



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

### Fiscal Year 2017 Audit Plan Summary

As required by the Rules of Procedure for the Office of the County Auditor, the fiscal year 2017 annual audit plan was approved by the County Council on June 21, 2016.

We performed a risk assessment of the County government and its related agencies in order to develop this plan. For each business process identified, we considered factors such as department size, level of interaction with citizens and businesses, process complexity, financial risks, prior audit issues and the priorities of citizens, the Council Members and the County Administration to determine the areas of greatest risk to the County.

The audit plan for fiscal year 2017 includes 18 projects including first time audits of Hotel Occupancy Tax Revenue, Licensing and Non-Building Permit Procedures, Insurance Coverage, Fleet Maintenance and Utilization. The plan also includes some processes that were reviewed in the past such as Payroll, Accounts Payable and Grant Administration. *A number of the planned projects will include performance audit procedures and require Council approval via resolution.* In addition to audits, the plan includes time for preparing fiscal analysis of legislation, responding to research requests from Council Members, continuing professional education and follow-up for prior audit findings. Risks and business processes will be evaluated continuously, annually, and throughout each audit; consequently, **the audit plan is flexible and the schedule is subject to change as new areas of concern are identified.**

### Fiscal Year 2017 Audit Plan

Project	Start Date	End Date	Comments
<b>Ongoing Tasks</b>			
<b>Administration</b>			
<ul style="list-style-type: none"> <li>• General</li> <li>• Paid Time Off</li> </ul>			<ul style="list-style-type: none"> <li>• Council Meetings</li> <li>• Other Meetings</li> </ul>
<b>Internal Audit Activity Management</b>			
<ul style="list-style-type: none"> <li>• Audit Advisory Board</li> <li>• Methodology</li> <li>• Training</li> <li>• Risk Assessment</li> </ul>			<ul style="list-style-type: none"> <li>• Office Policies and Procedures</li> <li>• Quality Assurance and Improvement</li> <li>• Annual Planning</li> </ul>
<b>Other Budgeted Time</b>			
Fiscal Notes	01/01/2017	12/31/2017	Fiscal Impact Analysis for legislation introduced in calendar year 2017.
Budget Analysis FY2018	01/15/2017	05/31/2017	Fiscal impact analysis of the FY2018 budget legislation. Includes time for analysis of the HCPS budget.
Council Member and Administration Requests	07/01/2016	06/30/2017	Budgeted time to respond to research requests from council members. This budget item represents approximately 2.7% of the office's hours available for audits and is based upon prior use.

**Fiscal Year 2017 Audit Plan**

Project	Start Date	End Date	Comments
Unanticipated Projects	07/01/2016	06/30/2017	Budget for urgent projects that are not already included in the audit plan. The budget represents 8.5% of the office's annual hours available for audits and is based on prior year activity.
<b>Annual Projects</b>			
Financial Statement Audits for FY2016	04/01/2016	12/31/2016	General coordination related to ensuring that required Financial Statement Audits are completed. Includes Affiliated Agencies, OMB A-133 Single Audit and Other Required Reports.
Follow-up to Prior Audit Findings	07/01/2016	08/31/2016	Review of the remediation status of prior audit findings and preparation of a summary report for the County Council.
Petty Cash Fund Audits	07/01/2016	06/30/2017	Budget for 6-8 petty cash audits. Departments audited will be determined throughout year, but will not be disclosed until immediately preceding the project.
Purchase Card Controls	07/01/2016	08/31/2017	Continuous audit procedures related to the County's purchase card program.
<b>Planned Audits</b>			
2017 Environmental Services Billing and Collection Controls	06/01/2016	08/31/2016	Confirm that controls are adequate to ensure that customers are billed the correct amount and receivables are collected. The audit will also consider the labor and expense costs related to the MES contract.
2017 Recreation Council Collections and Disbursements	06/01/2016	09/30/2016	Ensure that recreation councils have been audited and have appropriate controls in place to ensure that resident's fees are collected and deposited correctly and used for recreation council costs. We will select a sample of Councils for review this year
2017 Cable Franchise Fee Revenue	08/01/2016	09/30/2016	Determine if revenue reported by cable companies is complete and if franchise fees were collected by the County.
2017 Water and Sewer Billing and Collection Controls	09/01/2016	11/30/2016	Confirm that controls in place are adequate to ensure that customers are billed the correct amount and revenue is collected.
2017 License and Non-Building Permit Issuance Billing and Collection Controls	09/01/2016	12/31/2016	Confirm that controls are adequate to ensure that permits are not issued without proper payment and approvals. This project will also include permits and licenses issued by Environmental Health. Additionally, determine that the Fast Track permitting process is fairly administered.

**Fiscal Year 2017 Audit Plan**

Project	Start Date	End Date	Comments
2017 Grant Award and Monitoring Controls	09/01/2016	12/31/2016	Confirm that Harford County has appropriate controls in place to ensure that the grants that it provides or administers are sufficient to ensure that funds are used as intended and allowed. This project will place an emphasis on the newly created Tourism grant program.
2017 Fleet Maintenance Utilization and Contract Management	10/01/2016	01/31/2017	The objective of this audit is to determine if the Fleet Maintenance Contract is properly monitored and costs are billed in accordance with the contract and to evaluate the efficiency and effectiveness of the vehicle replacement and utilization. The review will also address Fuel Utilization.
2017 Payroll Controls	12/01/2016	01/31/2017	Confirm that controls are sufficient and effective to ensure that payroll calculations, time entry, leave balances, benefit deductions and leave payouts are correct.
2017 Procurement Practices	01/01/2017	03/31/2017	Determine if all applicable guidelines were followed for County procurements.
2017 Insurance Coverage and Self-Insurance Program Controls	01/01/2017	04/30/2017	Determine if purchased insurance coverage is adequate and determine if self-insurance programs are managed to ensure only County liabilities are paid.
2017 Harford County Health Department	01/01/2017	03/31/2017	The objective of this audit is to review the payroll, financial reporting, expenditures, revenue, unexpended appropriation and collection processes to ensure they are adequate.
2017 Zoning Reviews and Appeals	01/01/2017	04/30/2017	Determine if the procedures for appeals are sufficient to ensure that cases are evaluated timely.
2017 Accounts Payable Controls	03/01/2017	06/30/2017	Determine if controls related to Accounts Payable are adequate to ensure that only valid vendors and debts are paid by the County.
2017 Hotel Occupancy Tax Revenue	04/01/2017	06/30/2017	Determine if the County has collected the correct amount of revenue for the Hotel Occupancy Tax based upon supporting information from taxpayers