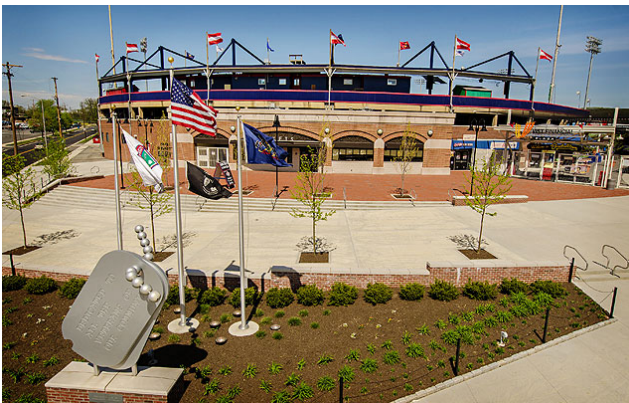


The County of Berks Office of the Controller Internal Audit Department



Annual Report
For the year ended December 31, 2016

County of Berks
Office of the Controller

Internal Audit Department

Mission Statement

The mission of the Internal Audit Department is to serve the citizens and taxpayers of Berks County through the performance of independent, objective reviews and evaluations of all relevant activities. In performing these duties, the Internal Auditors will build working relationships 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 assure that the County is fulfilling its fiduciary responsibilities to its citizens and taxpayers.

County of Berks
Office of the Controller

Internal Audit Department

Statement of Purpose, Authority and Responsibility

The County of Berks Internal Audit Department is comprised of five internal auditing professionals including a Manager of Auditing and four Internal Auditors. The Department reports to the County Controller.

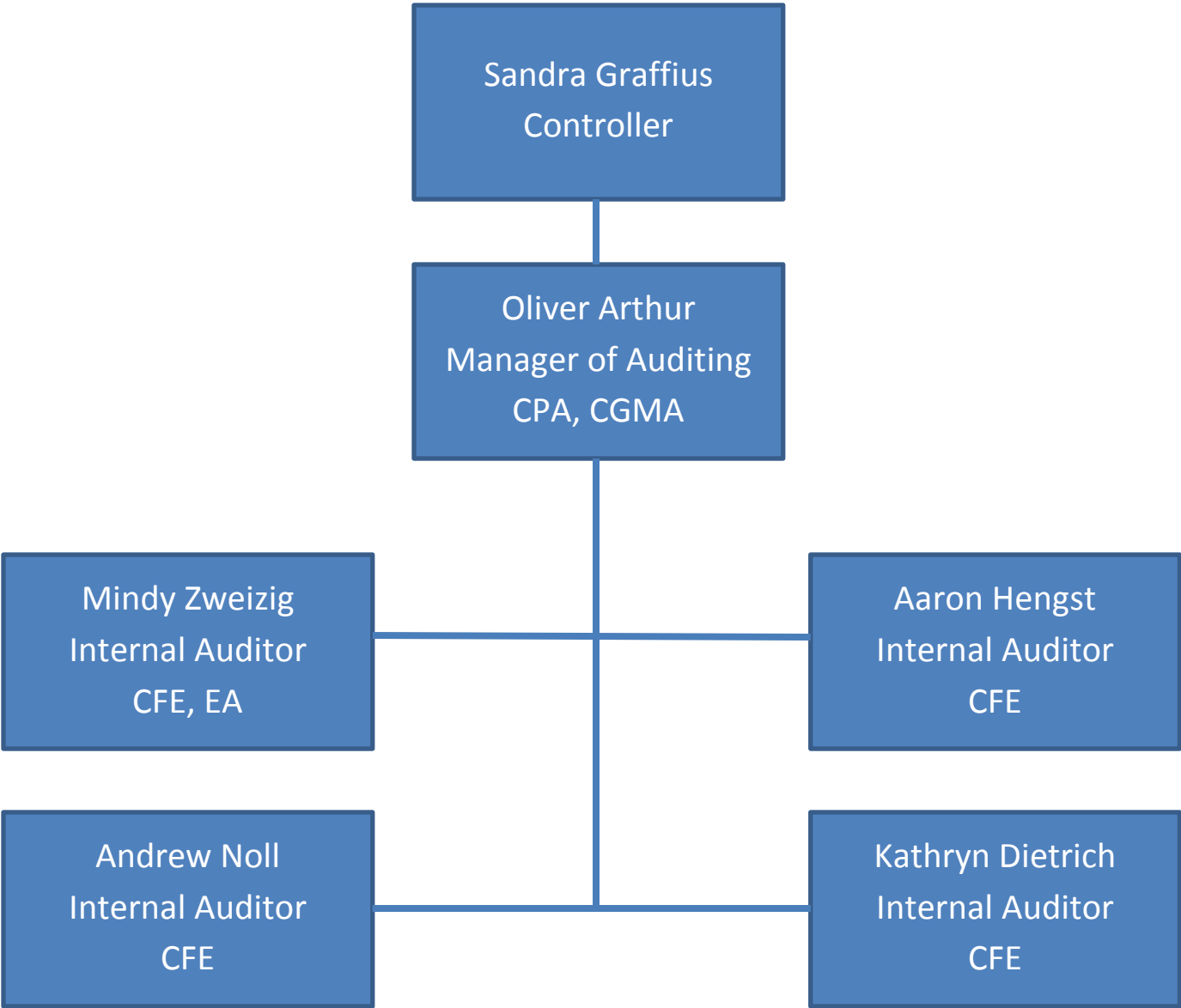
In accordance with County Code requirements, the County of Berks Internal Audit Department is authorized to direct a broad, comprehensive program of internal auditing within the County. The internal auditors are responsible for examining and evaluating the adequacy and effectiveness of the systems of internal control established by the various agencies of the County and to audit, settle, and adjust the accounts and financial statements of these agencies annually. In accomplishing these, the Manager of Auditing, 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, and (5) auditors should report recommendations for actions to correct problems and to improve operations.

*County of Berks
Office of the Controller*

Internal Audit Department

Organization Chart



County of Berks
Office of the Controller

Internal Audit Department

Staff Credentials and Certifications

Oliver J. Arthur, Manager of Auditing

Bachelor of Science in Accounting, Virginia Commonwealth University

Certified Public Accountant (CPA)

Certified Global Management Accountant (CGMA)

Mindy Zweizig, Internal Auditor

Bachelor of Science in Accounting, Albright College

Associate in Applied Science, Reading Area Community College

Enrolled Agent (EA)

Certified Fraud Examiner (CFE)

Aaron E. Hengst, Internal Auditor

Bachelor of Science in Business Administration, Millersville University

Certified Fraud Examiner (CFE)

Andrew M. Noll, Internal Auditor

Bachelor of Arts in English, Albright College

Bachelor of Science in Accounting, Albright College

Certified Fraud Examiner (CFE)

Kathryn I. Dietrich, Internal Auditor

Bachelor of Arts in History, Lafayette College

Certified Fraud Examiner (CFE)

County of Berks
Office of the Controller

Internal Audit Department

2016 Audit Summary

Annual Audits

<u>Auditee</u>	<u>Reportable Conditions</u>
Central Arraignment Court 23-0-01	None
District Court 23-1-01	None
District Court 23-1-02	Yes
District Court 23-1-03	Yes
District Court 23-1-05	None
District Court 23-1-06	None
District Court 23-2-01	None
District Court 23-2-02	Yes
District Court 23-2-03	None
District Court 23-2-04	Yes
District Court 23-3-01	None
District Court 23-3-02	None
District Court 23-3-03	None
District Court 23-3-04	None
District Court 23-3-05	None
District Court 23-3-06	None
District Court 23-3-07	None
District Court 23-3-09	Yes
Sheriff	Yes
Register of Wills	None
Prothonotary-2013	Yes
Recorder of Deeds	None
Jail Inmate Accounts	Yes
Jail Commissary Fund	None

County of Berks
Office of the Controller

Internal Audit Department

2016 Audit Summary (continued)

Agreed-upon Procedures

<u>Auditee</u>	<u>Reportable Conditions</u>
Tax Collectors	See Report

Compilations

Treasurer (2013-2015)	Not Applicable
Prothonotary (2014-2015)	Not Applicable
Clerk of Courts (2012-2015)	Not Applicable

County of Berks
Office of the Controller

Internal Audit Department

2017 Goals and Objectives

- To complete all Row Office and District Court audits in a timely manner within one year.
- To continue to incorporate new audits into the audit schedule.
- To conduct “agreed upon procedure engagements” in addition to financial audits at the request of the Controller as a means to increase County efficiency and save taxpayer money.
- To assist in investigations involving fraud complaints received via the County’s Fraud, Waste, and Abuse hotline.
- To continue to complete 40 hours of continuing education annually to keep knowledgeable of new accounting/ auditing issues and pronouncements required by the GAO Yellow Book.
- To provide assistance to the Controller and Deputy Controller with respect to special projects and other tasks.
- To continue to have all auditors obtain the Certified Fraud Examiners Certification.
- To continue to encourage all auditors to pursue and achieve the CPA or CIA designation.

Message from the Manager of Auditing:

I am very proud to announce that the Internal Audit Department successfully implemented Governmental Auditing Standards, commonly known as “Yellow Book”, for audits ending December 31, 2015. In addition, the internal audit team completed all projects included in the annual audit plan. This included completing a backlog of assignments, which puts the department in the great position of having all Magisterial District Courts and Row Offices on the current year audit schedule.

It was also another great year for the internal audit staff. Over the past year the Internal Auditors studied hard and passed the Certified Fraud Examiners Examination. By the end of January 2017 all of the Internal Auditors are licensed Certified Fraud Examiners. Currently, two internal auditors are pursuing the Certified Public Accountant (CPA) certification.

The Audit Department continues to build knowledge and be a valuable resource to the County of Berks Government. We look forward to another great year in the County of Berks.

Best regards,

Oliver J. Arthur, CPA CGMA
Manager of Auditing
The County of Berks