

The County of Chester



Office of the Controller

Internal Audit

Department



The American flag does not fly because the wind moves past it.....The American flag flies from the last breath of each military member who has died protecting it.

Unknown

Annual Report

For the year ended December 31, 2017

*County of Chester
Office of the Controller*

INTERNAL AUDIT DEPARTMENT

Mission Statement

The mission of the Internal Audit Department is to serve the citizens and taxpayers of Chester County through the performance of independent, objective reviews and evaluations of all relevant activities. In performing these duties, the Internal Auditor will endeavor to assist administrators and department managers in achieving the best utilization and administration of taxpayer resources. These efforts are intended to improve County operations and to help ensure that the County is fulfilling its fiduciary responsibilities to its citizens and taxpayers.



*County of Chester
Office of the Controller*

INTERNAL AUDIT DEPARTMENT

Statement of Purpose, Authority and Responsibility

The County of Chester Internal Audit Department is comprised of four accounting / auditing professionals including an Internal Audit Manager, two (2) Senior Auditors and one (1) Staff Auditor. The department reports administratively to the County's First Deputy Controller and functionally to the County Controller and a three member Board of Commissioners.

In accordance with County Code requirements, the Chester County Internal Audit Department is authorized to direct a broad comprehensive program of internal auditing within the County. The internal auditors are responsible for examining and evaluating the adequacy and effectiveness of the systems of internal control established by the various agencies of the County and to audit, settle, and adjust the accounts and financial statements of these same agencies annually. In accomplishing these activities, the Manager of Internal Audit, as well as all members of the audit staff, are authorized to have full, free, and unrestricted access to all County records, property, and personnel, except as restricted by law.

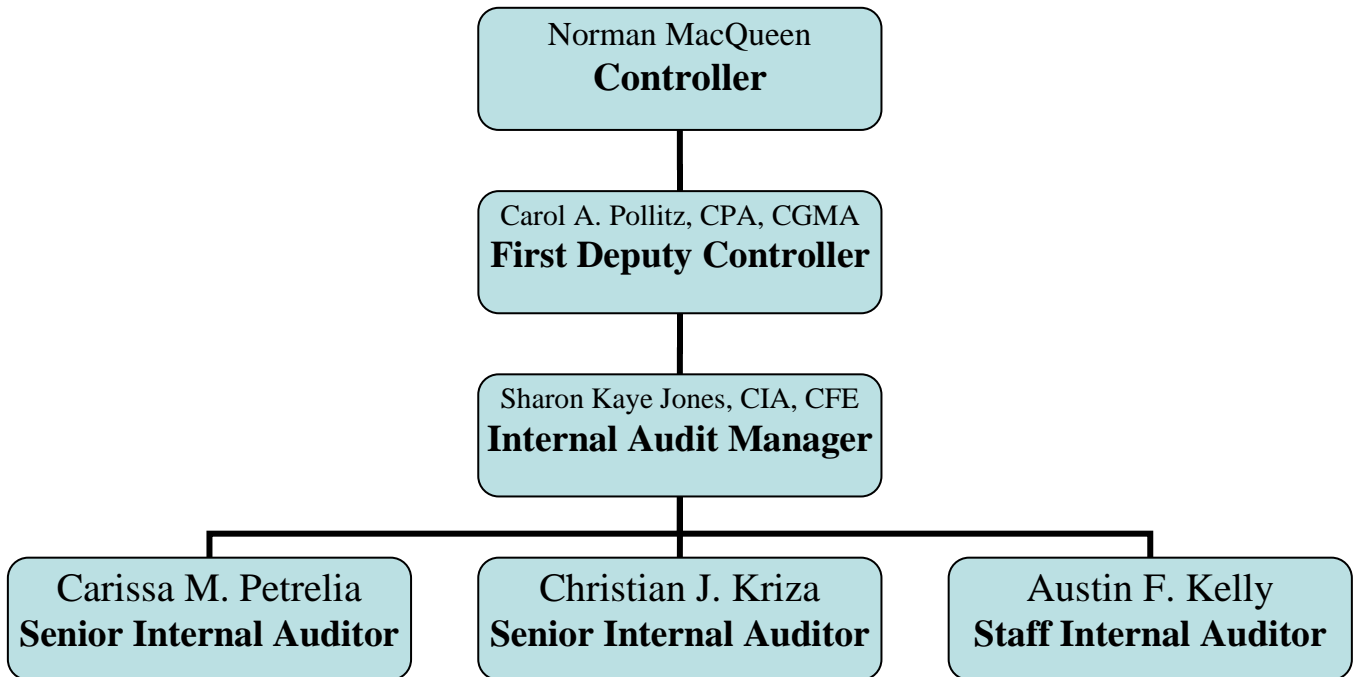
In accordance with Generally Accepted Government Accounting and Auditing Standards, the audit department is responsible for ensuring that (1) the audit is conducted by personnel who collectively have the necessary skills, (2) independence is maintained, (3) applicable standards are followed in planning and conducting audits and reporting the results, (4) significant noncompliance or abuse (fraud) should be properly investigated and reported to the appropriate level of management; (5) auditors should report recommendations for actions to correct problems and to improve operations.



*County of Chester
Office of the Controller*

INTERNAL AUDIT DEPARTMENT

Organizational Chart



*County of Chester
Office of the Controller*

INTERNAL AUDIT DEPARTMENT

Staff Credentials and Certifications

Sharon Kaye Jones, *Internal Audit Manager*
Bachelor of Science, Villanova University, 1984
Certified Internal Auditor (CIA) 1993
Certified Fraud Examiner (CFE) 2016
33 years internal audit experience

Carissa M. Petrelia, *Senior Auditor*
Bachelor of Science, West Chester University, 2004
13 years experience (2.5 years finance/accounting / 10.5 years internal audit)

Christian J. Kriza, *Senior Auditor*
Bachelor of Science, West Chester University, 2009
8 years internal audit experience

Austin F. Kelly, *Staff Auditor*
Bachelor of Science, West Chester University, 2017
6 months internal audit experience



*County of Chester
Office of the Controller*

INTERNAL AUDIT DEPARTMENT

2017 Audit Summary

Annual Audits Required by County Code

<u><i>Auditee</i></u>	<u><i>Reportable Conditions</i></u>
District Court 15-1-01	None
District Court 15-1-02	None
District Court 15-1-03	None
District Court 15-1-04	None
District Court 15-1-05	None
District Court 15-2-01	None
District Court 15-2-03	None
District Court 15-2-07	None
District Court 15-3-01	None
District Court 15-3-04	None
District Court 15-3-05	None
District Court 15-3-06	None
District Court 15-3-07	None
District Court 15-4-01	None
District Court 15-4-02	None
District Court 15-4-03	None
District Court 15-4-04	None
Adult Probation	None
Clerk of Courts	None
County Prison	None
County Sheriff	None
Prothonotary	None
Recorder of Deeds	None
Register of Wills	None

2017 Audit Summary (continued)

Annual Audits Required by State

<u>Auditee</u>	<u>Reportable Conditions</u>
Drug Forfeiture	None
Pocopson Home (Guest Fund)	None

Special Projects Requested by Management

Central Stores Inventory
Print Shop Inventory
Agency Funds Compilation
Clerk of Courts Evidence Inventory

Waste, Fraud and Abuse Hotline

There were a total of 9 Waste, Fraud and/or Abuse Complaints received by the Controller's Office in 2017. All of these concerns were properly investigated by Internal Audit or forwarded to the appropriate governing body for resolution.





*County of Chester
Office of the Controller*

INTERNAL AUDIT DEPARTMENT

2018 Goals and Objectives

- To complete all Row Office and District Court audits in a timely manner within the year.
- To continue to incorporate new audits into the audit schedule as a result of an ongoing risk assessment process.
- To incorporate “limited scope financial and operational audits” to the annual audit schedule as a means of ensuring that recommendations are acted upon in a timely manner and to expand audit coverage to those areas and entities posing greater risk.
- To perform “agreed upon procedure” audits at the request of management, the County Commissioners, or the President Judge.
- To assist in investigations involving fraud complaints received via the County’s Fraud, Waste, and Abuse Hotline.
- To prepare the Agency Fund footnote disclosure for inclusion in the CAFR report as well as the DCED.
- To continue to complete 40 hours of continuing education annually to keep abreast of new accounting / auditing issues and pronouncements as required by the GAO Yellow Book.
- To help maintain and update the new Audit Department subdirectory within the Office of the Controller Website.
- To provide assistance to the Controller and First Deputy Controller with respect to special projects and other tasks.



*County of Chester
Office of the Controller*

INTERNAL AUDIT DEPARTMENT

2018 Goals and Objectives

- To continue to encourage all auditors to pursue and achieve either the CIA, CFE, CPA or MBA designation.
- To train County employees and community groups on ways to help minimize fraud risk.
- To prepare for and schedule the triennial peer review of the Chester County Internal Audit Department due for completion in 2018.



*County of Chester
Office of the Controller*

INTERNAL AUDIT DEPARTMENT

2017 Departmental Achievements

During his six months of employment with the Internal Audit Department, newest Staff Auditor, Austin F. Kelly passed three parts of the CPA exam. We congratulate Austin on his achievement and wish him continued success as he prepares to sit for the final part of the exam in February 2018.



We...



In Chester County....

WE stand for the National Anthem,
WE pledge allegiance to the FLAG, and
WE salute our troops and honor our veterans.

