



HARFORD COUNTY, MARYLAND

Office of the County Auditor

Fiscal Year 2016 Audit Plan Summary

As required by the Rules of Procedure for the Office of the County Auditor, the fiscal year 2016 annual audit plan was approved by the County Council on June 9, 2015.

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 2016 includes audits of Investments; Environmental Services Billing and Collection; Contract Management; Inspections Procedures and Billing; Recruitment and Hiring Practices; and Property Management. *Two of these projects will include performance audit procedures and received Council approval, as described in resolution 016-15.* 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, I would like to review all key business processes 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

Fiscal Year 2016 Audit Plan

Project	Start Date	End Date	Comments
Ongoing Tasks			
Administration			
<ul style="list-style-type: none"> • General • Paid Time Off 			<ul style="list-style-type: none"> • Council Meetings • Other Meetings
Internal Audit Activity Management			
<ul style="list-style-type: none"> • General Audit Advisory Board • Methodology • Training • Risk Assessment 			<ul style="list-style-type: none"> • Office Policies and Procedures • Quality Assurance and Improvement • Annual Planning
Other Budgeted Time			
Fiscal Notes	01/01/2016	12/31/2016	Fiscal Impact Analysis for legislation introduced in calendar year 2016.
Budget Analysis FY2017	01/15/2016	05/31/2016	Fiscal impact analysis of the FY2017 budget legislation. Includes time for analysis of the HCPS budget.

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Project	Start Date	End Date	Comments
Petty Cash Fund Audits	07/01/2015	06/30/2016	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 and Administration Requests	07/01/2015	06/30/2016	Budgeted time to respond to research requests from council members. This budget item represents approximately 7.7% of the office's hours available for audits.
Unanticipated Projects	07/01/2015	06/30/2016	Budget for urgent projects that are not already included in the audit plan. The budget represents 5.2% of the office's annual hours available for audits and is based on FY2014 and FY2015 activity.
Planned Audits			
2016 Financial Statement Audits for FY2015	4/1/2015	12/31/2015	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.
2016 Investment Controls	5/1/2015	9/30/2015	Ensure that controls are adequate to ensure proper selection, purchase, sale and accounting of the County's investments.
2016 Contracts Management	6/15/2015	10/15/2015	Determine if contracts are being appropriately monitored to ensure compliance with County policies and contract terms.
2016 Follow-up to Prior Audit Findings	9/1/2015	10/31/2015	Review of the remediation status of prior audit findings and preparation of a summary report for the County Council.
2016 Recruitment and Hiring Practices	10/15/2015	1/31/2016	Determine if controls are adequate to ensure that recruitments were performed in accordance with the County's Code, Charter and other relevant regulations.
2016 Inspections Procedural Standards and Billing and Collection Controls	11/15/2015	3/28/2016	Determine if the procedures for inspections are consistent across the County's departments and recommend best practices from the departments' procedures. Additionally, confirm that the procedures facilitate complete and timely payment for inspection services.
2016 Environmental Services Billing and Collection Controls	11/2/2015	3/31/2016	Confirm that controls are adequate to ensure that customers are billed the correct amount and receivables are collected.
2016 Purchase Card Controls	1/1/2016	12/31/2016	Continuous audit procedures related to the County's purchase card program.
2016 Property Management Controls	2/1/2016	4/15/2016	Determine if processes are adequate to ensure that the County's rental and lease contracts are proper and monitored for compliance with contract terms.