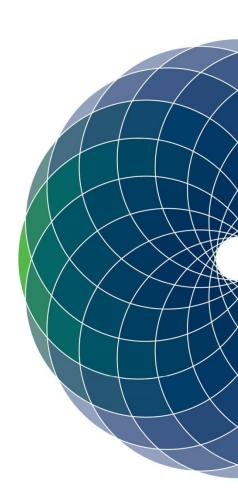


Wake County Board of Commissioners –Audit Committee

2017 Audit of Financial Statements and Major State and Federal Award Programs

November 28, 2017





Overview

- Financial Statement Audit
- Single Audit
- Findings
- Accounting and Reporting Changes for 2018
- Cash Procedures Engagements





Financial Statement Audit

Auditor responsibilities

- Express an opinion as to the fair presentation of the financial statements
- Obtain reasonable assurance regarding material misstatements
- Consider internal controls to determine audit tests
- Test non-compliance that is material to the financial statements
- County responsibilities
 - Prepare and fairly present the financial statements
 - Maintain internal control over preparation and fair presentation

Results

- Unmodified opinion on the financial statements
- Internal control deficiencies identified





Single Audit

- Auditor responsibilities
 - Express an opinion on compliance for each major state and federal program
 - Conduct audit in accordance with applicable standards
- County responsibilities
 - Comply with the requirements of state and federal programs
 - Maintain internal control over compliance
- Results
 - Reportable instances of noncompliance identified including one considered to be material
 - Deficiencies in internal control over compliance identified



Findings

- Financial Statement Findings
 - Revenue and Cash Deposits
 - Segregation of IT Duties
- State and Federal Award Findings and Questioned Costs
 - Medicaid Assistance Program
 - Documentation of Eligibility not retained
 - Countable resources in excess of \$2,000
 - Receipt of benefits after termination of Supplemental Security Income
 - Supplemental Nutrition Assistance Program (SNAP)
 - Caseworker signature and date omitted from application
 - Foster Care and Adoption Program
 - Adoption Assistance Agreement not signed prior to the court order



Accounting and Reporting Changes for 2018

Effective for the year ended June 30, 2018

- Other Post Employment Benefits (OPEB) Liability GASB 75
 - Under the new standard the County's liability will likely increase significantly
 - However, the effect will be limited primarily to the governmentwide statements rather than the fund statements
- Reporting of DSS Program Expenditures
 - Direct benefit payments will no longer be reported on the County's SEFA
 - Direct payments reported by the County for 2017
 - Medicaid: \$691,798,353
 - SNAP: \$12,196,514
 - Effect May result in additional major programs that must be tested going forward



Engagement Status – Cash Handling Procedures

Register of Deeds Examination of Assertions

County-Wide Agreed Upon Procedures





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