



HARFORD COUNTY, MARYLAND

Office of the County Auditor

EXIT AUDIT - PROCUREMENT

Report Number:

2023-A-10

Report Date:

7/28/2022

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 Karen Myers, former Director of Procurement for the period of 7/1/2020 through 6/30/2022. This audit was conducted as required "upon the death, resignation or removal of any County officer".

The audit found Ms. Myers has no indebtedness to the County.

We would like to thank the members of management for their cooperation during the audit. Although none was required, they have been provided an opportunity to respond to this report. Accordingly, no response was provided.

Sincerely,

A handwritten signature in cursive script that reads "Chrystal Brooks, CPA".

Chrystal Brooks
County Auditor

CONCLUSIONS

Our opinion, based on the evidence obtained, is Ms. Myers has no indebtedness to the County. This assessment is based on the strengths and weaknesses identified for the objectives below.

Business Process Objective	Assessment ⁱ
Financial Accounts were properly managed	Effective
Access to County resources has been revoked.	Effective
Final payroll and leave payouts are correct	Effective

BACKGROUND, OBJECTIVES, SCOPE AND METHODOLOGY

The Department of Procurement is responsible for timely and cost-efficient procurement of supplies and services for the County and the management of all County vehicles. Ms. Myers served as the department's Director until her resignation in June 2022.

In accordance with Harford County Charter section 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 their agency. The objective of this review was to satisfy the requirements of Charter Section 214, with regard to Ms. Myers. The scope was limited to accounts and resources under the control of the Department of Procurement.

The audit approach focused on testing the key controls that address management's objectives. 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control did not have unusual or inappropriate costs; physical, logical and financial access to County resources had been revoked and that the final paycheck and leave payout were correct. Our audit procedures are described in the table below.

Process / Control Objective	Scope of Review
Financial Oversight	
Accounts under the direction of the Official are properly managed through budget monitoring and supervisors' transaction approvals.	<ul style="list-style-type: none">• Review a sample of accounts under the direction of the Official to confirm:<ul style="list-style-type: none">○ Spending was within budgeted limits.○ Transactions were reasonable and approved through proper channels.○ Expense reimbursements were appropriately supported.
Access to County Resources	
Financial access to bank accounts is limited and removed when no longer needed.	<ul style="list-style-type: none">• Confirm assigned purchase cards were returned and disabled.• Confirm access to financial and information systems has been revoked.
Supervisors confirm that physical access to facilities and inventory are removed.	<ul style="list-style-type: none">• Confirm keys, security and identification badges have been returned.• Confirm all assigned equipment has been returned.

Process / Control Objective	Scope of Review
Logical access is revoked timely after termination forms are completed.	<ul style="list-style-type: none">• Confirm separation documentation was completed timely.• Confirm network accounts were disabled timely• Confirm that information system accounts were disabled timely.
Payroll and Leave Payouts	
The payroll system automatically calculates paychecks using approved pay rates and the timecard information interfaced from the timekeeping system.	<ul style="list-style-type: none">• Verify pay rate reflects the approved budget amount and any changes to the rate were approved.
Leave payouts are calculated in accordance with the County Code.	<ul style="list-style-type: none">• Confirm leave payout agrees to the Official's accrued leave amounts and agrees to the County Code guidelines.

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.

The audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Report Distribution:	Audit Team:
Mr. Benjamin Lloyd, Director of Administration	Chrystal Brooks
Mr. Robert Sandlass, County Treasurer	CPA, CIA, CGAP, CISA, CGFM, CRMA
Ms. Tiffany Stephens, Director of Human Resources	<i>County Auditor</i>
	Sarah Self, CIA, CGAP
	<i>Senior Auditor</i>

ⁱ Definitions

Effective: The design and effectiveness of the internal control environment address key risks. The business unit complies with external laws and regulations, and internal policies, procedures and guidelines. Business processes are managed effectively resulting in achievement of expected outcomes.

Generally Effective: The design and/or effectiveness of the internal control environment generally address key risks; however, the number and severity of findings relative to the size and scope of the business unit being audited indicate that some minor areas of weakness in the control environment need to be addressed. Isolated instances of non-compliance with external laws and regulations, and internal policies, procedures and guidelines may exist. Business processes may not be managed effectively in all areas resulting in reduced achievement of expected outcomes.

Not Effective: The design and/or effectiveness of the internal control environment does not address key risks. Non-compliance or historical patterns of non-compliance with key regulatory requirements and internal policies, procedures and guidelines exist which expose the audited entity to financial, reputational, and operational risks. Business processes are not managed effectively and expected outcomes are not achieved.