

State of Delaware Office of Auditor of Accounts

Departmental Review

May 2019



Table of Contents

Overview.....	2
Project Objective.....	3
Project Procedures	3
Observations of Office of Operations Prior to January 1, 2019	4
Recommendations for Observations of Office of Operations Prior to January 1, 2019	12
Observations at January 2019.....	17
Human Resources Function	
Assessment and Methodology.....	21
Exhibit I – Engagements not Performed in Accordance with Statutory Mandates.....	31
Exhibit II – Engagement Performed under GAGAS	38
Exhibit III – State Auditor Information Available on State Auditors Websites.....	40
Exhibit IV – Responses to Survey Emailed to State Auditors of Similar Size as AOA	45
Exhibit V – Information to be Provided/Approval of Office of Auditor of Accounts (AOA).....	48

Overview

Baker Tilly was engaged by the newly elected Delaware State Auditor to perform a review and evaluation of current practices and organizational structure within the State of Delaware Office of Auditor of Accounts (AOA) and to make recommendations to assist AOA in accomplishing its statutory mission and objectives effectively and efficiently.

The AOA was under the leadership of the former Delaware State Auditor for 30 years. On January 2, 2019, the newly elected Delaware State Auditor began her term as the State Auditor. At that time the AOA had 50% of its authorized positions filled and as a result had a backlog of audits/investigation reports that had not been published. The open positions included senior level positions and made it difficult to complete engagements, as senior staff was not available to perform required quality control review procedures prior to completing engagements and publishing reports.

The Delaware State Auditor is an elected position and reports directly to the residents of Delaware. The AOA is independent of the Executive, Legislative, and Judicial Branches of State Government.

The mission of the AOA is to serve Delawareans by ensuring accountability in the use of taxpayer dollars to identify fraud, waste and abuse through independent assessments of financial operations, performance management and statutory compliance of state government.

The AOA meets its mission through the performance of engagements that can be:

- Financial Statement Audit
- Examination
- Agreed-Upon Procedures
- Performance Audits
- Special Investigation
- Inspection

Project Objective:

To perform a review and evaluation of current practices and organizational structure within AOA and provide recommendations to assist the AOA in accomplishing its statutory mission and objectives effectively and efficiently.

Project Procedures:

To meet the project objective, we performed the follow procedures:

- Performed a review and evaluation of the AOA's responsibilities compared to staffing levels (current and authorized) to determine optimum productivity;
- Performed a review and evaluation of current workflow processes to determine accuracy, efficiency, and compliance with applicable auditing standards;
- Compared the AOA size, structure, and responsibilities to other state audit agencies; and
- Inquired of the AOA staff, external auditors contracted by AOA, other State of Delaware offices and departments, and other state auditors.

The report includes recommendations in the following areas:

- Professional training opportunities
- Compliance with applicable auditing standards
- Methodology used to develop an annual audit plan
- Available technology solutions
- Organizational chart restructuring
- Budget modifications

Our findings and recommendations are presented in the report to reflect the operations of the AOA when the newly elected State Auditor took office and to provide an update on the steps taken by State Auditor to implement changes to the operations of the AOA.

Observations of Office of Operations Prior to January 1, 2019

Functional Area	Observation
<i>Professional training opportunities</i>	
1.	<p>Our review of the Former Delaware State Auditor's Performance Measures scorecard for the Fiscal Year 2017 noted that there were a limited number of performance indicators in place to measure the performance of the AOA office. Such indicators were as follows:</p> <ul style="list-style-type: none"> • Number of reports issued, • Percentage of in-house public audits, inspections, and investigation reports issued within 45 business days of completion and review of fieldwork, • Percentage of continuing professional education compliance, • Percentage of audit staff with professional certifications. <p>The above performance indicators do not fully show how the mission and vision of AOA is translated into more measurable operational goals and how the performance indicators are analyzed to generate recommendations for future improvements.</p>
2.	<p>The former Delaware State Auditor outsourced the majority of the Generally Accepted Government Auditing Standards (GAGAS or Yellow Book) audits to independent certified public accounting firms. Our review of the audit reports published for fiscal years 2014 to 2018 noted that AOA performed a total of 35 Yellow Book Audits (3 instances totaling 20 reports, the same audit was performed for multiple cities/school districts and individual reports were issued), see Exhibit II. This limited the staff/audit manager's ability to expand their Yellow Book knowledge so that more engagements could be performed by the AOA staff instead of being outsourced.</p>

Functional Area	Observation
<i>Compliance with applicable auditing standards</i>	
3.	<p>Several Delaware State Statutes require agencies/government entities to periodically provide financial information to the Auditor of Accounts (AOA). See Exhibit I.</p> <p>Title 11, Chapter 41 § 4115 indicates that any agency receiving funds (grants) from the Special Law Enforcement Assistance Fund shall, on or before July 15, submit a detailed and complete accounting of the disbursement for all such funds from the prior fiscal year to the Auditor of Accounts (AOA) and the Attorney General.</p> <p>Our review of the Special Law Enforcement Assistance Fund Agreed-Upon Procedures Engagement report issued by the AOA in FY2018 noted that out of a sample of 62 grants selected for testing from FY2015, FY2016 and FY2017 only one detailed and complete accounting of the disbursement for all such funds was submitted to AOA.</p> <p>The former Delaware State Auditor was not reviewing and maintaining the grant accounting disbursement records as required by Title 11, Chapter 41 § 4115.</p>
4.	<p>We observed that the quality control of the Delaware Office of the Auditor of Accounts (the AOA) for fiscal year 2015 (Peer Review) was performed by an accounting firm that was also engaged to perform engagements on behalf of the former Delaware State Auditor.</p> <p>Peer Reviews are required to be performed every three years by the National State Auditors Association and each member of the peer review team is required to be independent of the governmental audit organization and must be qualified to perform the review.</p> <p>The use of a firm that performs engagements for the AOA to perform the required peer review of the AOA does not give the appearance of independence from the AOA and would not be considered a best practice.</p>

Functional Area	Observation
<i>Methodology used to develop an annual audit plan</i>	
5.	<p>In the Annual Engagement Plan for Fiscal Year 2019 (FY2019) the previous Delaware State Auditor noted that the AOA maintains a finding tracker for engagements and that periodically, follow up engagements will be planned to follow up and update the status of prior findings.</p> <p>We reviewed the completed audits for FY2014 to FY2018 and noted that only one follow up engagement was performed.</p>
6.	<p>Our review of the prior five fiscal years (2014 to 2018) issued reports noted that from 24 to 51% of the fiscal year reports were for non-mandated audits.</p> <p>We requested information as to how the former Delaware State Auditor determined what non-mandated audits should be performed during each of the five fiscal years, but no information was available to determine how non-mandated audits were selected for inclusion in the fiscal year engagement plan.</p> <p>Delaware Statutes include audits that the AOA is mandated to perform on a specified frequency and non-mandated audits that can be performed at the discretion of the AOA. It does not appear that a risk assessment was performed for the population of non-mandated audits referenced in the statutes to establish a risk based methodology for determining the audit frequency for non-mandated audits.</p> <p>It is generally considered a best practice for an auditor to perform a risk assessment of an organization in order to prioritize resources when drawing up an audit plan/schedule for the next year(s) audit plan.</p> <p>We determined that other state auditors take a risk-based approach when determining the non-mandated audits to identify the areas with the highest risks and to perform audits that add more value for taxpayer's money. Refer to Exhibits IV and V.</p>
7.	<p>We were provided with WestLaw searches of the Delaware Code that identified references to the "Auditor of Accounts" and "State Auditor". Utilizing the search results, we developed a schedule of mandated engagements and compared the schedule to the reports published on the Delaware State Auditors web page for the prior five fiscal years (2014 to 2018).</p> <p>In Exhibit I, we detail mandatory engagements not performed, not performed at the required frequency, or not performed as outlined in the Delaware Code.</p>

Functional Area	Observation
<i>Available technology solutions</i>	
8.	<p>The former Delaware State Auditor implemented TeamMate as the automated work paper system for the engagements performed by the AOA. The AOA has taken steps to maintain the work papers for both internally and externally performed engagements in TeamMate and has developed templates to improve the efficiency of performing engagements. We reviewed a sample of engagements in TeamMate and noted inconsistencies in how engagements were documented/completed and in interviews with experienced staff members; we heard comments describing TeamMate as a good filing system for work papers.</p> <p>AOA was not taking full advantage of the capabilities of the TeamMate Audit Management Software System. TeamMate has several features available that can improve engagement efficiency and consistency and keep the entire process from risk assessment to tracking findings all in one place.</p>
9.	<p>The former Delaware State Auditor's focus was on meeting the continuing professional education (CPE) requirements as required by Generally Accepted Government Auditing Standards (GAGAS) which limited the AOA staff's ability to attend training in other areas such as data analytics and computer assisted auditing tools (CAAT).</p> <p>Inquiry of experienced members of the AOA staff noted that three individuals had an Audit Command Language (ACL) software license, however only one individual was knowledgeable/experienced in using ACL.</p>
10.	<p>The former Delaware State Auditor did not have a formal process in place for monitoring the status of AOA engagements. A periodic reporting on the status of the engagements in the audit plan allows management to monitor the status of the completion of the engagement plan, identify engagements that are behind schedule or over budget and perform timely follow up.</p>
<i>Organizational chart restructuring</i>	
11.	<p>Our review of the former Delaware State Auditor's Office Organization Chart noted that:</p> <ul style="list-style-type: none"> • Individuals who had predominantly administrative roles within the AOA reported to an individual who was primarily responsible for executing engagements. • AOA Payroll and Personnel responsibilities were handled by several different individuals at the Manager level who were responsible for executing engagements.

Functional Area	Observation
	<p>Having individuals who are responsible for executing the AOAs engagement plan, perform and/or manage administrative staff/functions is not efficient and does not further the AOA's mission of serving as a resource for State agencies and entities receiving State funds to prevent fraud, waste and abuse from occurring.</p>
12.	<p>We obtained information from several state audit offices and obtained survey information for various state audit offices and compared that information to the former Delaware State Auditor's management/staffing of the AOA. We noted that:</p> <ul style="list-style-type: none"> • Thirty-one of 52 state agencies (survey included Puerto Rico) included in the survey performed IT Audits. Delaware does not perform IT Audits. • Fifteen of 52 state agencies included in the survey performed Data Analytics to support engagements. Delaware does not perform Data Analytics to support engagements. • For Fiscal years 2014 to 2018, the AOA performed one performance audit. Twenty-Seven of 52 state agencies noted in a survey of Organization of Agency Staff have staff dedicated to performing performance audits or the state agency only performs performance audits.
13.	<p>The former Delaware State Auditor did not maintain the staffing of the AOA at a level that was sufficient to complete all of the annual mandated audits and relied on outsourced independent certified public accounting firms to perform a significant number of engagements.</p> <p>In the former Delaware State Auditor's final annual engagement plan he stated that the AOAs mission included:</p> <p><i>"AOA also helps to assure accountability of taxpayer dollars by conducting various audits, investigations, and inspections. In addition to identifying fraud, waste, and abuse, the Office evaluates government operations and programs for economy, efficiency, and effectiveness."</i></p>

Functional Area	Observation
	<p>During fiscal years 2014 to 2018, the former Delaware State Auditor returned appropriations totaling \$4,613,039 or approximately 23% of the AOA budget over the five fiscal years.</p> <p>During that period, the AOA at the end of the fiscal years from 2014 to 2018 averaged 6.8 open positions as compared to authorized positions.</p> <p>From fiscal year 2014 to fiscal year 2018, the AOA budget increased by \$7,400 or 0.19%.</p>
<i>Budget Modifications</i>	
14.	<p>Our review of the processes in place for performing Request for Proposal Evaluations during fiscal year 2018 noted that cost represents 10% (10 points) and the technical evaluation represents 90% (90 points) of the overall evaluation score.</p> <p>We would agree that cost should not be the sole criteria for selecting a firm to perform an outsourced engagement; however, 10% does not appear to be an appropriate percentage for the evaluation of cost.</p> <p>A significant cost difference in the proposals would not be appropriately included in the evaluation process when cost represents 10% of the overall evaluation score.</p>
15.	<p>Our review of the RFP Technical Evaluation process noted that each proposal is evaluated by multiple individuals utilizing nine evaluation criteria. The evaluation criterion does not provide the evaluators with a consistent understanding of the criterion and how it should be measured.</p> <p>Evaluators are not provided with the detailed explanations of the criteria to be evaluated. For example, one criterion is Prior Experience with AOA or References (10 points). Prior experience could be further defined as experience in this specific type of work and qualified to perform comparable size.</p> <p>References could be defined as the references provide positive feedback and work performed was relevant to work requested in the RFP.</p>

Functional Area	Observation
16.	<p>For the prior five fiscal years (2014 to 2018) we compared the number of reports issued by the former Delaware State Auditor for engagements performed by AOA staff and the number of reports issued for engagements performed by outsourced accounting firms.</p> <p>Reports issued for engagements performed by AOA staff ranged from a low of 25% to a high of 50% for the prior five fiscal years.</p> <p>We also observed that during the same fiscal year ends staff openings ranged from four to eleven open positions.</p> <p>This may have contributed to the percentage of reports issued for engagements performed by outsourced accounting firms.</p>

**Recommendations for Observations of Office of Operations Prior to
January 1, 2019**

Functional Area	Recommendations
<i>Professional training opportunities</i>	
1.	<p>The Delaware State Auditor should define performance measures based on the AOA's mission and align them with the goals and objectives of AOA's engagement activities.</p> <p>Some examples of performance measures are as follows:</p> <ul style="list-style-type: none"> • Percent of recommendations implemented • Percent of statutory deadlines met • Percent of audits completed at or below budgeted time • Audit hours vs. budgeted hours • Audit productivity (benchmark 75-80% productive) • Number of administrative hours vs. audit hours • Number of days between fieldwork, completion, and issuance of the final audit report • Number of audits completed • Return on investment for audits performed
2.	<p>As the Delaware State Auditor fully staffs the AOA, the AOA staff should begin to perform more of the Yellow Book engagements with the goal of gaining experience so that only the most difficult Yellow Book engagements are outsourced to independent certified public accounting firms.</p>
<i>Compliance with applicable auditing standards</i>	
3.	<p>The Delaware State Auditor should communicate to all areas noted in Exhibit I the information required to be sent to the AOA and establish a process to track the requirements and follow up when the information is not received.</p>
4.	<p>The fiscal year 2018 peer review was performed by the National State Auditors Association, an organization that is independent from the AOA. All future peer reviews should be performed by a firm/organization that is independent from the AOA.</p>

Functional Area	Recommendations
<i>Methodology used to develop an annual audit plan</i>	
5.	The Delaware State Auditor should establish a process for evaluating issues included in the findings tracker and for performing follow up engagements based on the risk posed by the finding noted in the report.
6.	A risk assessment for non-mandated audits should be performed to establish a risk based frequency for performing non-mandated audits. This information should be incorporated in the development of the engagement plan
7.	The Delaware State Auditor should take the necessary steps to perform all engagements as mandated by the Delaware Code. As noted in our report, the open staff positions and experience level of the hired staff could contribute to the Delaware State Auditor's ability to complete all engagements as mandated in Delaware Code and result in engagements being outsourced.
<i>Available technology solutions</i>	
8.	<p>The Delaware State Auditor should evaluate the AOA's current use of TeamMate and how AOA can better utilize the full capabilities of TeamMate through the use of:</p> <ul style="list-style-type: none"> • TeamStores to store documents such as work programs, work papers, previous findings and reports, Delaware State Code, or any electronic document that may need to be imported into engagements • TeamRisk to perform the AOA's risk assessment for non-mandated engagements, prioritize the higher risk engagements and generate a report of audits for inclusion in the annual engagement plan. • TeamScheduler to assign staff to engagement projects • TeamCentral includes an audit and issues tracking database that can accumulate findings from TeamMate Projects and track status of implementation status. • TeamMate Analytics can be used to analyze data as an add on to Excel.

Functional Area	Recommendations
9.	<p>To more effectively and efficiently serve as a resource for state agencies and entities receiving state funds to prevent fraud, waste and abuse from occurring, the Delaware State Auditor should develop the AOA's ability to use ACL and other data analysis techniques to select samples for testing that are based on preset criteria instead of a random sample. Automated audit analysis could also identify opportunities for investigations or performance audits based on information obtained from proactive data analysis across statewide agencies.</p> <p>Staff should be exposed to data analytics as the first step to start building the analytics skills needed for engagements performed. Once the staff is introduced to the concepts of data analytics on small projects, the staff should participate in targeted training to acquire the tools that they will need in data mining and analytics. The training should be in stages: introductory training for less experienced staff, advanced training for staff that have prior knowledge of data mining and ACL tools, and proficiency training where staff can receive certificates.</p>
10.	<p>A periodic report on the status of the engagements in the audit plan should be prepared by management to monitor the status of the completion of the engagement plan, identify engagements that are behind schedule or over budget, and perform timely follow up.</p> <p>We have provided the Delaware State Auditor with an example of an excel based tool for monitoring the status of the engagement plan on an on-going basis.</p>
<i>Organizational chart restructuring</i>	
11.	<p>Individuals who have predominantly administrative roles should report to an individual who does not have a role in performing/managing the completion of the AOA's engagement plan. In addition, the Delaware State Auditor should evaluate the opportunity to have a new role established as the Payroll/Personnel Representative for the AOA.</p>
12.	<p>The Delaware State Auditor has the opportunity to modernize the operations of the AOA by evaluating the opportunity to implement information technology audits, data analytics and performing an increased number of performance audits. These actions would more closely align the AOA with the initiatives being taken by other state auditor offices.</p>

Functional Area	Recommendations
13.	To meet the mission of the AOA, the Delaware State Auditor should develop a comprehensive engagement plan that includes all of the mandated audits and, based on the risk assessment, non-mandated (but the responsibility of the AOA under Delaware Code) that should be included in the plan and determine a staffing level that will allow the AOA to meet its mission of combating fraud, waste, and abuse and serving as a resource for state agencies and entities receiving state funds to prevent fraud, waste, and abuse from occurring.
<i>Budget Modifications</i>	
14.	The Request for Proposal Evaluation process should be reevaluated by the current Delaware State Auditor and consideration should be given to changing the percentage cost represents in the overall evaluation score to 20 or 30%.
15.	The Contracted Engagement Manual should include additional instructions for evaluators with the overall goal to have evaluators performing evaluations with a consistent understanding of the criteria and how it should be measured.
16.	The Delaware State Auditor should perform a cost/benefit analysis for the engagements performed by outsourced accounting firms. Some engagements may warrant being outsourced due to the size/complexity of the engagement but a number of engagements may be more efficiently performed if the AOA is fully staffed.

Observations at January 2019

Functional Area	Observation
<i>Professional training opportunities</i>	
1.	We observed that the Delaware State Auditor has taken steps to provide staff with training opportunities that are available in conjunction with other state auditor offices. The office is in the process of setting up an online one-day training and an onsite training inclusive of all staff. As noted below, with the addition of such a large number of new staff members, training is critical to the staff development and the AOA's ability to staff engagements in the future.
<i>Compliance with applicable auditing standards</i>	
2.	The Delaware State Auditor has reviewed and revised the AOA operating manuals. We had various experienced members of our firm review AOA Audit & Attestation Manual, AOA Investigative Manual, and AOA Quality Control Manual for adherence to auditing and accounting standards. We have provided the Delaware State Auditor with the reviewer's comments but one overriding comment from the reviewers was that the manuals were well written and covered the applicable areas.
Functional Area	Observation
<i>Methodology used to develop an annual audit plan</i>	
3.	In conjunction with our analysis of the WestLaw Delaware Code references to mandated and non-mandated engagements required to be performed by the AOA, the Delaware State Auditor also initiated an internal review of mandated and non-mandated engagements required to be performed by the AOA. This effort will result in a comprehensive reporting of mandated and non-mandated engagements that can be used as part of the risk assessment process to develop an ongoing AOA engagement plan.
<i>Available technology solutions</i>	
4.	In our interviews with experienced AOA staff members, we noted that data analysis was an area that needed significant improvement to allow engagements to be performed more efficiently and to evaluate a larger population of transactions state/agency wide. The Delaware State Auditor has obtained some initial information on other state audit offices use of

Functional Area	Observation
	technology and having information technology audits performed by the state auditor. (We have also used this and other information as a basis for some of our observations)
<i>Organizational chart restructuring</i>	
5.	The Delaware State Auditor has taken steps to organize the AOA in such a manner that audit staff and managers can focus more on performing engagements and issuing reports and not on performing HR/Payroll activities and other administrative functions.

Human Resources Function

Assessment and Methodology

The following methods were used to gather data and prepare recommendations:

On-site observation and interviews of all personnel with human resources responsibilities:

We observed and interviewed various employees in the office to assess their knowledge related to human resources areas below:

- Recruiting & Onboarding
- Performance Management
- Learning and Development
- Communication & Culture
- HRIS/Admin Activity (benefits, leave, compensation, etc.)

Summary of Findings

The AOA is an independent office with limited access to the State's human resources division for areas other than recruiting and answering general questions related to the merit system. The HR division is not available to answer questions immediately; phone calls are scheduled to answer questions usually within a 24-48 hour window.

HR is decentralized and therefore most HR functions are managed by the Auditor of Accounts, Chief of Staff and Deputy Auditor. These individuals do not have formal education in HR but have participated in HR training and coursework. Human Resources oversight (by a trained HR professional) is recommended to ensure the departments are adhering to state HR rules and regulations.

The executive positions are responsible for facilitating HR policies, processes and procedures, which need to be updated on a regular basis as employment laws change. Staff employees should be trained regarding any new policies with signed acknowledgement forms placed in the official personnel file.

Recruiting & Onboarding

Observations

- The office of the AOA has both merit and non-merit employee classifications with different processes and rules for hiring, promotions, pay increases, disciplinary actions and terminations.
- Initial applications are collected and reviewed through the State's HR division.
- Formal job descriptions are maintained by the State of Delaware's HR division. Essential functions are listed on job descriptions and on advertisements for open positions; however, physical demands and work environment conditions are not provided.
- Open positions posted online through the State of Delaware include a section on how to request an accommodation for applicants with disabilities.
- Applicants appearing for the interview (referred to the AOA from the State's HR Division) are further screened by the office of the AOA. The office has created standard templates for interviewing candidates.
- Select positions may be required to submit and pass further screening such as a drug screen and criminal background check, as listed on the State's guidelines. Offers of employment contain contingencies related to passing the background investigation.
- No reports or records of drug testing results were located regarding any drug screenings for candidates applying for jobs within the office of the AOA.
- The Deputy Auditor works with State and Federal agencies to conduct background investigations for candidates when an offer of employment is imminent. There are different types of background checks an employer can conduct on a potential candidate such as criminal, social security, employment history, education, professional license, credit history and motor vehicle record checks.
- An initial probationary period is the required trial period of employment, which occurs when an employee first enters the Merit service. Non-merit employees serve the AOA and are considered at-will employees.
- There have been several resignations within the office of the AOA over the past year; turnover is not tracked for metrics reporting.
- There have been several new hires since the new AOA took office in January 2019. New job specifications were created as well as reclassification for positions to suit current and future needs of the office. However, there are several unfilled positions remaining within the office of the AOA.
- Applicant tracking, time to fill, and other HR recruiting metrics are not provided by the State's HR division. The office of the AOA is notified by the State when a qualified candidate has been identified through the application process.
- Prior to January 1, 2019, there was no formal onboarding or orientation documentation found in the personnel file review.
- Since there is no official human resources representative, the office of the AOA is not capitalizing on the opportunity to familiarize new employees with its mission, expectations, services, and staff.

Recommendations

1. The office has been proactive in the recruitment process in understanding staffing needs since the new AOA took office on January 1, 2019 and several positions have been filled by qualified staff members. It is recommended that the AOA create a comprehensive strategic growth plan to project hiring needs over the short (3-6 months) and long-term (1-2 years) periods.
2. The office of the AOA should address the organization's staffing, development and succession needs as a part of the strategic planning process with documentation provided for business continuity planning.

3. Many aspects of the recruiting function, such as sourcing, screening, and scheduling of candidates could be coordinated utilizing a dedicated human resources professional and/or an outsourced HR recruiting source. All duties will need to be coordinated with the State's HR division. This will enable the organization to ensure consistency in its recruitment methods, maximize valuable management time and possibly improve the quality of candidates attracted for career opportunities.
4. The office of the AOA should centralize the advertising process by authorizing one person with HR responsibilities to handle the review and placement of ads in coordination with the State's HR division. This should create consistency in hiring practices, better branding and messaging, and tracking of open positions with metrics for time-to-hire, candidate qualifications, and ad locations (web, job boards, print, etc.).
5. Interviewers need to use established standards to evaluate candidate competency and fit for the position in addition to legally compliant, behaviorally-based interview questions.
6. All interviewers should be provided interview skills training, for both efficiency and compliance reasons. This could potentially be a liability if the process is not conducted per the required laws and regulations.
7. Require properly documented interview evaluations, for both quality assurance as well as legal compliance purposes.
8. Ensure previous employment, references, education, licenses, and credit checks (if applicable) are conducted for candidates selected to receive conditional offers of employment. This process should be documented in the hiring processes.
9. We recommend that offers of employment be revised to include position specific position information and salary conversions to per pay period amounts. The letter should contain a space for the candidate's signature, indicating acceptance of the offer and a deadline for acceptance. If background checks are not completed, conditions of the offer of employment should be listed.
10. In order to facilitate and streamline the onboarding process, upon a candidate's acceptance, another letter or email should be sent that contains information about the new hire orientation, materials to bring on his/her first day and any relevant materials the employee will need to review before his/her first day.
11. Whenever possible, inform rejected applicants in writing as soon as possible. Applicants who are in limbo could be delayed until all decisions have been made; especially if due to adverse background information. Pre-adverse notifications and adverse hiring letters need to be sent to candidates to conform to the Fair Credit Reporting Act (if applicable).
12. If drug testing is conducted, a comprehensive process should be created to follow regulatory standards. A copy of the drug and alcohol policy should be provided to all candidates and/or employees with a written acknowledgment. While it is common for such a policy to be part of an overall policy manual, it is best to have each employee sign a separate form consenting specifically to the search and testing policy.
13. A new mentor program has been established with the new AOA, which will help transition new employees into the organization. We recommend adding the mentor program to the onboarding checklist to ensure mentors for all new hires. Goals of the new employee mentor program should include:
 - Accelerating the employee's perspective/understanding of operations and adaptation to a new position
 - Increasing employee loyalty
 - Promoting diversity

- Connecting employees with one another
 - Opening the lines of communication
 - Looking after new employees' welfare
 - Providing employees with a person to listen to concerns as well as successes
 - Safeguarding the office of the AOA's new hire investment
 - Enabling employees to feel welcome and to believe they have a career or career path
15. All new hires now have an updated checklist and onboarding training because of the changes to the office of the AOA in January 2019. With the auditing staff, there is a newly formed mentor program and set processes for training. By providing a more thorough orientation, the office of the AOA should establish the timeline for returning forms and training for the benefit provisions. The checklist and orientation process:
- Provide introductory materials, such as a summary of benefits and key policy and procedure information to new employees. These introductory materials enable new employees to familiarize themselves with some basic information about the office of the AOA, which will make the orientation process more meaningful.
 - Establish a standardized format for orientation; identifying which employees are responsible for conducting orientation and provide training for those employees.

Performance Management

Observations

- Prior to January 1, 2019, performance reviews were not given to employees consistently.
- Since January 2019, there have been several promotions through the career ladder. Job specifications were modified during the prior administration; however, the new administration continues to seek opportunities to revise job specifications using best practices and standards from other state auditor offices throughout the United States. These changes also opened the applicant pool to more qualified candidates.
- Annual self-evaluations were sometimes collected from employees under the prior administration. The process often was incomplete as the next step for managers (to complete the evaluation) did not always take place. As a result, the evaluations were not always filed in the official employee record. Goals were not always tracked as well.
- There is no formal disciplinary process; appraisals or corrective action plans are not fully utilized for disciplinary action purposes.
- Prior to January 1, 2019, the office of the AOA did not require a witness for involuntary terminations. The new AOA requires a witness for all involuntary terminations.
- Prior to January 1, 2019, there was no formal, documented process related to merit employees' performance issues. Currently, the office of the AOA is in the process of developing guidelines for clarity and accountability based on State merit rules.

Recommendations

1. A performance review is a tool to measure, evaluate, reinforce and/or improve the employee's job performance. It also informs the employee if they have been successful in meeting their goals and objectives. For the employee, the review provides feedback on the supervisor's expectations, and where any areas of strength and weakness are. Overall the review is documentation of the employee's performance, and if the AOA is having issues with an employee, all concerns should be documented and discussed with the individual as they occur. It is a potential liability if the reviews are not occurring on a yearly basis as required.
2. Establish an employee performance appraisal plan. The performance appraisal process should include specific performance criteria for evaluating employees, timelines, persons responsible, employee self-evaluations and required documentation. Supervisory staff should be involved in the appraisal process with executive leadership responsible for final approval of any merit increases resulting from the process.
3. Update and/or develop job descriptions to help supervisors/managers establish consistent benchmarks for evaluating performance.
4. Enforce compliance with deadlines established for the performance appraisal process.
5. Consider holding training workshops for supervisory staff regarding the performance appraisal process.
6. Performance appraisals should be reviewed thoroughly by the employee's next level supervisor and an HR representative for further discussions and feedback for problem areas and performance concerns.
7. Incorporate a review and update of each employee's job description as part of the performance appraisal process. Employees should review their job descriptions when filling out the self-evaluation. Revisions should be discussed as part of the evaluation with the supervisor.
8. The disciplinary process was not consistent with the former administration. Current administration is developing a disciplinary action process that incorporates corrective action plans, documentation of verbal warnings, written notices and final warnings. We recommend review by legal counsel and/or the State's HR division prior to finalizing the new process.
9. Provide supervisors and managers with guidelines and expectations for the employees' disciplinary process. Human Resources provided training opportunities to ensure supervisory staff are competent to handle their discipline and counseling responsibilities. We recommend all supervisors attend these sessions as applicable.
10. Formalize the termination and separation processes. A witness, preferably a supervisor, should sit in on all involuntary terminations.
11. Exit interviews were offered to terminating employees under the prior administration. The new administration has implemented exit interviews for employees who voluntarily terminate their employment as a standard process since January 1, 2019. We recommend utilizing a trained Human Resources professional to meet with employees and discuss their reasons for leaving as a "reverse job interview."

Learning & Development

An organization's vision and mission should be linked directly to improving the performance of its employees while at the same time be designed to reflect the strategic objectives of the office. Subsequently, learning and development must also be tied to the overall strategic objectives of the organization.

Observations

- Currently the training program does not quickly identify courses employees have completed and what additional training materials or subject matter may be needed to continue learning enrichment. However, the information is available online.
- During our file examination, we did not discover any Certificates of Completion in the employee personnel records.
- The State of Delaware offers a "career ladder" for some positions. However, many staff members have moved into new positions using the career ladder (as a result of the new AOA's restructuring of positions).
- Auditors with CFE and/or CPA designations require continued education credits to maintain the certification. Since January 2019, the office of the AOA has established a tracking sheet for continuing education credits.

Recommendations

1. Determine important skills, qualifications and certifications that might enable current employees to prepare for additional responsibilities and then investigate cost-effective means for providing those programs.
2. The continuing education reimbursement process needs to be refined to include provisions for employees "being in good standing" using guidelines for ethical and professional standards set by credentialing organizations. Credentials should be reviewed annually to ensure there are no performance deficiencies, disciplinary actions, official reprimands, felony convictions, etc. before the office of the AOA reimburses the employee for CE's.
3. Establish a budgeting and monitoring process for external seminars, training and courses attended by employees. If free CE's are provided by the office of the AOA, employees should take advantage of the opportunity and attend. If they choose not to attend, establish a policy regarding the cost of future CE's to be borne by the employee.
4. Determine if the office of the AOA address should be listed for correspondence, renewal fees, and CE updates for tracking and budgetary planning purposes.
5. Hold supervisory training classes at least twice a year on such topics as interviewing and hiring, anti-harassment, employment law issues, and performance appraisals. Participation should be mandatory for all newly hired or promoted supervisors and promotion-track employees, as well as any current managers and supervisors who have not attended such training in the past year.
6. Utilize a standard evaluation for each training class. This process will enable the office of the AOA to track the effectiveness of its training programs and trainers. Participants should also evaluate outside training attended.

7. Institute a formal policy requiring employees attending state offered training programs to present the seminars' main points to relevant personnel.
8. Continuing education credits for CPA and CFE should continue to be managed for certified staff. The office of the AOA has recently created a policy and process related to continuing education reimbursement, expenses, etc., however, it has not been finalized. Once this occurs, staff should be trained regarding the process with acknowledgments placed in each employee personnel file.

Communication & Culture

Observations

- The office of the AOA distributes policy updates and sends out weekly emails.
- The office of the AOA holds organization-wide meetings for employees each week; during the first quarter, written agendas and sign-in sheets have been utilized.
- The office of the AOA has contacted the State's HR Division often to request guidance regarding disciplinary actions and other policies. Their response has been "to continue documenting" without any further guidance.
- The Policy & Procedures manual has been updated with significant changes by the new administration.

Recommendations

1. While there may not always be a significant message to communicate, developing a clear strategy with respect to how the organization will communicate promotes a level of preparedness that recognizes the need to influence employee morale and instills faith in leadership. Messaging around policies, benefits, procedures, news, etc. must be timely, consistent and provide the right level of transparency.
2. A key factor in recruiting and maintaining a satisfied and productive workforce is the quality, consistency and timeliness of the internal communications that flow throughout the AOA. Engaged employees, those who feel their employer takes sharing information seriously and treats them as a priority, are happy employees.
3. Continue to formalize the employee recognition program. (This recognition program should reward employees for the contributions and actions that affect programs and initiatives most valued by the office of the AOA.) Additionally, the program could encourage employees to recognize and reward one another. While it may take time to acclimate employees to this program, executive leadership should continue to encourage employees to participate and support it themselves, until it becomes part of the culture.
4. The new AOA leadership team has recently created templates for various communications, such as promotion memos, work anniversaries, special accomplishments, upcoming events, etc. Recommend cross training for staff in case of absences, leaves, vacations, etc.
5. Continue holding weekly meetings for employees and share information such as new programs or changes in the office of the AOA. Create the process for weekly staff meetings to include an agenda, and sign in sheets. Follow up with an email recap for absent employees. This could be used for documentation if a new policy was discussed for placement in official personnel records.

6. Executive leadership should request a meeting with the top official for the State’s HR Division and request written guidance regarding the formal disciplinary and termination process for merit and non-merit State employees. If they are unable to provide written documentation to clarify when a merit employee may be terminated, request a meeting with the appropriate personnel within the Delaware Department of Justice to determine next steps.
7. The Policy & Procedures Manual should be reviewed by a Human Resources professional and/or legal counsel to ensure best practices in HR are being followed, consistency with the State’s HR Division practices, and employment law regulatory compliance.

HRIS/Admin Activity (benefits, leave, compensation, etc.)

Observations

Software programs used in the office:

ESTAR Time Management System
PHRST - Payroll
FSF – First State Financial for the State of Delaware’s Accounting System
P-Card – Travel and expense
TEC – Timesheets

Recommendations

1. The new AOA has implemented onsite training to take place in May and June of 2019 for several of the above programs. We recommend formal training for all users and administrators of software programs and systems to take place throughout the year. Document and create processes for proper continuation of business operations (especially for new hires).

Short Term Risks / Concerns

This report was prepared as a high-level assessment of the HR function looking towards the future state of the department from an infrastructure standpoint. Our objective was a broader scope to identify areas of longer-term opportunity and not on specific compliance details. However, our findings do yield short-term risks that should also be addressed.

Recommendations

1. Conduct a complete, detailed workflow analysis of all HR processes in preparation of implementing best practices focused on efficiency and effectiveness.

2. The office of the AOA is working on an audit of personnel records maintained in the office of the AOA to establish consistency in documentation. We recommend an HR professional assist to ensure best practices are followed for personnel file document organization and retention.
3. Develop and implement an effective process for submitting and tracking vacation, sick, and other leave days taken by employees. Compare with State's HR Division for accuracy and process consistency.
4. We recommend training for the office of the AOA regarding the process for and tracking of FMLA leaves for anyone using the ESTAR software program (used to track FMLA). Ensure HIPAA/PHI regulations are followed for any AOA staff with access to FMLA records and ESTAR.
5. The new AOA contracted with a professional trainer to conduct Sexual Harassment training in the first few months of 2019. Employees who did not attend should be provided training with supervisory staff participating in training annually or biannually. A separate acknowledgment form regarding the training should be signed by each employee and filed in the official personnel file. This policy should also follow the State's policy, if applicable.
6. A comprehensive Drug and Alcohol policy should be created, separate from the employee handbook. A separate acknowledgment should be signed by each employee for this policy and filed in the official personnel file. This policy should also follow the State's policy, if applicable.
7. Change verbiage to reflect him/her or him/her in policy documents to encourage equal opportunity, diversity, and inclusion best practices.

Changes since January 1, 2019 for New Auditor of Accounts

There have been several change affecting the human resources functions within the office of the AOA since January 1, 2019. They include, but are not limited to:

- Updates to 5 Manuals
- Consolidation of office space to one floor (all staff working together)
- 12 New Hires
- Continuous Updates to Position Descriptions (improving candidate pool and qualified applicants)
- Organization Restructuring
- Position Changes to Eliminate HR & Admin Duties from Auditing Staff
- Outreaches with other states for best practice comparisons
- Website Updates with Social Media Outreaches
- Staff Training & Development Programs
- Technology Upgrades
- Town Hall Outreaches
- Weekly Employee Meetings with Special Recognitions

Ongoing Human Resources Administration

Currently, the Auditor of Accounts, Chief of Staff, and Deputy Auditor share existing HR duties. These individuals are not formally trained or educated in the areas of human resources. According to the Society of Human Resource Management's (SHRM) 2016 National Study of the Changing Workforce, there are seven (7) components of the work environment that benefit an employee's job engagement, job satisfaction and likelihood to remain on the job:

- Job Challenge and Learning Opportunities
- Culture of Respect, Trust & Belonging
- Work-Life Fit
- Co-worker Support for Job Success
- Supervisor Support for Job Success
- Autonomy
- Satisfaction with Wages, Benefits and Opportunities to Advance

Employees in highly effective workplaces are more than twice as likely to be highly engaged, satisfied with their jobs, and likely to remain with their employers than employees in workplaces with moderate or low levels of effectiveness. At the same time, these components benefit employees by promoting better health and well-being and decreasing conflict between their work and personal/family lives.

Due to the size of the AOA and in consideration of the findings of this HR report, it is our recommendation that the office consider (1) hiring an experienced human resources professional dedicated to the HR administration needed to support the department or (2) consider outsourcing or partially outsourcing some of the HR operations. This individual should have experience in creating effective workplaces, be familiar with the State's HR division and merit system, and be able to implement best practices in HR. Responsibilities could include:

- Interface with the Executive leadership team and staff to ensure that the HR needs are clearly identified and met.
- Collaborate, support and implement initiatives for improving the workplace environment from a satisfaction perspective.
- Assist in the development and implementation of strategic HR processes and procedures relative to ensure compliance with applicable laws, regulations and best practices.
- Provide ongoing HR consultation, guidance and recommendations to management for employee relations and unique situations such as harassment claims, unemployment, termination guidance, conflict resolution, compensation and performance management matters, as needed.
- Provide mentoring and guidance to supervisors with direct reports for general employment- related issues.
- Monitor/Assist in the recruiting and staffing processes. Prepare offer packages, assist and review the onboarding process.
- Daily HR guidance, onsite and offsite support related to recordkeeping requirements, benefits administration, employee communication and employee relations.

Exhibit I Engagements not Performed in Accordance with Statutory Mandates

Title/Delaware Code Reference	Requirement	Required Frequency of Audit	Issue
TITLE 2 – TRANSPORTATION - 2 Del Code, Chapter 20, §2006	(e) Excess revenues. (Should be part of the annual Department of Transportation Financial Statement Audit Del Code, Chapter 13, §1323) As agreed upon by the parties the agreement may require that any revenues in excess of the maximum rate of return allowed in the agreement either be applied to any indebtedness incurred by the contracting party in connection with the project and/or be paid to one or more other entities or funds including, but not limited to, the Revolving Loan Fund established in § 2012 of this title, the State's Transportation Trust Fund established under § 1404 of this title, the Department, or the State. For the purpose of determining whether these revenues are in excess of the maximum rate of return, the agreement shall expressly provide for an annual audit to be performed (at the expense of the contracting party) by the same auditor chosen to perform the annual audit of the Transportation Trust Fund pursuant to § 1323 of this title and the certification of the rate of return which the contracting party has realized during the audited period. The contracting party shall maintain its books and corporate records in the State.	Annual	For all years reviewed, did not see this included in the Department of Transportation Financial Statement Audit
TITLE 14 – EDUCATION/ 14 Del Code, Chapter 5, §513	(2) The Auditor of Accounts shall conduct or contract for an audit of the charter school's business and financial transactions, records, and accounts after July 1 for the prior fiscal year in the event the charter school has any of the following: a. A financial audit opinion with any of the following in any of the prior fiscal years under the current charter term: 1. Material exceptions. 2. A going concern disclosure in the notes or in an explanatory paragraph related thereto.	Per threshold	For seven Charter Schools that existed in fiscal year 2018 for a total of fewer than 5 years under its current and prior charter terms the Auditor of Accounts did not conduct or contract for an audit of the charter school's business and financial transactions, records, and accounts after July 1 for the prior fiscal year.

Title/Delaware Code Reference	Requirement	Required Frequency of Audit	Issue
	<p>3. A finding of material weakness on either internal control or compliance. For purposes of this paragraph, "material weakness" means a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.</p> <p>b. Has failed to maintain a current status with Internal Revenue Service Form 990 filings, if said filings are required of that charter school.</p> <p>c. Has existed for a total of fewer than 5 years under its current and prior charter terms.</p>		
<p>TITLE 14 – EDUCATION/ 14 Del Code, Chapter 15, §1504</p>	<p>(c) In order to ensure that authorized position complements are not exceeded, the Auditor of Accounts is directed to incorporate an examination of the number of authorized positions versus the number of actual positions a district has employed as part of the regular, annual audit review for all public school district audits that commence on or after July 1, 1991. This position audit function shall include, in addition to formula salary positions, an examination of positions and associated "option units" authorized by the Secretary of Education under any appropriation.</p> <p>(d) Any discrepancy found by the Auditor of Accounts which has resulted in a local school district expending more general funds than it was entitled to during the fiscal year being audited shall be promptly reported to the Director of the Office of Management and Budget, the Controller General and the Secretary of Education. Upon review and determination as to the status of the questioned expenditure, the Director of the Office of Management and Budget, Controller General and the local school district Board of Education shall develop and certify a written repayment plan.</p>	<p>Annual</p>	<p>Not performed annually.</p>

Title/Delaware Code Reference	Requirement	Required Frequency of Audit	Issue
TITLE 14 – EDUCATION/ 14 Del Code, Chapter 17, §1705A	<p>1705A Maximum student-instructor ratio requirements.</p> <p>(a) The ratio of students to instructors in any class in kindergarten or grades 1-3 in a Delaware public school shall not exceed 22 students as of the last school day of October. In calculating such ratio, a classroom instructional aide shall count as equal to half a teacher. This subsection shall only apply to a class within which students are instructed in the core academic subjects of English/Language Arts, mathematics, science and social studies.</p> <p>(b) The Department of Education shall provide technical assistance to any school district seeking assistance in allocating its Division I, Division III, Comprehensive Discipline Program, and local operating funding in such a manner as to accomplish class sizes equal to or lower than those required by this section.</p> <p>(c) A local school board may waive subsection (a) of this section after voting to waive such subsection at a public meeting noticed for that purpose. Any local school board vote on such a waiver shall occur on or before December 1 of each year. Notice for such a meeting shall be placed in the local newspaper for 2 consecutive weeks before the meeting and shall be posted on the door of any school affected for the same time period, and a copy shall be sent to the principal, teacher association building representative and Parent Teacher Organization/Parent Teacher Association parent leader of any affected school. The notice shall include the procedures for such persons to provide oral or written comments on the proposed waiver to the school board. Notice of any approved waiver shall be sent to the same persons.</p> <p>(d) The State Auditor shall, in cooperation with the Department of Education, monitor compliance with this section in the audits of the boards of education of the schools district conducted pursuant to § 1504 of this title.</p>	Annual	Not performed annually, not performed in fiscal years 2014, 2015 and 2016.

Title/Delaware Code Reference	Requirement	Required Frequency of Audit	Issue
<p>TITLE 14 – EDUCATION/ 14 Del Code, Chapter 17, §1706</p>	<p>The funds appropriated to each school district for expenses included in Division II shall be determined by providing a sum, which shall be uniform for all school districts throughout the State, for each unit of pupils in such school district provided that the sum allocated during the school year for new and additional units in a school district in which the additional units have no facilities and in which the additional units give a total number of units in excess of the maximum present at any time during the past 5 years may exceed the uniform amount appropriated for expenses included in Division II; such moneys shall be used for the purchase of textbooks, furniture and other classroom equipment.</p> <p>The first paragraph of this section notwithstanding, the funds appropriated to each district for expenses included in Division II based upon each occupational-vocational unit as defined in § 1703 of this title shall be either 1, 2 or 3 times the amount determined for each non-occupational vocational unit as designated according to rules and regulations of the Department of Education. At least 90% of the occupational-vocational unit Division II funds, with the exception of Division II-Energy funds, shall be allocated to each school that generates these funds and expended to support the State-approved occupational-vocational courses and programs at that school. Each school district shall establish line item accounts for occupational-vocational Division II funds. These funds are in addition to the regularly generated units and all other financial resources normally allocated to each school. Random audits shall be scheduled and conducted by the State Auditor. The Secretary of Education shall request an annual report from the State Auditor evidencing an audit schedule of 10% of the affected schools.</p> <p>The second paragraph of this section notwithstanding, local school districts may request a waiver of the 90% requirement subject to the approval of the Executive Director of the Delaware Advisory Council on Career and Vocational Education, the Secretary of Education, and the Controller General. Such waiver requests must be submitted to the Secretary of Education by November 15 of each year. The Secretary of Education shall</p>	<p>Random audits for occupational-vocational Division II Funds</p> <p>Annual Report to Secretary of Education evidencing an audit schedule of 10% of affected schools</p>	<p>Not evidenced in Schedule of performed audits among any of the fiscal years</p>

Title/Delaware Code Reference	Requirement	Required Frequency of Audit	Issue
	notify the local school districts as to the disposition of the waiver request no later than January 3 of the following year.		
TITLE 14 – EDUCATION/ 14 Del Code, Chapter 51, §5109	<p>§ 5109 Audit of accounts. The accounting records of the University may be audited by the Auditor of Accounts of the State or such other auditing official as the General Assembly may from time to time appoint. Neither this nor any other law of this State, however, shall hereafter be construed as imposing any duty upon, or creating the occasion for, any state official (with the exception of such state officials as may from time to time also be Trustees of the University) to audit, question or inquire into the receipt, handling or expenditure of any funds coming to the University from any source other than a state appropriation, provided, however, that if the University should hereafter commingle funds which came from a state appropriation with other funds, the audit of state appropriated funds may be made complete even if in the process of doing so, because of such commingling, nonstate funds have to be audited as well.</p> <p>The University shall continue the practice, which has heretofore been followed on a voluntary basis, of obtaining an annual certified audit of all its financial transactions and making the audit report available to the Board of Trustees.</p> <p>29 Del Code 2906(h) (h) The Auditor of Accounts shall conduct audits of the State-funded portion of the finances of the University of Delaware as authorized by § 5109 of Title 14. The contractor conducting the audit shall be selected jointly by the University of Delaware and the Auditor of Accounts.</p>	Annual	<ul style="list-style-type: none"> • The office does not maintain copies of the University of Delaware annual Audit • No evidence that the contractor conducting the audit was selected jointly by the University of Delaware and the Auditor of Accounts.

Title/Delaware Code Reference	Requirement	Required Frequency of Audit	Issue
TITLE 29 - STATE GOVERNMENT/ 29 Del Code, Chapter 29, §2906 (c,g)	<p>(c) The Auditor of Accounts shall have sole responsibility for the arrangements under which the agency postaudits shall be conducted and for the selection of certified public accountants who shall make the postaudits. No other state agency or member, official or employee thereof shall have any part in, or responsibility for, the selection of the certified public accountants, nor shall they make any arrangements, agreements or contracts for the employment of the certified public accountants for the purpose of making agency postaudits.</p> <p>(g) The Auditor of Accounts shall conduct postaudits of all agencies, associations and funds created directly or indirectly by the provisions of Title 18 or by the Insurance Commissioner.</p>	No less frequently Biennially	No postaudits performed during prior five fiscal years (2014 to 2018)

Title/Delaware Code Reference	Requirement	Required Frequency of Audit	Issue
TITLE 29 - STATE GOVERNMENT/29 Del Code, Chapter 58, §5823(a-b)	(a) The State Auditor shall conduct an annual audit of the time records which have been kept by the supervisors or school board in accordance with § 5822(b) and (c) of this title to determine whether or not an employee was paid from more than 1 tax-funded source for working coincident hours of the day. (b) Any discrepancy found by the State Auditor shall be reported to the Public Integrity Commission for investigation pursuant to § 5810 of this title and/or to the Office of the Attorney General for possible prosecution under § 876 of Title 11 (tampering with public records in the first degree) and any other appropriate section.	Annual	Audit is performed every two years, covering both years in the audit.
TITLE 29 - STATE GOVERNMENT/29 Del Code, Chapter 90, §9010B	Prothonotaries. The State Auditor shall, not less than biannually, audit, inspect and examine the books, accounts, papers, records and dockets of the several state row officers and ascertain the amount due to the State in fees.	Biannually	Included in State CAFR Contract, only performed annually.
TITLE 29 - STATE GOVERNMENT/ 29 Del Code, Chapter 27, §2722(e)(7)	(a) Establishment; purposes. — There is hereby established the Plans Management Board (the "Board"). The Board's purpose shall be to administer the College Investment Plan established pursuant to subchapter XII, Chapter 34 of Title 14, the Delaware Achieving a Better Life Experience Program established pursuant to Chapter 96A of Title 16, and the Deferred Compensation Program established pursuant to Chapter 60A of this title (collectively, "the Plans"), in each case, in accordance with the individual purposes of each of the Plans. (e)(7) The Board shall arrange for an annual financial audit of each of the Plans, which shall be provided annually to the General Assembly. The Board shall enter into a memorandum of understanding with the Auditor of Accounts regarding each such audit, and payment for each such audit shall be approved by the Board.	Annual	<ul style="list-style-type: none"> • In fiscal year 2018, no audits of the Deferred Compensation Program established pursuant to Chapter 60A were performed. • In fiscal year 2017, audit reports were issued for calendar years 2015, 2014, 2013, 2012 for the Deferred Compensation Program established pursuant to Chapter 60A. • In fiscal year 2016 no audits of the Deferred Compensation Program established pursuant to Chapter 60A were performed. • In fiscal year 2015 audit reports for the 403b plan were issued for calendar years 2013 and 2012. • In fiscal year 2014 no audits of the Deferred Compensation Program established pursuant to Chapter 60A were performed.

Exhibit II Engagements Performed under GAGAS

Fiscal Year	Number	Name of Report
2014	1	Paramedics reimbursement AUP 2011-2012
2014	2	School District Local Tax Collection and Debt Service Management AUP June 2012
2014	3	Performance Audit of Means-Tested Eligibility Entitlement Programs July 2009-March 2013
2015	1	Teacher of the Year Award Program Examination
2015	2	Paramedics reimbursement AUP 2013-2014
2015	3	School District Local Tax Collection and Debt Service Management AUP year 2013
2016	1	School District Local Tax Collection and Debt Service Management AUP year 2014
2016	2	State of Delaware Dual Employment Examination 2011 through Dec 2013
2017	1	School District Authorized Tax Rate AUP Year 2015-2016
2017	2	Paramedics reimbursement AUP 2015-2016
2017	3	The Fund to Combat Violent Crime AUP 2014, 2015, 2016 (4 separate city audits)
2017	4	State of Delaware Dual Employment Examination 2015-2016

Fiscal Year	Number	Name of Report
2018	1	Special Law Enforcement Assistance Fund AUP
2018	2	State Wide Unit Count (12 school's individual reports) school years 2017-2018
2018	3	State Wide Unit Count (7 school's individual reports) school years 2016-2017

Exhibit III State Auditor Information Available on State Auditors Websites

Topics	New Jersey	Maryland	Pennsylvania	North Carolina	DELAWARE	Vermont	Rhode Island	North Dakota
Staffing	Comprised of 92 professional and 5 support staff positions. All auditors must have a bachelor's degree in accounting or related field and 24 credit hours of accounting.	Staffed by approx. 110 professional auditors, many of whom are CPAs. Generally, audit consists of audit manager, senior auditor, and one to five staff auditors.	440 employees in office, 330 auditors, 40 of auditors have CPA license Not all auditors have an accounting background		27 authorized positions available, 22 filled	11 positions, 10 filled	41 individuals including 13 CPAs	
Number of Audits for FY18		At least 61	About 3,940 reports		5 Investigative 1 CAFR 1 Single Audit 17 Financial Audits 22 Attestation 23 AUPs 1 Volunteer Fire Service	5 Performance (AOA) 5 Investigative (AOA) 1 CAFR (Finance & Mgmt., Treasurer & AOA) 1 Single Audit (CLA)- Clifton Larsen Allen		Approximately 90 scheduled audits office of the auditor does not have the authority to conduct financial statement audits for Bank of ND, State Fair Association, and ND Development Fund, etc. This is done because state does not have means to provide these audits. These audits are paid for by the state agency receiving an audit

Topics	New Jersey	Maryland	Pennsylvania	North Carolina	DELAWARE	Vermont	Rhode Island	North Dakota
Types of Audit	1. Performance Audits 2. Financial Audits 3. Information Technology Audits 4. School district Audits 5. Legislative Requests	1. Fiscal Compliance Audits 2. Financial Audits 3. Information Technology Systems Audits	1. Performance Audit 2. Financial Audits 3. Attestation Engagements	1. Performance Audits 2. Financial Audits 3. Information System Audits 4. Investigative Reports 5. CPA Audits	1. Financial Audits 2. Performance Audits 3. Attestation Engagements 4. Investigative Reports 5. Agreed Upon Procedures Engagements	1. Performance Audits 2. Federally Mandated Single Audit 3. Financial Audits 4. Non-audit work (Investigative Reports and Reviews)	1. Financial and Compliance Audits 2. Performance Audits	1. Financial 2. Biennial operational 3. Information systems audit 4. Performance audits 5. Biennial audit of the state's federal financial assistance
How is Auditor elected?	Government appointed	Government appointed	Statewide elective office	Elective office	Elected	Constitutional officer, elected biennially by the citizens of Vermont	Appointed by the joint committee on legislative services	
Budget	Budget is not published in the internet		2016-2017 budget: \$43.59 million		Budget: \$4.2 million for FY 2019	Fiscal year 6/30/2018: \$4,027,633 Expenditures: \$400,000	About \$3.7 million for FY2020	
Outsourced Audits			No-auditors perform CAFR and Single Audit		Yes	Single Audit is outsourced to CLA. Only mandated audits are the Tax Increment Financing Audits		

Topics	New Jersey	Maryland	Pennsylvania	North Carolina	DELAWARE	Vermont	Rhode Island	North Dakota
Training	Office provides a minimum of 80 CPE credits biennially and diversified work experience to enhance each person's professional development. Office maintains 7 active committees staffed with individuals with various titles to provide guidance in the areas of IT, personnel, planning, policy, statistical sampling, and training.		Have new hire training programs specializing in yellow book, writing on findings/ recommendations			To meet competency requirements, the SAO has established minimum qualifications for hiring employees that consist of education, training and experience. Qualifications vary upon audit staff level. Complete 8 hours of CPE every 2 years- 24 hours must be related to government auditing Progress Reports are maintained for every staff after working at least 350 hours on the project	must obtain at least 40 CPE credits per year- OAG retains professional instructors to conduct training sessions that are tailored to the specific types of audits performed	utilizes Becker Professional Education for technical training
Accomplishments	During calendar year 2017, identified 34.6 million in new cost savings and revenue enhancements.				Do they have specific and measurable goals?	Goals and Performance Measures: 1. promote government accountability and improve the efficacy and effectiveness of state government through Performance Audits and Reviews 2. Complete Mandated Financial Audits on Schedule 3. 7 Performance Audits per year		

Topics	New Jersey	Maryland	Pennsylvania	North Carolina	DELAWARE	Vermont	Rhode Island	North Dakota
Other	Peer Review of the NJ office of the Auditor was performed which encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Participates in the National State Auditors Association External Review Program.	Peer Review is performed. OLA participates in the National State Auditors Association External Review Program. Happens once every three years. Reports to the Joint Audit Committee	Struggle to obtain good talent since often cannot compete with private companies starting salaries			Funding: 11% comes directly from state's general fund. Almost all the rest comes from the Single Audit Revolving Fund (SARF). Most state agencies and departments contribute to the SARF based on a formula reflecting their expenditures, revenues, and federal funding.	Email: aud.auditor@vermont.gov	Only perform audits on entities that have less than \$200,000 in annual receipts

Topics	New Jersey	Maryland	Pennsylvania	North Carolina	DELAWARE	Vermont	Rhode Island	North Dakota
Risk Assessment			Risk based approach- audit many of the same entities over again part of their initial assessment includes if the entity has taken suggestions seriously. Objectives vary based on prior findings	Risk based approach- audit many of the same entities over again part of their initial assessment includes if the entity has taken suggestions seriously. Objectives vary based on prior findings	Does not have type of document.	Using the engagement portfolio management tool provides a "score" for each suggested audit topic and allows the State Auditor and staff to perform objective analyses of the value of the proposed project. Provides a cost/ benefit approach.		Three main objectives when auditing: 1. What are the highest risk areas? 2. Are there areas of agency's operations where we can help to improve efficiency or effectiveness? 3. What are the significant and high-risk areas of legislative intent applicable to the agency and are they in compliance with these laws?
Audit Process					Audit and Attestation Manual Details Process	Contains Flowchart of Audit Process from planning to final execution- contains information on final objectives, methodology, and type of message to be conveyed.		Performance auditors follow up 18-24 months after the audit has been issued
Design Matrix						Lists objectives, information required and sources, scope and methodology, limitations, and expected results.		
Project Plan						Performance Audit Project Milestones		
Report Quality Checklist					Quality control manual	Reviews all standard parts of report such as title, organization, presentation, objectives, highlights, scope & methodology, etc.		
Software Utilized			Proprietary systems		Teammate, ACL, Teammate + is coming soon	Teammate +, ACL		Teammate

Exhibit IV Responses to Survey Emailed to State Auditors of Similar Size as AOA

Questions	Vermont	Pennsylvania (discussed via phone)	Maryland	North Dakota
<p>What skill set do you prioritize when training your staff? Analytical skills, technological skills, soft skills, etc.? Is there a specific training program your office utilizes?</p>	<p>We make decisions on training annually based on our evaluation of the current needs of the office. We usually hold one 2-4 day office-wide training program each year and our contract with the CAFR/Single audit firm requires that they offer state government-wide training, which our staff attends. We fill in the remaining CPE requirements based on individual staff needs and interest and local training resource availability (e.g., local IIA conferences, on-line training). Our office-wide training has focused on analytical (e.g., sampling), technology (e.g., IDEA and TeamMate+), and internal process (e.g., writing) skills.</p>	<p>Auditor department has new hire training programs specializing in yellow book audits as well as developing skills for writing findings/recommendations</p>	<p>From a continuous training perspective, OLA emphasizes is as follows: fraud awareness, data analytics tools (OLA has developed its own in-house tools and dashboard to analyze key transactions, such as disbursements and corporate credit cards), and updates to standard audit programs. OLA does provide staff with 80 hours of CPE every two years, to ensure compliance with GAGAS. Although there is significant training provided using in-house developed courses, we annually send the entire staff to the two-day Maryland Association of Certified Fraud Examiners Conference. In addition, every other year, about half the staff attends the Baltimore Chapter of the IIA's District Conference (which includes a number of audit-related topics). Finally, most staff receive annual subscriptions to the online Becker CPE Learning program.</p>	<p>Historically the emphasis has been on technical training related to new accounting and auditing standards. The new state auditor has shifted the training to include more leadership and other "soft skills." Currently we are using Becker Professional Education for a significant part of our technical training.</p>

Questions	Vermont	Pennsylvania (discussed via phone)	Maryland	North Dakota
<p>What technology services/ software do you leverage to perform your audits? What has worked well for you and what hasn't worked well?</p>	<p>For analysis purposes, we use the standard Microsoft Office suite supplemented by IDEA for detailed data analysis. Regarding IDEA, this has been a very effective analysis tool for us. For audit documentation purposes, we implemented TeamMate+ in April 2018. This implementation has been challenging from a technology and internal process perspective. We are in the process of evaluating how we plan to go forward with this software.</p>	<p>Auditor utilizes proprietary systems and ACL.</p>	<p>OLA uses TeamMate electronic workpapers. For in-house data analytic tools, we use Active Data, Excel, and Access. In addition, we have an old obsolete audit tool, called Dyl-Audit, which we are phasing out. The MS products while powerful do not provide the same DB match and transaction sorting benefits as our in-house tool set.</p>	<p>For several years, we have been using TeamMate (Wolters Kluwer) for our electronic work papers. We have been pleased with TeamMate. We also use Microsoft Office products and PeopleSoft tools (part of the State's ERP).</p>

Questions	Vermont	Pennsylvania (discussed via phone)	Maryland	North Dakota
<p>Does your office perform only state mandated audits or a variety of others such as single audits and performance audits? Do you take a risk-based approach when forming your audit plan?</p>	<p>Our office is responsible for the CAFR and single audit, which we contract out. Internal audit staff resources are devoted to performance audits. We do not have a formal audit plan for the office. However, we take a risk-based approach in deciding whether to conduct discretionary performance audits (currently only our Tax Increment Financing audits are statutorily mandated). This process is described on pages 6-3 to 6.5 of our Professional Standards Manual. We are in the process of updating this manual to comply with the revised GAGAS standard but do not expect the risk assessment part of the process to substantially change.</p>	<p>Risk based approach-audit a lot of the same entities on a yearly basis. Part of department's initial assessment includes if the entity has taken prior year suggestions seriously. Objectives vary based on prior findings.</p>	<p>OLA primarily performs audits mandated by State law (each State agency is to be audited at least once every four years) and audits every six years of the 24 local public school systems in Maryland. We do not audit the CAFR or conduct the Single Audit. Yes, both in developing our annual audit plan and setting the budgets of each audit, and when planning the individual audits. During, individual audit planning, consideration is given to risk and materiality. See the attached documents for annual audit planning requirements specified in State law [SG2-1220(a)(2)] and definitions of the standard audits we perform [SG2-1221(a) and (b)].</p>	<p>Unsure of what you mean by mandated. The State Auditor can only do the audits that it has the express power and duty to perform. That includes financial (including Single Audits) and performance audits. Each required audit has an audit plan that includes a risk-based approach.</p>

Exhibit V Information to be Provided/Approval of Office of Auditor of Accounts (AOA)

Title	West Law Reference	Summary	Requirement
TITLE 7 - CONSERVATION	7 Del Code, Chapter 1, §110	All disbursements made by the Department (Protected Wildlife; Game Wildlife and Dogs) for salaries, expenses and other purposes, as are by law permitted, shall be paid by the State Treasurer, to the extent there is money legally available to the Department, upon vouchers issued by the proper officers, designated by the Department, and approved by the Auditor of Accounts.	Approval by AOA of disbursements
TITLE 9- COUNTIES	9 Del Code, Chapter 94, §94012	(a) The clerk of the peace shall, within 10 days after the appointment by the government of his or her county of any constable, send by mail to the Auditor of Accounts a true certificate of the name of every such constable, stating therein who is, and who is not, liable to the payment of a fee of \$5.00, according to law. (b) This section shall not apply to the clerk of the peace of New Castle County.	Notification to AOA-- Every time a constable is appointed
TITLE 9- COUNTIES	9 Del Code, Chapter 94, §9407	(a) The clerk of the peace shall, not later than the tenth day of each month, plainly state under his or her hand, and render to the State Treasurer, with a copy thereof to the Auditor of Accounts, a full and true account of all money by him or her received, during the next preceding calendar month, or for which he or she is accountable to the State, for all fees for licenses and fees of every description payable to the State.	Notification to AOA-- Monthly of money collected
TITLE 10 - COURTS AND JUDICIAL PROCEDURES	10 Del Code, Chapter 3, §327	The Chancellor shall certify to the State Auditor and the State Treasurer the names and addresses of the several persons appointed to the offices and positions authorized under the provisions of this chapter, the several dates of their appointments, and the monthly compensation to be paid to them.	Certification to AOA Every time someone is appointed to the supreme court offices
TITLE 10 - COURTS AND JUDICIAL PROCEDURES	10 Del Code, Chapter 3, §529	The Superior Court shall certify to the State Auditor and the State Treasurer the names and addresses of the several persons appointed to the offices and positions authorized by §§ 525, 526 and 527 of this title, the several dates of their appointments, and the monthly compensation to be paid to them.	Certification to AOA-- Every time someone is appointed to the supreme court offices
TITLE 10 - COURTS AND JUDICIAL PROCEDURES	10 Del Code, Chapter 1, §125	The Supreme Court shall certify to the State Auditor and the State Treasurer the names and addresses of the several persons appointed to the offices and positions authorized by this subchapter, the several dates of their appointments, and the monthly compensation to be paid to them.	Certification to AOA-- Every time someone is appointed to the supreme court offices

Title	West Law Reference	Summary	Requirement
TITLE 10 - COURTS AND JUDICIAL PROCEDURES	10 Del Code, Chapter 23, §2312	(a) The Prothonotary, within 30 days after the end of every term of the Superior Court in the Prothonotary's county, shall transmit to the Auditor of Accounts an abstract, certified under his or her hand and seal of office, of every case in the court in which a fine or forfeiture was imposed at the term, stating the name of the party, the name of the sheriff, and the amount of the fine or forfeiture.	Submission of report to AOA-- at the end of every term of the superior court every case in the court in which a fine or forfeiture was imposed
TITLE 10 - COURTS AND JUDICIAL PROCEDURES	10 Del Code, Chapter 25, §2507	The books, accounts, papers, records and dockets of the Register in Chancery Office shall be subject to audit, inspection and examination by the State Auditor in accordance with state law.	Subject to Audit, inspection, and examination by the State Auditor
TITLE 11 - CRIMES AND CRIMINAL PROCEDURE	11 Del Code, Chapter 90, §9017	The Department of Justice shall transmit to the Governor, State Auditor and the General Assembly an annual report of the activity of the Victim's Compensation Assistance Program under this chapter, including the claim number of each applicant for compensation, the amount claimed and the amount of compensation awarded.	Submission of Report to AOA—Annual report of the activity of the Victim's Compensation Assistance Program
TITLE 11 - CRIMES AND CRIMINAL PROCEDURE	11 Del Code, Chapter 59, §5915	Every and all amounts so collected shall be recorded showing the purpose for which the amounts were collected, the name of the person paying same and such other information as the Justice of the Peace Court may require. The information so maintained shall be open to inspection by the State Treasurer and the State Auditor or their authorized agents at all times. All fines and penalties collected for each calendar month shall be paid over by the Justice of the Peace Court to the State Treasurer within 15 days after the first day of the succeeding calendar month, provided that any such fines or forfeitures which, by the laws of this State, are due and payable to a county or municipality thereof shall be paid by the Justice of the Peace Court to the county or municipality entitled thereto.	Open to inspection by AOA-- within 15 days after the first day of the succeeding calendar month
TITLE 11 - CRIMES AND CRIMINAL PROCEDURE	11 Del Code, Chapter 41, §4115	Any agency receiving funds from the Special Law Enforcement Assistance Fund shall, on or before July 15, submit a detailed and complete accounting of the disbursement for all such funds from the prior fiscal year to the Auditor of Accounts and the Attorney General. The Auditor and Attorney General shall review said accounting and shall maintain them. The Attorney General shall submit on or before October 1 of each year a report to the Chairperson and Vice-Chairperson of the Joint Finance Committee summarizing the expenditures from this Fund during the preceding fiscal year.	Submission of detailed and complete accounting for the disbursement for all funds from the prior fiscal year on or before July 15th

Title	West Law Reference	Summary	Requirement
TITLE 14 - EDUCATION	14 Del Code, Chapter 15, §1505	The Auditor of Accounts may withhold approval of any voucher or bill or order for money of a school district whenever such district shall have failed to comply with this title in the expenditure of its moneys, until such district shall make good such failure.	Approval by AOA-- "whenever such district shall have failed to comply with this title in the expenditures of its moneys"
TITLE 16 - HEALTH & SAFETY	16 Del Code, Chapter 48A, §4804A	Chapter 48A. Substance Abuse Rehabilitation, Treatment, Education and Prevention Fund The State Treasurer shall transmit to the Governor, State Auditor and the General Assembly an annual report describing the status of this Fund.	Annual report describing the status of Substance Abuse Rehabilitation, Treatment, Education and Prevention Fund
TITLE 16 - HEALTH & SAFETY	16 Del Code, Chapter 66, §6608	The State Fire Prevention Commission shall have the authority, in addition to any other authority provided by law, after consulting with the State Auditor of Accounts, to require additional audits and enforce compliance with any regulation or order relating to financial audits of any volunteer fire and ambulance company, the Smyrna and Georgetown American Legion Ambulances and the Mid-Sussex Rescue Squad as follows: (1) To require an organization to procure the services of 1 or more certified public accountants certified under the laws of the State of Delaware to audit the organization's accounts for any fiscal year(s) as the State Fire Prevention Commission may deem appropriate, with the costs to be paid by such organization being audited. In the event any organization fails to secure the services of a qualified accountant within 30 days following any request made pursuant to this subsection, the State Fire Prevention Commission shall authorize the State Auditor of Accounts to procure a certified public accountant to perform the audit and assess the costs to such organization. (2) The scope and procedures for any audit mandated in accordance with subsection 1 of this section shall be determined by the State Auditor of Accounts.	In the event any organization fails to secure the services of a qualified accountant within 30 days following any request made pursuant to this subsection, the State Fire Prevention Commission shall authorize the State Auditor of Accounts to procure a certified public accountant to perform the audit and assess the costs to such organization.
TITLE 18 - INSURANCE CODE	18 Del Code, Chapter 65, §6502	There is hereby established the Insurance Coverage Determination Committee, which shall be composed of the Secretary of the Department of Human Resources, the State Auditor and the Insurance Commissioner or their designees, during their respective terms of office.	The State Auditor should be a member of the Insurance Coverage Determination Committee

Title	West Law Reference	Summary	Requirement
TITLE 18 - INSURANCE CODE	18 Del Code, Chapter 65, §6542	Independent Contractors- The Administrator shall first employ all resources available in the Insurance Coverage Office, the Insurance Department, the office of the State Fire Marshal, the Justice Department, and the Auditor's Office before retaining independent contractors, but in the event that special expertise is required for the performance of the Administrator's duties not otherwise available or not readily available to the Administrator when required, then the Administrator is authorized and directed to contract for the services of such independent contractors as shall be best equipped to render such services, including, but not limited to, accountants, actuaries, claims adjusters and investigators, attorneys and engineers, which contracts shall be on an ad hoc or per case basis, and for which the Administrator is authorized to make payment by drafts upon the Fund as an administrative expense of the Fund.	The Administrator shall first employ all resources available in the Insurance Coverage Office, the Insurance Department, the office of the State Fire Marshal, the Justice Department, and the Auditor's Office before retaining independent contractors ...
TITLE 24 - PROFESSIONS and OCCUPATIONS	24 Del Code, Chapter 28, §2827	Chapter 28: Professional Engineers Association The Association shall submit annually to the Governor and the State Auditor an annual report, certified by a certified public accountant, detailing its income, expenses, assets and liabilities, as well as pertinent statistical and narrative information summarizing its regulatory activities, changes in modus operandi and progress made within its area of responsibility. The Association shall send notice to the General Assembly that such report was submitted to the Governor and the State Auditor.	Requires Submission of Annual Report to AOA
TITLE 25 - PROPERTY (REFS & ANNOS)	25 Del Code, Chapter 70, §7012	Chapter 70: Manufactured Homes and Manufactured Home Communities 7012. Delaware Manufactured Home Relocation Trust Fund (h) The Trust Fund must be audited annually. If the State Auditor's Office performs the audit, the Authority shall pay to the State from the Trust Fund the cost of the audit. The completed audit must be made available to the public by placing it on a website, by offering it as a hard copy for a fee which reflects reasonable reproduction cost, or in some other manner determined by the Authority.	If the State Auditor's Office performs the audit, the Authority shall pay to the State from the Trust Fund the cost of the audit.
TITLE 29 - STATE GOVERNMENT (REFS & ANNOS)	29 Del Code, Chapter 22, §2202	Certification of Election of Governor As soon as possible after every general election at which a Governor has been elected, the Commissioner of Elections shall certify to the Director of the Office of Management and Budget and the State Auditor the fact and results of such election.	Certification to AOA- After every general election

Title	West Law Reference	Summary	Requirement
TITLE 29 - STATE GOVERNMENT	29 Del Code, Chapter 59, §5942 Effective prior to July 1, 2017	<p>Merit System of Personnel Administration</p> <p>The Director of the Office of Management and Budget shall conduct such post audits of state payrolls and such other investigations as deemed necessary to ensure that this chapter and the rules, regulations and orders thereunder are being observed. Any violations shall be called immediately to the attention of the appropriate agency head and to the Auditor of Accounts and Secretary of Finance. Thereafter, no payment shall be made to any employee whose salary rate has been questioned until the rate has been adjusted to the satisfaction of the Director of the Office of Management and Budget.</p>	Any violations shall be called immediately to the attention of the appropriate agency head and to the Auditor of Accounts and Secretary of Finance.
TITLE 29 - STATE GOVERNMENT	29 Del Code, Chapter 59, §5943- Effective July 1, 2017 (similar to §5942)	<p>Enforcement of Chapter by Legal Action</p> <p>(j) Following the passage of this section, all state agencies shall conduct audits of the payroll records of each of its employees. In the event that the audit indicates that a discrepancy exists between the amount actually paid and the amount that should have been paid, the agency shall notify the employee, the appointing authority, the Secretary of Finance and the Auditor of Accounts, with sufficient documentation to point out the source and amount of the discrepancy, within 10 calendar days of the date of the completion of the audit. In the event that the audit indicates an overpayment, the appointing authority shall provide the Attorney General with the same notice provided the employee. The Attorney General may proceed in accordance with subsection (c) of this section. The appointing authority shall, within 1 pay period, correct the discrepancy on proper personnel payroll forms.</p>	Notification to AOA-- In the event the audit indicates a discrepancy

Title	West Law Reference	Summary	Requirement
TITLE 29 - STATE GOVERNMENT	29 Del Code, Chapter 59, §7510 (preface to §7526	<p>When the Secretary of Education has prepared the proposed annual major capital improvement program budget the Secretary shall certify the necessity for same to the State Treasurer together with the amount of the total cost, the state share and the local share, if any, as authorized by any school construction bond authorization act and shall send a copy of such certification to the State Auditor of Accounts and the Director of the Office of Management and Budget and the board of education of such school district. Upon the receipt by the State Treasurer of the certification of said determination, the said school construction program shall be deemed to be authorized, and this chapter and any school construction bond authorization act for the issuance of state and local bonds to provide funds for school. Construction programs shall be in full force and effect with respect to such school construction program; provided, however, that, except in cases where a local share is not required by any school construction bond authorization act, such school construction program shall not be carried out until the local share shall have been deposited with the State Treasurer.</p> <p>§7511 States, "No certificate of necessity shall be amended after the date of successful local school district referendum."</p> as authorized by any school construction bond authorization act certification to AOA-- for capital improvements

Title	West Law Reference	Summary	Requirement
TITLE 29 - STATE GOVERNMENT	29 Del Code, Chapter 59, §8302A	<p>Department of Finance</p> <p>(a) The Secretary of Finance, before entering upon such office, shall, with sufficient sureties, become bound to the State, by a joint and several obligation to be, with the sureties therein, approved by the Governor, in the penal sum of \$125,000, with condition according to the following form:</p> <p>“The condition of the above written obligation is such, that if the above named ... who is Secretary of Finance, shall well and truly account for all money which shall come to such person's hands as such Secretary, or with which such person as such Secretary shall be legally chargeable, either for the default of any collector whom the Secretary shall appoint or otherwise, and shall and do well and diligently execute the office of Secretary of Finance as aforesaid, and duly and faithfully fulfill and perform all the trusts and duties to the said office appertaining, and also all the duties incumbent upon the Secretary, and if the said ... or the Secretary's executors or administrators, shall and do faithfully and without delay pay to the Secretary's successor in office the just balances remaining of all the money which shall come to such person's hands as Secretary of Finance, or with which such person as such Secretary shall be legally chargeable, after deducting all legal payments by the Secretary made and allowances made to the Secretary by law, and all legal fees, and shall also deliver to the Secretary's successor in office all books, securities, monuments and papers to the said office belonging, safe and undefaced; then the said obligation shall be void, otherwise the same shall remain in full force.”</p> <p>There shall be subjoined to the obligation a warrant of attorney to confess judgment thereon.</p> <p>(b) The obligation shall be recorded by the Secretary of State in the Executive Register, and shall be kept on file in the Secretary's office. A certified copy thereof shall be immediately transmitted to the Auditor of Accounts, and the copy, or the record, or a copy thereof, shall be evidence.</p> <p>The obligation shall be proceeded upon by direction of the General Assembly, the Governor or Auditor of Accounts.</p>	Certification to AOA-- Per election of Secretary of Finance

Title	West Law Reference	Summary	Requirement
TITLE 29 - STATE GOVERNMENT	29 Del Code, Chapter 46, §4607	On or before the first day of November of each year, the courts of this State in which assessments are regularly made under this section shall provide the State Auditor with a written report detailing the dollar value of assessments made in the previous fiscal year, the amount collected in the previous fiscal year as well as the balance of unpaid assessments at the open and close of the previous fiscal year.	Report shall be submitted to AOA annually
TITLE 29 - STATE GOVERNMENT	29 Del Code, Chapter 87A, §8761A	<p>Subchapter- Delaware Economic Development Authority</p> <p>If any payment of principal, premium, if any, or interest due to the Authority or to a trustee or other person as assignee of the Authority with respect to a project financed by proceeds from state-guaranteed bonds is in default, or if sufficient revenues are not available to make such payment, the Authority:</p> <p>(2) Shall forthwith give notice of such default or occurrence to the Governor, the Secretary of State, the Secretary of Finance, the Auditor of Accounts, the Speaker of the House of Representatives, the President Pro Tempore of the State and the Controller General. Thereafter, the General Assembly shall appropriate sufficient funds to pay principal, premium, if any, and interest on such state-guaranteed bonds when due. Any funds made available pursuant to such appropriation shall be deposited by the Authority in the appropriate cash reserve fund;</p>	<p>Shall forthwith give notice of such default or occurrence to the Governor, the Secretary of State, the Secretary of Finance, the Auditor of Accounts....</p> <p>Upon Default in payment of state- guaranteed bonds</p>
TITLE 29 - STATE GOVERNMENT	29 Del Code, Chapter 59, §7511	"No certificate of necessity shall be amended after the date of successful local school district referendum. In the event that a certificate shall be amended as herein provided, the fact of such amendment shall be communicated to the State Treasurer, and the copies thereof shall be sent to the State Auditor of Accounts and the Director of the Office of Management and Budget and the board of education of the school district."	Certification shall be sent to AOA per capital improvement

Title	West Law Reference	Summary	Requirement
TITLE 31 - WELFARE	31 Del Code, Chapter 1, § 111	The State Treasurer shall establish in the State Treasury a State Public Welfare Fund, which shall include all funds made available for the purposes of this chapter or of Chapter 5 of this title by the State, the several counties, the federal government or any other source. Within this State Public Welfare Fund there shall be established such separate accounts as the State Treasurer and the State Auditor of Accounts may deem necessary or desirable.	Within this State Public Welfare Fund there shall be established such separate accounts as the State Treasurer and the State Auditor of Accounts may deem necessary or desirable.
TITLE 31 - WELFARE	31 Del Code, Chapter 47, §4714	Taxing and Financing of Land Bank Operations The Delaware Auditor of Accounts shall have the authority to audit any land bank created pursuant to this chapter.	As necessary