

**Guilford County Internal Audit Department  
Fiscal Year 2007-08**

*Colfax Volunteer Fire Department*

**Purpose**

Colfax is a 501(c)(3) nonprofit corporation that contracts with Guilford County to provide fire and rescue services to a population of approximately 3,587 in a developing 18 square-mile area of Guilford County. Our overall objective was to determine whether resources are managed efficiently and effectively and to identify opportunities for improvement. The audit focused on seven areas including board oversight; inventory and fixed assets; accounts payable; investments; payroll; purchasing policies and procedures; long-range planning; and budget management.

**Results in Brief**

We identified potential improvements in the areas of board oversight, long-range planning, investments, and payroll.

*Pinecroft-Sedgefield Fire Department*

**Purpose**

Pinecroft-Sedgefield 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 28,000 in a 51 square-mile area. 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.

**Results in Brief**

We identified potential improvements in the areas of board oversight, long-range planning, fixed assets, and policies and procedures.

*Southeast Fire Department*

**Purpose**

Southeast 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 3,200 in a mostly rural 13 square-mile area of Guilford County. 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.

**Results in Brief**

We identified potential improvements in the areas of board oversight, long-range planning, and policies and procedures.

## ***Planning & Development***

### **Purpose**

The objective of this audit was to examine procedures in the Planning & Development Department after the implementation of the Accela System.

### **Results in Brief**

We identified opportunities for improvement in the areas of reconciliation and billing procedures.

## ***Fiscal Year-End Countywide Cash, Inventory, Mileage, and Accounts Receivable Verification***

### **Purpose**

The purpose of this audit was to verify and establish accountability for 81 petty cash and change fund accounts assigned to various departments; Facilities inventories; and accounts receivable balances for Public Health, The Guilford Center, and Emergency Services. For year-end mileage, we analyzed the cost effectiveness of purchasing new vehicles and looked at the number of miles driven by county employees. Past analysis has shown that it costs more to reimburse employees who drive in excess of 12,000 miles than it does to maintain an average county car.

### **Results in Brief**

Overall, the values of these accounts were fairly reflected in the county's records. For mileage, we reviewed a sample of monthly Travel Expense Logs for employees who drove in excess of 12,000 miles. There were no notable findings from our review.

## ***Dairy Show Account Review***

### **Purpose**

The Dairy Show is a 4-H event focused on dairy cattle that is held for two days once a year in August. 4-H is a youth development organization operated through the North Carolina Cooperative Extension Service. The Dairy Show has one bank account. The account is a community account free of service charges with Branch Banking & Trust (BB&T). It is managed by two of the volunteers and the Extension Area-Specialized Agent. The objective of the review was to evaluate internal controls over the account.

### **Results in Brief**

We found that improvements could be made in the areas of recordkeeping, reconciliation, budgeting, and policies and procedures. In order to increase program resources, we recommended that the Dairy Show consider pursuing incorporation as a tax-exempt organization and obtain reimbursement of its sales tax expenditures.

## ***Master Gardener Account Review***

### **Purpose**

The Master Gardener Association of Guilford County is a volunteer group that provides educational outreach for the Cooperative Extension Service. This review had four main objectives: to evaluate internal controls over the Master Gardener bank account; to evaluate the segregation of duties related to the bank account; to test cash receipts; and to test cash disbursements.

### **Results in Brief**

We recommended that bank statements be reconciled in writing on a monthly basis and that the Association consider pursuing incorporation as a tax-exempt organization in order to obtain reimbursement of sales tax expenditures thereby increasing program resources.