The County of Chester
Office of the Controller
Internal Audit Department

Summary Report
Year ended December 31, 2023
The mission of the County of Chester Internal Audit Department is to serve the citizens and taxpayers of the County of Chester through the performance of independent, objective reviews, audits, and evaluations of all relevant activities. In performing these duties, the Internal Audit Department 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.

Contact Information

Chester County Controller’s Office
Margaret Reif, Controller
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ControllerDept@chesco.org.
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 three accounting / auditing professionals including an Internal Audit Manager, a Senior Auditor, and an Auditor II. The department reports administratively to the County’s Deputy Controller and functionally to the County Controller.

In accordance with County Code requirements, the County of Chester Internal Audit Department is authorized to direct a broad comprehensive program of internal auditing within the County. In conjunction with the financial auditing, settlement and adjustment of the accounts and financial statements of the various agencies of the County performed, the Internal Audit Department also assesses the adequacy and effectiveness of the systems of internal control established by these agencies relating to the financial reporting process. 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 Internal 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 any related recommendations for actions to correct problems and to improve operations.

In performing Financial Audits, the County of Chester Internal Audit Department complies with the Government Auditing Standards, which requires the audit staff to obtain a minimum of 80 hours of professional continuing education requirements every two years with 24 hours in government related courses.
County of Chester
Office of the Controller

INTERNAL AUDIT DEPARTMENT

Organizational Chart

Margaret Reif
Controller

Carol A. Pollitz, CPA, CGMA
Deputy Controller

Robert DellaCroce CPA
Internal Audit Manager

Laura McMahon
Internal Auditor II

Christian J. Kriza
Senior Internal Auditor
# County of Chester
## Office of the Controller
### INTERNAL AUDIT DEPARTMENT
### 2023 Audit Summary

**Annual Audits Completed - Required by County Code**

<table>
<thead>
<tr>
<th>Auditee*</th>
<th>Year</th>
<th>Clean Opinion**</th>
<th>Reportable Conditions***</th>
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*Audit reports are available by year at [https://www.chesco.org/1856/Audit-Reports-Management-Letters](https://www.chesco.org/1856/Audit-Reports-Management-Letters)*

**A clean opinion means the financial statements are presented fairly, in all material aspects, in accordance with the cash basis of accounting.**

***Reportable Conditions include Material Weaknesses and/or Significant Deficiencies in internal controls. Management items are not included.***
Special Projects and Internal Consulting Requested by Management

- Employee Property leases assessment and enhancements – worked in conjunction with the Risk Management Department resulting in modernization of lease provisions and economic terms.

- Accounts Payable Department / Vendor Master File - controls and system access rights assessment resulting in several risk limiting changes including specific vendor file maintenance responsibilities.

- Worked in conjunction with the Human Resources Department to conduct the County’s first Pharmacy Benefits provider audit resulting in cost recovery as well as several refinements within the Pharmacy Benefits program.

- General Services Mailroom – Accounts Payable check distribution process assessment and real time process reviews made to address process error risks within the distribution process.

- Vendor payment method risk analytics and follow ups county wide to facilitate rapid movement from check to ACH payment methodology for key vendors.

- Worked with document solutions provider to establish a project to consolidate, at the department level, the maintenance agreements for all departmental copier/printer systems supported to create opportunity for future cost/time savings.

- Conducted surprise audit counts covering on hand cash balances and related controls for accounts in six departments. Also reviewed and verified bank account collateralization arrangements and interest rate earnings in place for accounts used within elected officials offices operations.

- Worked in conjunction with the Sheriff’s Department and Register of Wills office on the assessment of the financial reporting and reconciliation (audit related) components of a new software system being implemented.
• Agency Funds Compilation (annual) – in support of the annual County external audit process.

• Performed a review of the balances, activity and procedures followed governing the Equitable Sharing Agreement Report and Certification filed for the Special Investigation Account maintained by the District Attorney’s office.

Other Items

• Monitor Waste, Fraud and Abuse Hotline maintained by Controller’s Office. Addressed 18 tips during the calendar year.

• Developed and implemented a “Phase I” County level Risk Assessment approach for ongoing use which is being used to identify additional future audit areas.

• Piloted data analytics software which will allow expansion of auditing scope to analyze other areas of risk within Chester County while also increasing efficiency in our core audit processes.

• Enhanced processes and created audit efficiencies by further leveraging the industry leading software (Audit Board) we previously implemented. Also negotiated and implemented a multi-year contract extension resulting in ongoing savings to the County.

• Continued to complete 80 hours of continuing education for each audit individual to gain knowledge of new accounting/auding issues and pronouncements as required by Government Auditing Standards.