



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT ADVISORY BOARD

MINUTES OF May 25, 2021 MEETING

Board Members: Bill Seymour, Pam Heckler, Gregory Scherer, Walter Tilley, Pat Vincenti, Kim Spence, Chrystal Brooks

Other Attendees: Brad DeLauder, Sarah Self, Debbie Button for Rob Wagner

The meeting began at approximately 4:30 pm via Microsoft Teams

Board Meeting Minutes – February 23, 2021

With no changes, Members approved meeting notes via email prior to this meeting.

Status of FY2021 Audit Plan

Ms. Brooks explained that since the last update, five (5) reports have been completed, three (3) are in progress and five (5) projects have been postponed to the next fiscal year. She explained that several projects have been delayed because of the five (5) net projects added to the audit plan during the year.

Audit Reports

- Ms. Self explained the results of the Hotel Occupancy Tax audit. There were no issues related to the County's controls. Council President Vincenti inquired as to the number of hotel operators/owners audited. Ms. Self informed the group that three hotel operators were audited. It was noted that one was over-collecting taxes; they have agreed to correct this moving forward.
- Mr. DeLauder presented the results of the Building Permit Inspections Billing and Collection controls audit. There were two findings included in the audit report regarding improper access to the permitting system by former users and a lack of documentation over the review of amounts due from the municipalities. Mr. Seymour asked if the audit included a review of the accounts with improper access. Mr. DeLauder replied that a review of account activity was performed and the accounts had no activity. Management agreed to remove accounts with inappropriate access and document the municipal payment reconciliation process.
- Ms. Brooks explained the results of the Tuition Reimbursement Program audit. There were two issues included in the report. Some reimbursements were not supported with itemized receipts or had unallowable costs paid. Some reimbursements for separated employees were not fully repaid to the County. Ms. Button asked for the total amount that wasn't repaid to the County. Ms. Brooks stated \$9,820 was unrepaid for three (3)



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employees. Council President Vincenti inquired as to the number of employees who received reimbursements. Ms. Brooks stated 19 County and 11 Sheriff's Office employees received tuition reimbursements during the audit period.

- Ms. Brooks presented the results of the Accounts Payable controls audit. There were no issues included in the report. She noted that the prior vendor management issues were addressed with the Workday system implementation and testing confirmed that new controls have been effective.

Proposed FY2022 Audit Plan

Ms. Brooks presented the proposed FY2022 Audit Plan. The plan includes projects that were postponed from the FY2021 plan and others that were ranked higher on the most recent risk assessment. Of note,

- The Water and Sewer billing project will be a data analysis, rather than assessment of all the related internal controls. The billing system is being replaced within the year, so the new processes will be tested more thoroughly after they are implemented. Ms. Heckler inquired if the audit was included in the audit plan as a part of the audit cycle or due to citizen complaints. Ms. Brooks stated that the audit was scheduled as a part of the regular audit cycle. Council President Vincenti noted that his office received a call earlier in the day regarding a billing issue. He further noted, Councilmembers have recently toured W&S operations facilities to understand the processes and scope of the County's water and sewer treatment services. Any billing complaints received have been forwarded to the Department of Public Works. Ms. Brooks stated that the audit will include testing to confirm data transferred correctly between systems and customers were billed the correct rates. Mr. Seymour added, to maximize efficiency, the Office should consider any testing procedures performed during the upcoming external audit. Ms. Brooks agreed.
- The plan includes audits of hotel operators' Occupancy Tax.
- Other projects include Payroll Controls, Procurement Practices, Property Tax, Environmental Services Billing and Collection, Accounts Receivable and Capital Projects for Affiliated Agencies.

The meeting was adjourned at 4:53 pm. The next meeting is scheduled for August 31, 2021.

Respectfully submitted,
Chrystal Brooks
County Auditor

Minutes were approved via email on 6/5/2021