

County of Berks
COUNTY OF BERKS
PENNSYLVANIA

**Office of the Controller
Internal Audit Department
Joseph E. Rudderow, III**

**Annual Report
For the year ended December 31, 2023**

County of Berks
Office of the Controller
Internal Audit Department

Vision, Mission, and Value Statement

Vision

The Internal Audit Department will be the County of Berks' most valued resource for the support of financial, operational, and control activities.

Mission

The Internal Audit Department's mission is to support the County of Berks in achieving system wide goals and objectives.

Values

The Internal Audit Department is committed to certain values in carrying out its mission:

Providing excellent service to the County of Berks is our primary focus.

- Performing our services in accordance with applicable standards established by the Government Accounting Office (GAO), the Institute of Internal Auditors (IIA), and the American Institute of Certified Public Accountants (AICPA).
- Maintaining our independence, objectivity, and confidentiality in the performance of our services.
- Adhering to the highest degree of fairness, integrity, and ethical conduct.
- Characterizing our relationships within the County of Berks community with respect, helpfulness, openness, and dependability.
- Maintaining our professionalism as internal auditors through continuance of our education and training.

County of Berks
Office of the Controller

Internal Audit Department

Authority and Responsibilities

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.

The role of the Internal Audit Department is to assist management to attain organizational goals by providing independent, objective assurance and consulting activity designed to add value and improve an organization's operations. This is achieved through independently reviewing and evaluating the effectiveness of risk management, controls, governance, and operations and by providing objective analyses and constructive recommendations for improvement. Management retains full control over the implementation of these recommendations.

The internal audit activity of the organization is responsible for periodically evaluating the processes of internal control operations throughout the organization. That responsibility is carried out in three distinct steps:

1. Ascertaining that the design of the internal controls, as they have been established and represented by management, is adequately designed in relation to the related risk.
2. Determining, through compliance testing and other procedures, that the process is, in fact, operating as intended in an effective and efficient manner; and,
3. Reporting the results of audit work performed and offering recommendations for improving the internal control process.

County of Berks
Office of the Controller

Internal Audit Department

Staff Credentials and Certifications

Ronald M. Rutkowski, *Manager of Auditing*
Bachelor of Science in Business Administration; Accounting, Alvernia University

Kathryn I. Dietrich, *Senior Internal Auditor*
Bachelor of Arts in History, Lafayette College
Certified Fraud Examiner (CFE)
Certified Internal Controls Auditor (CICA)

Derek Gerhart, *Internal Auditor*
Bachelor of Science in Accounting, Pennsylvania State University
Certified Fraud Examiner (CFE)

Aaron E. Hengst, *Internal Auditor*
Bachelor of Science in Business Administration; Accounting, Millersville University
Certified Fraud Examiner (CFE)
Certified Internal Controls Auditor (CICA)

Candace Miller, *Internal Auditor*
Bachelor of Science in Business Administration; Management, Pennsylvania State University
Certified Fraud Examiner (CFE)

Internal Audit Department 2023 Audit Summary

Financial 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	None
District Court 23-1-03	None
District Court 23-1-05	None
District Court 23-1-06	None
District Court 23-2-01	None
District Court 23-2-02	None
District Court 23-2-03	None
District Court 23-2-04	None
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	None
Sheriff	None
Register of Wills	None
Prothonotary	Yes
Recorder of Deeds	Yes
Jail Inmate Accounts	None
Jail Commissary Fund	None
Berks Organization of Jail Employees	None
Treasurer	None
Clerk of Courts	None

* Reportable Conditions include Material Weaknesses and Significant Deficiencies.
Management items are not included.

Internal Audit Department

2023 Audit Summary (continued)

Agreed-upon Procedures

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

Memorandum

<u>Auditee</u>	<u>Reportable Conditions *</u>
Clerk of Courts Automation Fund	None
Coroner—Death Certificate Account	None
Prothonotary Record Improvement Fund	None
Register of Wills Management and Technology Fund	None
Sheriff—Benevolence and Explorer Post Accounts	None

* Reportable Conditions include Material Weaknesses and Significant Deficiencies.
Management items are not included.

Internal Audit Department

2024 Goals and Objectives

- To implement a Financial Fraud Hotline maintained by the Controller's Office for individuals to report potential fraud in Berks County.
- To fully utilize the PPC software in analyzing data obtained during our audits.
- To complete all row Office and District Court audits in a timely manner.
- To continue incorporating new audits on Berks County Departments.
- To continue review of Credit Card payments, cash receipts in office and on-line.
- To continue Hotel audits in a timely manner throughout the County.
- To conduct "Performance Audits" in addition to financial audits at the request of the Controller 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 gain knowledge of new accounting/auditing issues and pronouncements required by the GAO Yellow Book.
- To aid the Controller and Deputy Controller with respect to special projects and other tasks.
- To continue to encourage all auditors to pursue and achieve the CPA, CIA, or CGMA designation.

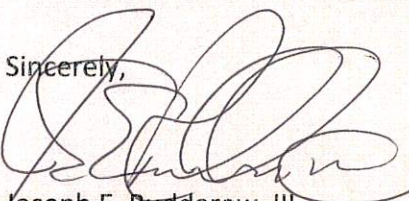
Message from the Controller:

Our audit team is committed to excellence in County Government. We measure excellence through the various types of audits that we perform every year. These audits are designed to objectively evaluate, measure performance, identify deficiencies, improve efficiencies, and create predictable consistencies within county government to ensure fiscal prudence on behalf of the taxpayer.

Our audit team are all college graduates, and they hold various certifications, such as Certified fraud Examiner (CFE) or Certified Internal Controls Auditor (CICA). Our audit team is GAO yellow book compliant. Our audit team is led by our Manager of Auditing, Ron Rutkowski.

Our audit team has set several goals and objectives planned in 2024 that will strengthen our commitment to excellence in County government. As controller, I am looking forward to seeing the positive impact that our audit teams will have in achieving those goals and objectives.

Sincerely,



Joseph E. Rudderow, III
Controller