

Fiscal Year 2008/2009 Budget Highlights and Goals

County Auditor

FY2008 Highlights

- Received the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the ninth consecutive year.
- The CAFR (Comprehensive Annual Financial Report) was prepared by the Office's Senior Accountant for the third year resulting in a savings of approximately \$7,500.00 for FY2007 annual audit costs in both report preparation and local printing charges.
- Managed an efficient and cooperative audit process with the external auditors, Virchow Krause & Co. to meet deadlines established.
- Performed a new Risk Analysis for the FY2008 Annual Audit Plan and planned and executed the first year of Internal Control Structure Review of the County's major processes (i.e., Payroll, Revenues, Expenditures, etc.) for SAS 104 – 111 – *Risk Assessment Standards*, which required work on behalf of the Internal Audit Division to document internal controls and processes through review, flowcharting, and documentation. This work will serve to assist the external auditors and help keep audit fees down.
- During the first eight months of FY2008, audited approximately 24,500 invoices sent to the Office, resulting in the issuance almost \$43 million of County funds to vendors. This is in comparison to FY2007, where approximately 23,400 invoices were audited totaling approximately \$43.1 million for the first eight months to vendors. A total of 80 submissions totaling over \$390,000 were rejected during the first eight months of the fiscal year for various reasons, some of which were asked to be resubmitted with more documentation or questions answered. The Office also questioned and investigated numerous other invoices, but did not hard reject them on the financial system.
- Three staff members are continuing work towards achieving various government related certifications, including Certified Internal Auditor (CIA), Certified County Official (CCO – earned in July and will be awarded in November), Certified Government Auditing Professional (CGAP), and Certified Public Finance Officer (CPFO), to enhance professionalism.
- Added a report of quarterly financial information through the Auditor's Office section of the County's website.
- Finished a revised copy of the IFMS (Integrated Financial Management System) Training Manual on the County's Intranet as an aide to users.
- Engaged and worked with The Segal Company to produce a report on the County's liability under GASB Statement No. 45 - "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions (OPEB)", required to be implemented for the County's fiscal year 2009 beginning December 1, 2008.

FY2009 Goals

- Continue to prepare the CAFR in-house and file for the GFOA Award for Excellence in Financial Reporting. In addition, a PAFR (Popular Annual Financial Report), will be prepared, which is a summarization of accounting data from the CAFR in an easy to read format. This will serve to inform the citizens of the financial condition and operations of the County. This will also be submitted to the GFOA for an award.
- Continue to revise and improve the financial reporting process for significant audit areas.
- Continued enhancements in the internal audit program and annual audit plan, reporting, and summarizing program result via an annual report.
- Continue work on accumulating and/or writing policies and procedures related to financial processes into a McHenry County Financial Accounting Manual.
- To provide various training sessions on Internal Control to department directors and elected officials as work is done on reviewing the County's structure of control.
- Successfully complete work on the review of the Internal Control Structure of the County and develop a program to expand the review in 2009 and for years after.
- Continue investigation into the integrated financial software utilized by the County in order to be ready to make a decision for the future, if conditions should warrant it.
- To come to a conclusion of GASB 45 (see last item in the FY2008 Highlights) in order to implement the standard in FY2009.
- Continue efforts with the County's financial software group to research and implement document imaging of invoices and related documentation to reduce the numerous copies made and for ease of viewing documents when transactions are occurring.
- To seek further ways to make the accounts payable process more efficient and effective as invoice submissions have increased greatly.
- To automate the 1099 reporting process and to submit to the IRS electronically.