



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

### EXIT AUDIT - HUMAN RESOURCES

#### Report Highlights

#### Why We Did This Audit

This audit was conducted as required by §214 of the Harford County Charter.

#### What We Found

We were unable to complete all of the procedures we deemed necessary to provide an unqualified opinion.

Based on the evidence obtained, we did not note any indebtedness to the County.

**Report Number:** 2021-A-16

**Date Issued:** 03/01/2021

Council Members and County Executive Glassman:

In accordance with Section 214 of the Harford County Charter, we have performed an audit of the accounts under the direction of James Richardson, Director of Human Resources. The results of that audit are detailed in the attached report.

While performing the audit, the information we requested was not provided to us. The related impact on the procedures performed and our audit opinion are discussed in detail in the report.

In our opinion, except for the possible effects of the matter described in the Basis for Modified Opinion section of our report, Mr. Richardson has no indebtedness to Harford County.

The audit team is available to respond to any questions you have regarding the attached report.

Sincerely,

*Chrystal Brooks, CPA*

Chrystal Brooks  
County Auditor

cc: Mr. Robert Sandlass, Treasurer  
Ms. Tiffany Stephens, Director of Human Resources



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

### REVIEW RESULTS

We have audited the accounts under the control of James Richardson for the period of 01/01/2019 through 01/31/2021, in accordance with §214 of the Harford County Charter. These audit procedures are required "upon the death, resignation or removal of any County officer". The audit approach focused on testing the key controls that address management's objectives for the process.

#### ***Basis for Modified Opinion***

We were unable to obtain sufficient appropriate audit evidence to confirm that the official does not have access to County resources. Management has asserted that Mr. Richardson's retirement is not a resignation, so the audit is not included in the Auditor's authority under Charter § 214. Accordingly, they did not provide the information we requested. Specifically, we asked to observe that assigned items (computer equipment, employee ID card, and keys) were returned to the County. We also requested documentation confirming access to the County's computer network had been terminated. We drew conclusions based on the evidence obtained and have specified in the table below the areas where we could not assess the expected control.

In our opinion, except for the above-mentioned limitation on the scope of our audit, Mr. Richardson has no indebtedness to the County. Conclusions drawn from the evidence obtained are below.

Risk	Expected Control	Conclusion
Accounts under the Official's control were not properly used.	<ul style="list-style-type: none"><li>• Spending is within budgeted limits.</li><li>• Large transactions are supported by adequate documentation.</li><li>• Travel Reimbursements are supported.</li><li>• Transactions are approved through proper channels.</li></ul>	<span style="color: green;">Satisfactory</span> <span style="color: green;">Satisfactory</span> <span style="color: green;">Satisfactory</span> <span style="color: green;">Satisfactory</span>
Official continues to have access to County financial resources.	<ul style="list-style-type: none"><li>• Signatory access is removed from County bank accounts.</li><li>• Assigned purchase cards are returned and disabled.</li><li>• Access to financial and information systems is revoked timely.</li></ul>	<span style="color: red;">Undetermined</span> <span style="color: green;">Satisfactory</span> <span style="color: red;">Undetermined</span>

<b>Risk</b>	<b>Expected Control</b>	<b>Conclusion</b>
Official continues to have physical access to County resources.	<ul style="list-style-type: none"><li>• Keys, security and identification cards are returned.</li><li>• Assigned equipment is returned.</li></ul>	Undetermined Undetermined
Official is paid more than authorized.	<ul style="list-style-type: none"><li>• Separation documentation was completed timely.</li><li>• Pay rate reflects the approved budget amount.</li><li>• Changes to pay rates were approved.</li></ul>	Undetermined Satisfactory Satisfactory

Management has been provided an opportunity to respond to this report; the response provided is below.

## **MANAGEMENT RESPONSE**

As the Auditor correctly stated, Charter § 214 requires an audit “upon the death, resignation or removal of any County officer”. Mr. Richardson’s departure from county service resulted from his retirement and not due to the circumstances outlined in Charter §214. Management’s legal opinion is that the Charter does not authorize the Auditor to audit a County officer who departs County Government service through retirement because retirement is not one of the termination basis listed under § 214.

## **BACKGROUND, OBJECTIVES, SCOPE AND METHODOLOGY**

In accordance with Harford County Charter § 214, upon death, resignation or removal of any county officer, the County Auditor shall cause an audit and investigation to be made of any accounts maintained by the officer and by his agency. The objective of this review was to satisfy the requirements of Charter § 214, with regard to James Richardson, who left County service at the end of January 2021. The scope was limited to accounts and resources under the control of the Human Resources Department.

The audit focused on activity during the period of 01/01/2019 through 12/31/2020. Our audit procedures included interviewing personnel, observation and testing. Specifically, we sought to confirm that the accounts under the official’s control did not have unusual or inappropriate costs; physical, logical and financial access to County resources had been revoked and that the final paycheck and leave payout were correct.

Harford County management is responsible for establishing and maintaining effective internal controls. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets and compliance with applicable laws, rules and regulations are achieved. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected.

## Audit Report No. 2021-A-16

The audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) except for specific applicable requirements, related to evidence, discussed earlier in this report. Those standards require that we plan and perform the audit to obtain sufficient evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Though we could not address all of the planned objectives, we believe that the evidence obtained provides a reasonable basis for the findings and conclusions presented.

### **Audit Team:**

Chrystal Brooks  
CPA, CIA, CGAP, CISA, CGFM, CRMA  
*County Auditor*

Sarah Self, CIA, CGAP  
*Staff Auditor*