

**Guilford County Internal Audit Department
Fiscal Year 2010-11**

Emergency Services United Healthcare Payments

Purpose

The Emergency Services Department and the Public Health Department operate under the same Guilford County Tax Identification Number. While both departments have unique National Provider Identifier numbers, United Healthcare insurance payments are made based on the Tax Identification Number. This results in all United Healthcare claim payments being reported together on the McKesson Clearinghouse website that is only accessed by the Public Health Department. Internal Audit reviewed Emergency Services' payments received from United Healthcare. We met with Public Health to document the process and then tested a sample of 12 recent payments to ensure that the proper code in Emergency Services was being credited.

Results in Brief

Internal Audit selected 12 payments from the McKesson Clearinghouse website and matched them to the Lawson Daily Revenue & Expenditure Summary Report for Emergency Services' accounting unit. All matched without exception.

Department of Social Services Cell Phones & Pagers

Purpose

This review was a follow-up to a report on cell phones and pagers in the Department of Social Services (DSS). Objectives included:

- Quantifying cell phone and pager expenditures in DSS for the past two fiscal years
- Determining who has cell phones and pagers
- Reviewing usage for a period of 6 months with a focus on under-utilization
- Determining compliance with Internal Revenue Service (IRS) regulations and County Policies with regard to maintenance of call logs
- Identifying opportunities for cost savings

Results in Brief

Recommendations were made in the areas of expenditures, usage and equipment.

Department of Social Services Energy Audit

Purpose

The objective of this audit was to quantify energy expenditures and consumption for the Guilford County Department of Social Services (DSS) buildings and make recommendations for greater energy efficiency. The scope included an examination of energy consumption at 1203 Maple Street in Greensboro and 301 South Centennial Street in High Point for Calendar Year 2009.

Results in Brief

Findings included:

- 301 South Centennial Street in High Point shows a higher Energy Utilization Index and a higher Energy Cost Index than 1203 Maple Street because it is an older less energy efficient building. With the move to 325 East Russell Street, most likely these measures should improve. With these benchmarks that have been established, we can determine if that occurs.
- Recycling efforts should continue for recycling to be available at both DSS facilities.
- The plug load in each building should continue to be examined.
- Energy Audits by the Center for Energy Research & Technology should be conducted on all buildings not slated for replacement.
- Energy Performance Measures are important and should be considered for inclusion in the DSS Dashboard Technology project.

Daycare Provider Payments

Purpose

The purpose of the audit was to review the daycare unit's procedures for provider payments. The audit period included fiscal years 2010 and 2011. The objective of the audit was to examine the internal controls of the daycare provider payment activity. The review relied on inquiries, observations, interviews, and planned testing to obtain sufficient documentation to provide assurance on the audit objective.

Results in Brief

As a result of the state's progress towards implementation of the Subsidized Early Education for Kids (SEEK) attendance reporting and payment delivery system, we have concluded the role of the

daycare unit is continually changing and preparing for the approaching implementation of the SEEK system. Therefore, we feel it is best under the circumstances to address the audit objective at a future date.

Follow-Up to Detailed Energy Survey for Bellemeade Center

Purpose

The objective of this audit was to follow-up on the Detailed Energy Survey (Level Two Energy Audit as defined by ASHRAE) for Bellemeade Center by the Center for Energy Research and Technology, North Carolina A & T University (CERT) on April 30, 2009. The scope included an examination of actions taken since April 30, 2009 in regards to energy consumption in this building.

Results in Brief

- The County should continue to seek ways to implement energy improvements to this building, including grants and possibly performance energy contracting.
- The plug load in each building should continue to be examined. The Guilford Center should continue its efforts to reduce plug load related to computers.
- Energy performance measures are important and should be considered for inclusion in performance measures or dashboard projects.
- Since the CERT team's audit in 2009, the 24/7 Call Center has been relocated to the main building so it does not seem feasible to turn the main building air conditioner off during down time. However, Facilities could reset the chilled water temperature as recommended by CERT.

Lawson Segregation of Duties

Purpose

The Internal Audit Department reviewed the segregation of duties within the Lawson system with regard to purchasing. Segregation of duties is a key internal control. It means that no single individual has control over two or more phases of a transaction or operation. Best practices would dictate that different individuals perform the duties of requesting and approving requisitions. Our objective was to ensure that no individual can request and approve requisitions. The scope of the work included examining current roles of County employees in the Lawson system. We obtained and analyzed the lists of those authorized to request and approve requisitions.

Results in Brief

No individual has the dual roles of Department Requisitioner and Department Requisition Approver.

Parks Management Review with Budget & Finance

Purpose

Guilford County currently has seven regional parks, 45 miles of trails and 13 shared-use school/town sites. The County also owns 1,200 watershed acres and 1,100 acres of open space. Guilford County currently has 50 acres per 1,000 persons and the Open Space Committee goal is 100 acres per 1,000 citizens. This was a management review, which was done as an interdepartmental project. Members included staff from Budget, Facilities, Finance, Internal Audit, and Property Management. The scope of the work included:

- Review of operational and capital expenditures for the last three years.
- Review of intergovernmental parks contracts.
- Review of managing jurisdiction's 2009-10 budgets.
- Comparison of in house mowing cost to outsourced mowing.
- Identifying and segregating programming and maintenance costs by looking at each park operator's budget.
- Review of building inventory at each park.

Results in Brief

With the County soon to be operating six parks without the funding of a partner, it might be time for the County to revisit the policies and operating procedures that the parks follow. The parks system has grown quickly since its start 20 years ago. It might be the right time for all park stakeholders to come together and revisit the policy and administrative direction of the parks. It could be in the best interest of the parks if policies were sent forward after a policy evaluation process that gave guidance to park staff for the level of service the parks should render.

Whitsett Fire Department

Purpose

Whitsett Fire Department is a 501(c)(4) nonprofit corporation that contracts with Guilford County to provide fire and rescue services to a population of approximately 3,405 in a 15.9 square-mile area

of eastern Guilford County. The area includes 13 commercial sites, 13 industrial sites, 5 office sites, and 9 churches. Its service area includes a portion of Rock Creek Industrial Park, and Highways 85, 61 and 70 cross the district. Whitsett’s district includes a section of I-85/I-40, one of the busiest stretches in the area for accidents. Our overall objective was to determine whether resources are managed efficiently and effectively and to identify opportunities for improvement. The audit focused on long-range planning, financial reporting, board oversight, budgetary data, fixed asset management, and policies and procedures. We also followed-up on previous audit recommendations.

Results in Brief

Recommendations were made in the areas of long-range planning; financial reporting; board oversight; budget and performance measures; inventory and fixed assets; and policies and procedures.

Year-End Audit Work

Purpose

The purpose of this audit was to verify and establish accountability for petty cash and change funds assigned to various departments; Facilities inventories; and accounts receivable balances for Public Health, The Guilford Center, and Emergency Services. At year-end, the Internal Audit Department also assisted the County’s auditors, Cherry, Bekaert & Holland, in performing the Single Audit portion of the external audit. The department audited thirteen programs including:

| Single Audit Program | Responsible County Department |
|--|--------------------------------------|
| DSS Crosscutting | Social Services |
| Adult Day Care | Social Services |
| In-Home Services | Social Services |
| Permanency Planning | Social Services |
| Women, Infants & Children | Public Health |
| Maternal Child Health Block Grant | Public Health |
| Medical Assistance | Social Services |
| Children’s Health Insurance Program | Social Services |
| SC/SA Domiciliary Care State | Social Services |
| Temporary Assistance to Needy Families | Social Services |

| | |
|-------------------------------------|-----------------|
| Foster Care and Adoption Assistance | Social Services |
| State Foster Home | Social Services |
| Public School Building Capital Fund | Finance |

Results in Brief

Overall, the values of these accounts were fairly reflected in the county’s records. Single Audit findings and corrective actions are released in the annual audit document.

Performance Monitoring Projects

As part of performance monitoring, the department worked on projects specially requested by county departments as well as projects that are completed on an annual basis. These projects fit into the following broad categories.

- American Recovery & Reinvestment Act Revenue Monitoring
- Asset & Expenditure Accountability
- Fraud Hotline & Compliance with Guilford County Policies & Procedures
- Performance Measurement Assistance to Departments
- Revenue Enhancement