

## Fiscal Year 2010/2011 Budget Highlights and Goals

### COUNTY AUDITOR

#### FY2010 Highlights

- Received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the eleventh consecutive year for the FY 2008 and applied for the same award with the FY2009 Comprehensive Annual Financial Report (CAFR). Preparation of this financial report was done by the Auditor's Office, along with the in-house printing of the report, resulting in a savings of approximately \$7,500.00.
- A Popular Annual Financial Report (PAFR) prepared for FY2008 was the recipient of the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting. As McHenry County was the first in Illinois to accomplish this (out of 102 counties), this was a notable achievement for the County.
- Managed an efficient and cooperative audit process with the external auditors, allowing for successful completion of the deadlines established.
- Implemented GASB 51 Accounting and Financial Reporting for Intangible Assets, which would include easements and county-produced software, such as ICJIS.
- Went through the RFP process for external audit services and recommended the selection of an audit firm.
- Performed Internal Control Structure Reviews of the County's major transaction cycle by conducting department level reviews of their internal controls and processes, addressing the requirements of Risk Assessment Standards 104 – 111.
- Completed an audit of the County's Neighborhood Stabilization Program (NSP) and established effective monitoring and financial administration procedures for the Community Development Division.
- A considerable amount of time was spent by all Office staff assisting with new reporting requirements and compliance issues related to ARRA grants.
- Continued, with the assistance of IT, the work for implementation of document imaging through the Performance Series Financial Management Software System.
- Filed almost 400 1099's forms electronically for County transactions under the Auditor's Office responsibilities and coordinated the reporting of other departments to the Internal Revenue Service for Vendor Payments (County and Reg. Supt. of Schools), Real Estate Transactions (DOT-Right of Ways and other Real Estate Purchases), Interest Payments (County Clerk – RE Tax Redemptions), and Attorney Proceeds (Circuit Clerk).
- Implemented GASB 45 – Accounting and Reporting on Postemployment Benefits Other Than Pensions – with reporting in the FY2009 Financial Report.
- Conducted review training classes for all Performance Series Users, and incorporated more detailed Purchasing module training and compliance with the Purchasing Ordinance.
- Processed over 22,400 invoices in the first 7 months of FY2010 with payment totals exceeding \$40.0 million. Of these payments, over \$263,000 in invoices were rejected for resubmission due to various reasons. Also, over \$1,500 in bills were for duplicate payments caught by Auditor's Office A/P staff that the system did not detect. This information is in comparison to FY2009 information for payment submissions from 12/1/08 to 11/30/09 of 35,611 invoices for a total of \$64.6 million in payments; \$1.8 million in items rejected for resubmission due to various reasons; and over \$8,000 in duplicate invoices were caught by the A/P staff and stopped, but not by the Accounting Software system. Indeed, the efforts put forth in the approval process by the Auditor's Office are having a positive effect.
- Started a pilot program by the Auditor's Office to recognize cost-savings activities and to recognize individuals and/or departments for their efforts. Up to two traveling awards were issued monthly at Department Head Meetings and recognition of such efforts was published in an Auditor's newsletter on the Intranet called "The Frugal Times."

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**FY2011 Goals**

- Submit the FY2010 CAFR and PAFR to the GFOA for the Certificate of Achievement for Excellence in Financial Reporting after completion of the reports in-house.
- Implementation of GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions, which addresses how fund balance is reported, most significantly in special revenue funds, and will require additional note disclosures.
- Revamp the County's Internal Control Matrix by conducting department level reviews; revise the Internal Audit Division's Risk Assessment to better analyze the County's areas of high risk; establish audit risk and materiality levels for each internal audit performed
- Create and implement an audit satisfaction survey to measure the Internal Audit Division's performance during an audit.
- Produce a reporting system on County grants that can be produced at any time and would provide for grants applied for, current, and closed out, along with other important statistical information such as staffing, matching funds, etc.
- Work on accumulating and/or writing policies and procedures related to financial processes for the McHenry County Financial Accounting Manual.
- Improve the grant accounting and monitoring, an ongoing project, but extremely important due to expanded reporting and compliance requirements.
- Continue professional development of Auditor's Office staff in order to serve the County's financial needs and in support of other departments. Prepare Internal Audit staff for the CIA (Certified Internal Auditor) Exam for achievement of the designation in 2012.
- Assist the County in the identification of Expenditure Reduction/Revenue Enhancement possibilities.
- Conduct the first automated payments to Elections Judges for the November 2010 election through system integration.
- Revamp and promote education of county staff for accounting and internal control-related matters through the Auditor's Office newsletter, as well as highlighting other departments efforts to cut costs, gain more efficiency, or to look for revenue enhancement.
- Perform required work to recover Indirect Administrative Costs through a Cost Allocation Plan, pending County Board decision.