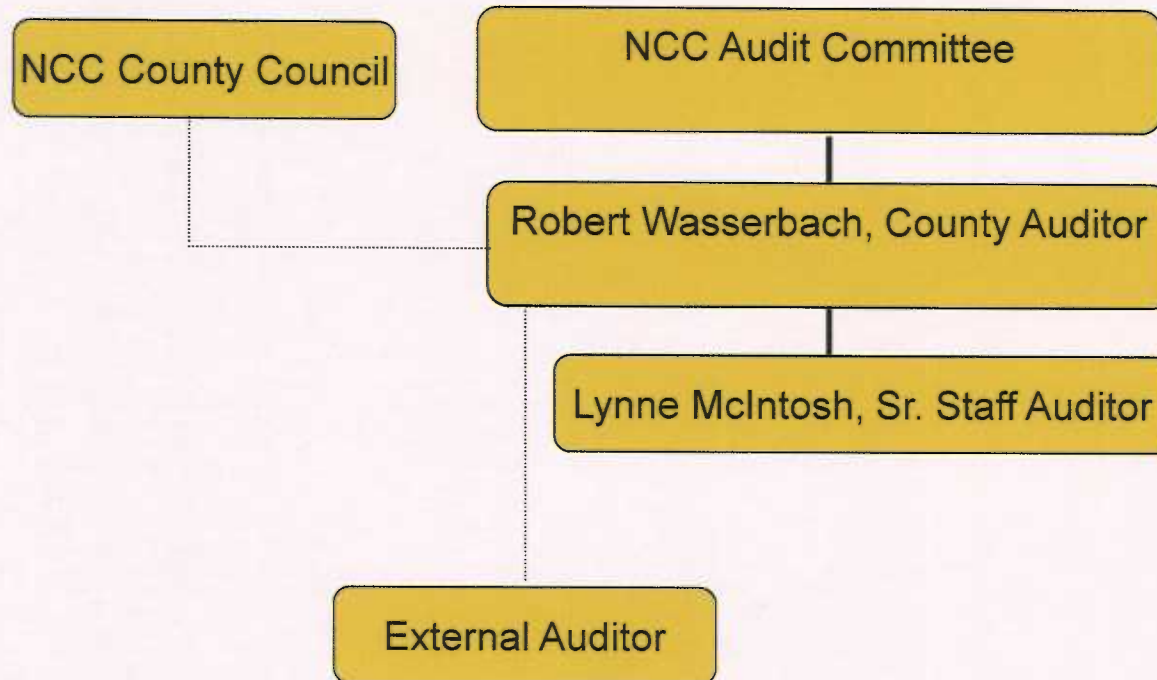
FY 2016

BUDGET REQUEST

TO COUNTY COUNCIL

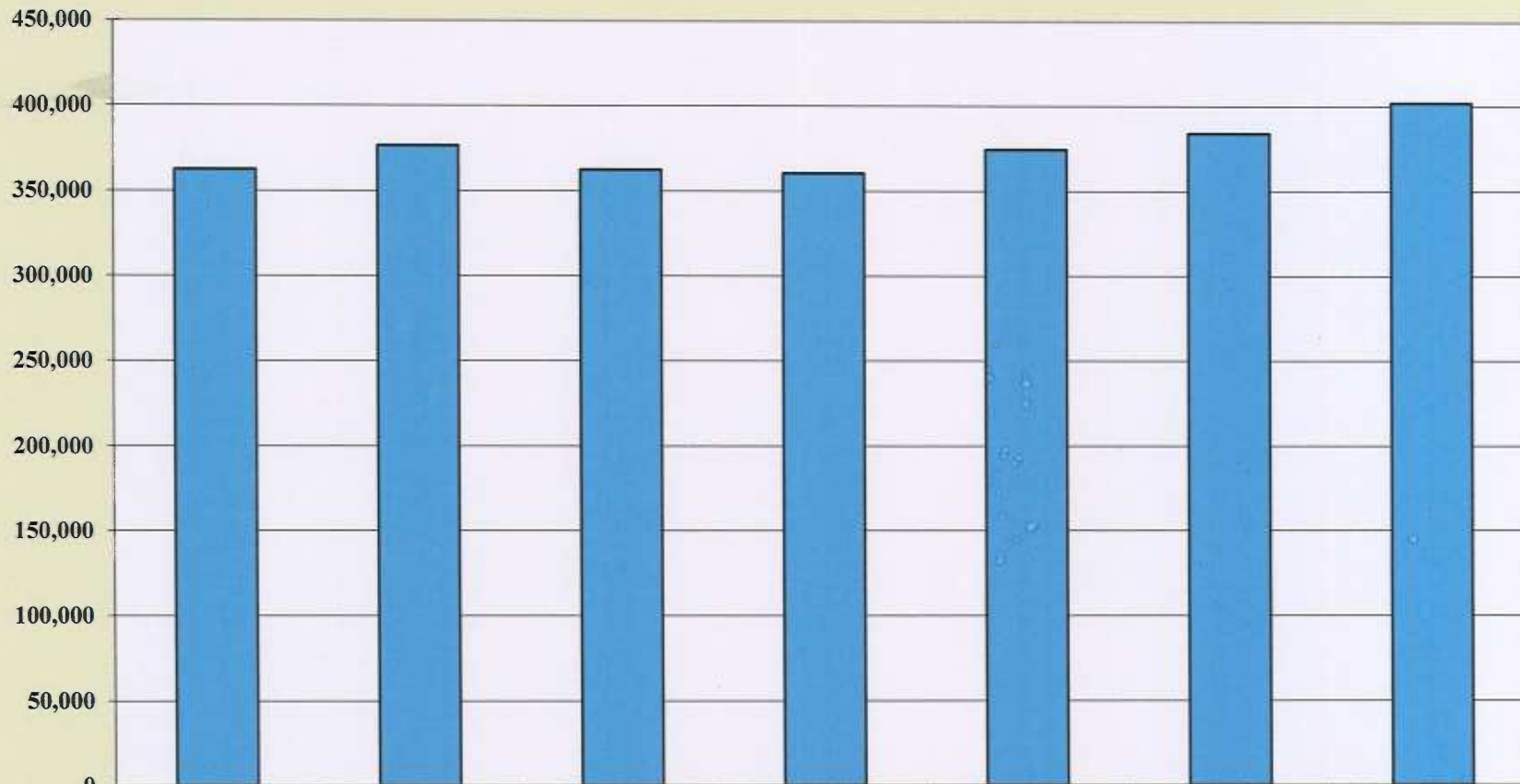
March 31, 2015

County Audit Department

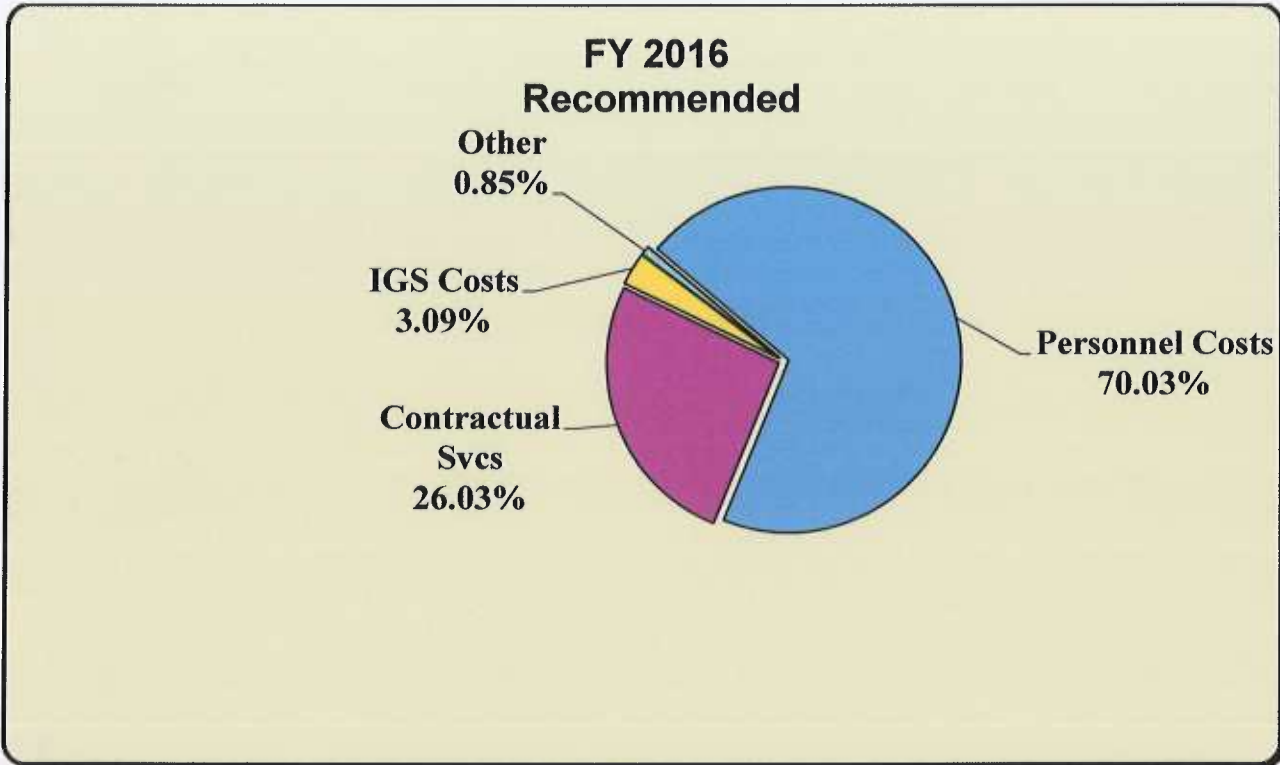


To assist County Government in ensuring adequate internal controls exist to mitigate the risks the County faces in achieving its objectives.

County Auditor Budget History



	FY2010 Approved	FY2011 Approved	FY2012 Approved	FY2013 Approved	FY2014 Approved	FY2015 Approved	FY2016 Recommended
County Auditor	362,606	376,675	362,634	360,575	374,531	384,091	402,243
% Change over PY	-7.59%	3.88%	-3.73%	-0.57%	3.87%	2.55%	4.73%



<u>Object Level</u>	<u>FY 2016 Recommended</u>	<u>Percent of Budget</u>
Personnel Costs	\$281,701	70.03%
Contractual Svcs	104,690	26.03%
IGS Costs	12,427	3.09%
Other	3,425	0.85%
<u>Recommended Budget</u>	<u>\$402,243</u>	

**COUNTY AUDITOR
FY 2016 BUDGET RECOMMENDATION**

Object Level	FY2015 Approved	FY2016 Recomm'd	FY2015 Approved vs. FY2016 Recomm'd	% Incr (Decr) over FY2015 Approved
Salaries and Wages	\$162,516	\$192,762	\$30,246	18.61%
Employee Benefits	78,415	88,939	10,524	13.42%
Training and Civic Affairs	5,073	2,925	(2,148)	-42.34%
Communication and Utilities	0	250	250	NA
Materials and Supplies	350	250	(100)	-28.57%
Contractual Services	131,540	104,690	(26,850)	-20.41%
Equipment Replacement	0	0	0	
Fixed Charges	0	0	0	
Land/Structures	0	0	0	
Contingency	0	0	0	
IGS Costs	6,197	12,427	6,230	100.53%
Intragov. Service Credits	0	0	0	
Total:	\$384,091	\$402,243	\$18,152	4.73%

**County Auditor
FY 2016
Budget Recommendation**

Object Level	FY 2016 Recommended	\$ Change	% Change
Salaries and Wages :	\$192,762	\$30,246	18.61%
Salaries and Wages reflect having on staff for the full year an Associate/Staff Auditor at a salary of \$45,795. (We are currently in the process of reviewing resumes for this position; such position was approved in the prior year's budget.)			
Employee Benefits:	\$88,939	\$10,524	13.42%
Employee Benefits increase due to having an Associate/Staff Auditor on staff for the full year.			
Training and Civic Affairs:	\$2,925	(\$2,148)	-42.34%
Decrease due to cutting back on external training.			
Communication and Utilities:	\$250	\$250	NA
Restored funding to Fiscal Year 2014 level.			
Materials and Supplies:	\$250	(\$100)	-28.57%
Decrease based upon past history.			
Contractual Services:	\$104,690	-\$26,850	-20.41%
<p>"Accounting & Auditing" fees for FY '16 are budgeted for less than last year due to knowing the exact figure to be paid for the external audits. Last year, we had not yet engaged a new external auditor and, therefore, we budgeted an estimate. We have also reduced the budgeted amount for engaging, on a contractual basis, auditors or other professional experts to assist on internal audits.</p> <p>"Information System Support Services" remain at \$2,540 to reflect the utilization of a 3rd party to administer the Fraud, Waste, and Abuse Hotline.</p>			
IGS Costs:	\$12,427	\$6,230	100.53%
This figure is supplied to us by the County Administration. We presume most of the increase is due to having on staff an Associate/Staff Auditor for the entire year.			



**NEW CASTLE COUNTY
COUNTY AUDITOR
FY 2015 ACCOMPLISHMENTS**

Performed comprehensive audit of County Investments. Audit report will include recommendations for strengthening internal controls and providing increased transparency over County investments.

Issuing audit report on the process of customers connecting to the County sewer system and ensuring sewer billing accounts are being established for such customers. The audit revealed a control weakness in ensuring an account is established for every customer connecting to the sewer system. We determined that there are some customers connected to the sewer system who are not paying for sewer service.

Performed audit of the internal controls over the collection of delinquent property taxes and sewer service fees. Audit report will include recommendations for improving operations over the collection of such items.

Issued follow-up audit reports on the Procurement Function and Construction Project Change Orders. Reports included recommendations to enhance internal controls.

Issued follow-up audit of Sheriff's Office which determined that management had implemented all of the significant recommendations from the prior audit report.

Performed audit of Cash Management area of Finance Department (which maintains control over County bank accounts) and determined that adequate controls exist in all material respects.

Performed audit of grants not reviewed in external auditor's Single Audit.

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

Investigated reports from Fraud, Waste, and Abuse Hotline. This system has helped the County in its goal of building a stronger ethical culture by allowing employees and taxpayers to report suspected instances of fraud, waste, and/or abuse.



**NEW CASTLE COUNTY
COUNTY AUDITOR
FY 2016 CHALLENGES**

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.

Provide assistance to Administration and County Council in helping to identify whether key controls exist to mitigate the risks of achieving key management objectives.

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 with 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 will keep 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 2016 PERFORMANCE MEASUREMENTS**

County's audited financial statements (including results of Single Audit) issued by 12/31/15.
County Pension Program's audited financial statements issued by 1/31/16.

Input from Executive and Legislative Branches on FY '16 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 creation 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 2016 Contractual Services Details**

OCA	OCA Title	Object Level	Object Level 3 Title	FY 2016 Budgeted Amount	Explanation		
010200	County Auditor	5401	Accounting & Auditing Fees	102,150	Funding is primarily for external auditors.		
		5406	Other Professional Services	0			
		5409	Info. Systems	2,540			
					Subtotal Contractual Services	\$ 104,690	3rd Party Administrator for Fraud, Waste, & Abuse Hotline.
			IGS Costs				
		5900	IS Contractual-Data Processing	12,077			
		5901	IS Contractual - Photocopies	\$ 300			
		5902	IS Contractual - Printing	\$ 50			
					Subtotal IGS Costs	\$ 12,427	
		Total Contractual Services & IGS Costs				\$ 117,117	

**New Castle County
County Auditor
FY 2016 Budget Detail**

FY 2016 Recommended Budget	Object Level 1	Object Level 3	Total
	11 Salaries & Wages	1001 Salaries & Wages - FT	157,762
		1002 Salaries & Wages - PT	35,000
	11 Salaries & Wages Total		192,762
		1500 Employee Benefits - FT	85,439
	15 Employee Benefits	1520 Employee Benefits - PT	3,500
	15 Employee Benefits Total		88,939
	22 Training/Civic Affairs	2001 Airfare	-
		2003 Taxi and Shuttle	-
		2004 Mileage Reimbursements	100
		2005 Tolls	-
		2006 Parking Fees	75
		2010 Hotel Accommodations	-
		2020 Meals	150
		2101 Conference Fees	1,000
		2102 Seminar Fees	800
		2301 Membership Dues	800
	22 Training/Civic Affairs Total		2,925
	23 Communications/Utilities	3100 Postage	-
		3200 Telephone Service	250
	23 Communications/Utilities Total		250
	24 Materials/Supplies	4000 Books and Subscriptions	200
		4101 Office Supplies	50
		4104 Computer Supplies	-
	24 Materials/Supplies Total		250
	25 Contractual Services	5200 Service Contracts	-
		5401 Accounting & Auditing	102,150
		5406 Other Professional Services	-
		5409 Info. System Support	2,540
	25 Contractual Services Total		104,690
	30 IGS Charges	5900 IS Contractual - Data Processing	12,077
		5901 IS Contractual - Photographic	300
		5901 IS Contractual - Printing	50
	30 IGS Charges Total		12,427
County Auditor Total			402,243