

# AUDIT DEPARTMENT

The mission of the Audit Department is to promote honest, effective, and fully accountable City government. The primary objective of the Audit Department is to assist the Mayor, members of the City Council, and City management in the effective discharge of their responsibilities by furnishing them with analysis, appraisals, recommendations, counsel, and information concerning the activities reviewed. The Audit Department helps to improve City government performance and accountability by:

- Assessing the reliability of financial and operating information
- Evaluating the efficiency and effectiveness of departments
- Testing the adequacy of controls for preventing waste and safeguarding assets
- Verifying compliance with policies, procedures, and regulations
- Providing City employees with ways to increase internal control knowledge and awareness and improve assessment capabilities

The Audit Department is committed to providing independent and objective assurance and management advisory services in accordance with Generally Accepted Government Auditing Standards. It seeks to proactively identify risks, evaluate controls, and make recommendations that will strengthen City operations.

## PRIORITIES FOR FISCAL YEAR 2027

- Conduct scheduled audits using sound methods, professionalism, integrity, objectivity, and confidentiality.
- Evaluate controls, note commendable practices, and recommend feasible process improvements.
- Assist the external auditors with the annual audits of the Annual Report and Federal Funds.
- Continue to aid in the development of a strong internal control environment within the City of Wilmington.
- Conduct quarterly follow-ups to ensure effective implementation of agreed-upon recommendations.
- Advise and consult with City management regarding improvements in operating efficiencies, effectiveness, and results.
- Continue to develop the knowledge, skills, and effectiveness of departmental staff.

## SUMMARY OF FUNDING FOR THE AUDIT DEPARTMENT

<b>Total All Funds Audit Department</b>	<b>Actual FY 2024</b>	<b>Actual FY 2025</b>	<b>Budget FY 2026</b>	<b>Proposed FY 2027</b>	<b>Dollar Change FY'27-'26</b>	<b>Percent Change FY'27-'26</b>
Personal Services	744,756	778,482	932,387	982,583	50,196	5.4%
Materials, Supplies, and Equipment	295,255	272,125	409,299	408,182	(1,117)	-0.3%
Internal Services	6,967	9,233	4,123	4,281	158	3.8%
<b>Total</b>	<b>1,046,978</b>	<b>1,059,840</b>	<b>1,345,809</b>	<b>1,395,046</b>	<b>49,237</b>	<b>3.7%</b>
<b>Staffing Levels</b>	<b>5.00</b>	<b>5.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>	<b>0.0%</b>

<b>General Fund Audit Department</b>	<b>Actual FY 2024</b>	<b>Actual FY 2025</b>	<b>Budget FY 2026</b>	<b>Proposed FY 2027</b>	<b>Dollar Change FY'27-'26</b>	<b>Percent Change FY'27-'26</b>
Personal Services	744,756	778,482	932,387	982,583	50,196	5.4%
Materials, Supplies, and Equipment	210,947	187,076	270,069	268,740	(1,329)	-0.5%
Internal Services	6,967	9,233	4,123	4,281	158	3.8%
<b>Total</b>	<b>962,670</b>	<b>974,791</b>	<b>1,206,579</b>	<b>1,255,604</b>	<b>49,025</b>	<b>4.1%</b>
<b>Staffing Levels</b>	<b>5.00</b>	<b>5.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>	<b>0.0%</b>

<b>Water/Sewer Fund Audit Department</b>	<b>Actual FY 2024</b>	<b>Actual FY 2025</b>	<b>Budget FY 2026</b>	<b>Proposed FY 2027</b>	<b>Dollar Change FY'27-'26</b>	<b>Percent Change FY'27-'26</b>
Materials, Supplies, and Equipment	84,308	85,049	139,230	139,442	212	0.2%
<b>Total</b>	<b>84,308</b>	<b>85,049</b>	<b>139,230</b>	<b>139,442</b>	<b>212</b>	<b>0.2%</b>
<b>Staffing Levels</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>

### MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services (all General Fund) increased by \$50,196, or 5.4%, from the FY 2026 budget, due mainly step increases and COLAs, along with previously vacant positions being filled at higher-than-budgeted salaries in FY 2026. Total FTEs remain unchanged, at six.
- Total General Fund MS&E costs decreased a net \$1,329, or 0.9%, due mainly to three changes: a \$6,000 decrease in external audit assistance costs in the Accounting line, a \$6,259 increase to Subscriptions/Books for audit research and guidance services from Gartner, and a \$1,000 reduction in Furniture, Fixtures, and Office Equipment.

# Audit Department

FY 2027 Budget Line Items

**Fund 101 - General Fund Dept. 130 - Audit / Administration**

Fund / Div / Char / Account	FY '23 Actual	FY '24 Actual	FY '25 Orig. Budget	FY '25 Actual	FY '26 Orig. Budget	FY '26 YTD Actual	FY '27 Proposed Budget	Dollar Increase or (Decrease) *	Percent Change
101 130 51101 Regular Salaries	456,272	465,213	509,701	488,991	614,145	366,152	664,349	50,204	8.2
101 130 51102 Temporary Salaries	0	21,980	0	23,687	23,000	15,321	24,000	1,000	4.3
<b>101 130 511** Salaries and Wages</b>	<b>456,272</b>	<b>487,193</b>	<b>509,701</b>	<b>512,678</b>	<b>637,145</b>	<b>381,473</b>	<b>688,349</b>	<b>51,204</b>	<b>8.0</b>
101 130 51501 Pension Contribution	57,244	60,785	62,190	48,145	35,608	22,933	39,322	3,714	10.4
101 130 51502 Social Security	26,919	28,831	30,292	30,300	38,070	22,718	41,519	3,449	9.1
101 130 51503 Medicare Tax	6,281	6,743	7,083	7,086	8,904	5,313	9,709	805	9.0
101 130 51504 Hospitalization	125,121	123,114	121,618	135,918	154,864	76,681	139,940	(14,924)	-9.6
101 130 51505 Life Insurance	1,118	1,092	1,200	1,253	1,440	1,279	1,440	0	0.0
101 130 51508 Pension Healthcare	21,498	22,562	22,655	23,861	29,796	16,399	30,366	570	1.9
101 130 51514 State Pension Plan-Genbiweekly	15,593	14,436	17,392	19,241	26,560	15,495	31,938	5,378	20.2
<b>101 130 515** Employee Benefits</b>	<b>253,774</b>	<b>257,563</b>	<b>262,430</b>	<b>265,804</b>	<b>295,242</b>	<b>160,818</b>	<b>294,234</b>	<b>(1,008)</b>	<b>-0.3</b>
<b>101 130 Acct Group Total: Personal Services</b>	<b>710,046</b>	<b>744,756</b>	<b>772,131</b>	<b>778,482</b>	<b>932,387</b>	<b>542,291</b>	<b>982,583</b>	<b>50,196</b>	<b>5.4</b>
101 130 52102 Advertising	934	234	1,000	1,467	1,000	0	1,000	0	0.0
<b>101 130 521** Printing and Advert.</b>	<b>934</b>	<b>234</b>	<b>1,000</b>	<b>1,467</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>0.0</b>
101 130 52302 Travel And Subsistance	1,889	7,492	12,000	969	12,000	2,609	12,000	0	0.0
<b>101 130 523** Transportation</b>	<b>1,889</b>	<b>7,492</b>	<b>12,000</b>	<b>969</b>	<b>12,000</b>	<b>2,609</b>	<b>12,000</b>	<b>0</b>	<b>0.0</b>
101 130 52702 Accounting	175,186	174,170	161,320	153,820	173,440	3,182	167,440	(6,000)	-3.5
101 130 52712 Temporary Agencies	20,442	459	0	0	0	0	0	0	0.0
<b>101 130 527** Professional Fees</b>	<b>195,628</b>	<b>174,629</b>	<b>161,320</b>	<b>153,820</b>	<b>173,440</b>	<b>3,182</b>	<b>167,440</b>	<b>(6,000)</b>	<b>-3.5</b>
101 130 52901 Subscriptions/Books	9,323	11,689	12,181	10,538	58,241	59,841	64,500	6,259	10.7
101 130 52902 Registrations Fees	10,519	10,213	10,096	10,022	12,000	2,119	12,000	0	0.0
101 130 52904 Workshop/Seminars-Training	677	1,171	3,500	2,287	3,000	0	3,000	0	0.0
101 130 52905 Memberships	3,510	3,155	4,215	4,715	5,200	1,944	5,600	400	7.7
<b>101 130 529** Memberships and Reg.</b>	<b>24,029</b>	<b>26,228</b>	<b>29,992</b>	<b>27,562</b>	<b>78,441</b>	<b>63,904</b>	<b>85,100</b>	<b>6,659</b>	<b>8.5</b>
101 130 53201 Stationery And Supplies	3,381	1,658	900	2,429	1,250	531	1,000	(250)	-20.0
<b>101 130 532** Office and Gen. Supplies</b>	<b>3,381</b>	<b>1,658</b>	<b>900</b>	<b>2,429</b>	<b>1,250</b>	<b>531</b>	<b>1,000</b>	<b>(250)</b>	<b>-20.0</b>
101 130 53403 Food	531	706	1,150	426	1,438	450	1,200	(238)	-16.6
<b>101 130 534** Misc. Mat., Supp., and Parts</b>	<b>531</b>	<b>706</b>	<b>1,150</b>	<b>426</b>	<b>1,438</b>	<b>450</b>	<b>1,200</b>	<b>(238)</b>	<b>-16.6</b>
101 130 54101 Furn Fix & Office Equipment	0	0	1,508	403	2,500	887	1,000	(1,500)	-60.0
<b>101 130 541** Equipment</b>	<b>0</b>	<b>0</b>	<b>1,508</b>	<b>403</b>	<b>2,500</b>	<b>887</b>	<b>1,000</b>	<b>(1,500)</b>	<b>-60.0</b>
<b>101 130 Acct Group Total: MS&amp;E</b>	<b>226,392</b>	<b>210,947</b>	<b>207,870</b>	<b>187,076</b>	<b>270,069</b>	<b>71,563</b>	<b>268,740</b>	<b>(1,329)</b>	<b>-0.5</b>
101 130 55123 General Liability	1,996	4,380	1,421	5,503	1,457	729	1,493	36	2.5
101 130 55125 Workers Compensation Costs	2,589	2,587	2,561	3,730	2,666	1,333	2,788	122	4.6
<b>101 130 551** Int. Serv. Chargebck.</b>	<b>4,585</b>	<b>6,967</b>	<b>3,982</b>	<b>9,233</b>	<b>4,123</b>	<b>2,062</b>	<b>4,281</b>	<b>158</b>	<b>3.8</b>
<b>101 130 Acct Group Total: Internal Services</b>	<b>4,585</b>	<b>6,967</b>	<b>3,982</b>	<b>9,233</b>	<b>4,123</b>	<b>2,062</b>	<b>4,281</b>	<b>158</b>	<b>3.8</b>
<b>101 130 5**** Administration - Division Total</b>	<b>941,023</b>	<b>962,670</b>	<b>983,983</b>	<b>974,791</b>	<b>1,206,579</b>	<b>615,916</b>	<b>1,255,604</b>	<b>49,025</b>	<b>4.1</b>
<b>101 13* 5**** Audit - General Fund Total</b>	<b>941,023</b>	<b>962,670</b>	<b>983,983</b>	<b>974,791</b>	<b>1,206,579</b>	<b>615,916</b>	<b>1,255,604</b>	<b>49,025</b>	<b>4.1</b>

**Fund 421 - Water/Sewer Fund    Dept. 130 - Audit / Administration**

Fund / Div / Char / Account				FY '23 Actual	FY '24 Actual	FY '25 Orig. Budget	FY '25 Actual	FY '26 Orig. Budget	FY '26 YTD Actual	FY '27 Proposed Budget	Dollar Increase or (Decrease) *	Percent Change
421	130	52702	Accounting	71,680	71,680	71,680	71,680	74,560	0	74,560	0	0.0
421	130	527**	Professional Fees	<b>71,680</b>	<b>71,680</b>	<b>71,680</b>	<b>71,680</b>	<b>74,560</b>	<b>0</b>	<b>74,560</b>	<b>0</b>	<b>0.0</b>
421	130	53801	Indirect Costs	12,395	12,628	13,369	13,369	64,670	32,335	64,882	212	0.3
421	130	538**	Supporting Services	<b>12,395</b>	<b>12,628</b>	<b>13,369</b>	<b>13,369</b>	<b>64,670</b>	<b>32,335</b>	<b>64,882</b>	<b>212</b>	<b>0.3</b>
421	130		<i>Acct Group Total: MS&amp;E</i>	<b>84,075</b>	<b>84,308</b>	<b>85,049</b>	<b>85,049</b>	<b>139,230</b>	<b>32,335</b>	<b>139,442</b>	<b>212</b>	<b>0.2</b>
421	130	5****	<i>Administration - Division Total</i>	<b>84,075</b>	<b>84,308</b>	<b>85,049</b>	<b>85,049</b>	<b>139,230</b>	<b>32,335</b>	<b>139,442</b>	<b>212</b>	<b>0.2</b>
421	13*	5****	<i>Audit - Water/Sewer Fund Total</i>	<b>84,075</b>	<b>84,308</b>	<b>85,049</b>	<b>85,049</b>	<b>139,230</b>	<b>32,335</b>	<b>139,442</b>	<b>212</b>	<b>0.2</b>
***	13*	5****	<i>Audit - Department Total, All Funds</i>	<b>1,025,098</b>	<b>1,046,978</b>	<b>1,069,032</b>	<b>1,059,840</b>	<b>1,345,809</b>	<b>648,251</b>	<b>1,395,046</b>	<b>49,237</b>	<b>3.7</b>