



HARFORD COUNTY, MARYLAND

Office of the County Auditor

Fiscal Year 2015 Audit Plan Summary

As required by the Rules of Procedure for the Office of the County Auditor, the fiscal year 2015 annual audit plan was presented to the County Council on June 17, 2014

The plan was developed based on the County-wide risk assessment process performed by the Office of the County Auditor. For each business process identified, the risk assessment 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 Executive to determine the areas of greatest risk to the County.

The audit plan for fiscal year 2015 includes audits of Property Taxes, Environmental Services, Harford Community College and Capital Projects for affiliated agencies. The upcoming elections necessitate exit audits of the County Council, County Executive and other officials. The Office of the County Auditor will undergo a Peer Review to confirm its compliance with relevant audit standards. 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.**

Ideally, all key business processes will be reviewed at least every two years. However, due to financial and staffing constraints, the audits scheduled are only those that were most critical, as determined by the risk assessment. The addition of one staff person in FY2015 helps, but does not allow us to complete all audits every three years. Further, we have identified approximately 3,700 hours of Performance Audits that are important, but require the addition of authorizing language in the County Charter. If Charter Amendments are approved by voters in November 2014, the audit plan will be updated to include performance audits approved by the County Council.

~ Preserving Harford's past; promoting Harford's future ~

Project	Start Date	End Date	Comments
Financial Statement Audits for FY2014	04/01/2014	10/31/2014	General coordination related to ensuring that required Financial Statement Audits are completed and provided to the County Auditor. Includes Affiliated Agencies, OMB A-133 Single Audit and Other Required Reports
Follow-up to Prior Audit Findings	05/01/2014	10/31/2014	Review of the remediation status of prior audit findings and preparation of a summary report for the County Council.
Section 214 Reviews - County Council Office, County Executive, Other Officials	07/01/2014	02/28/2015	In accordance with Harford County Charter Section 214, upon the death, resignation or removal of any county officer, the County Auditor shall cause an audit and investigation to be made of any accounts maintained by the officer and by his agency. As a proactive measure, we will plan to review the accounting of the County Council Office and Members following the 2014 election, regardless of whether members remain in office.
Income and Property Tax Billing and Collection Controls	07/01/2014	10/31/2014	Determine if controls are adequate to ensure that income and property tax revenue is recorded and collected.
Investment Controls	10/01/2014	12/31/2014	Ensure that controls are adequate to ensure proper selection, purchase, sale and accounting of the County's investments.
Pension Administration Controls	12/31/2014	03/31/2015	Confirm that controls related to the County's pensions are adequate to ensure proper payments and compliance with relevant regulations and trust agreements.
Capital Projects for Affiliated Agencies	03/31/2015	05/31/2015	Determine if affiliated agency requests for capital project reimbursements are supported.
HCC Financial Management Practices	04/01/2015	06/30/2015	This project will address the College's major financial processes, including accounts payable, student billing and procurement.
Environmental Services Billing and Collection Controls	05/01/2015	07/31/2015	Confirm that controls are adequate to ensure that customers are billed the correct amount and receivables are collected.
Peer Review of the Office of the County Auditor	05/01/2015	07/31/2015	IIA Professional Standards and GAO Yellow Book standards require an evaluation of the Office's methodology and quality controls.
Fiscal Impact Notes	01/01/2015	12/31/2015	Fiscal Impact Analysis for legislation introduced in calendar year 2015.
Budget Analysis FY2016	01/15/2015	05/31/2015	Fiscal impact analysis of the FY2016 budget legislation. Includes time for analysis of the HCPS budget.
Petty Cash Fund Audits	07/01/2014	06/30/2015	Budget for 6-8 petty cash audits. These projects will be coordinated with the Treasurer's Office to ensure adequate coverage. Departments audited will be determined throughout year, but will not be disclosed until immediately preceding the project.
Council Member Requests	07/01/2014	06/30/2015	Budgeted time to respond to research requests from council members. This budget item represents approximately 7% of the office's hours available for audits.
Unanticipated Projects	07/01/2014	06/30/2015	Budget for urgent projects that are not already included in the audit plan. The budget represents 13.5% of the office's annual hours available for audits and is based on FY2014 activity.