



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT OF CABLE FRANCHISE FEES - COMCAST

Report Number:
2024-A-12A

Report Date:
5/20/2024

Council Members and County Executive Cassilly:

In accordance with Section 213 of the Harford County Charter, we initiated an audit of the Cable Franchise Fees paid by Comcast to Harford County for the period of 1/1/2021 through 12/31/2023. The objective of this audit was to determine if revenue reported by cable companies is complete and if franchise fees were completely collected by the County. This audit was conducted as part of the County Auditor's risk-based Annual Audit Plan approved by the County Council for Fiscal Year 2024.

Our responsibility is to express an opinion on the above subject matter by conducting audits in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audits to obtain sufficient evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

On February 6, 2024, the Office of the County Auditor (the Office) emailed Comcast a notice of the audit as well as related information and meetings being requested. We received no response. Over the following seven weeks, the Office made nine additional attempts to contact Comcast via email, telephone, and Certified Mail. Comcast was not effectively responsive to our requests and no meeting or documentation requests were fulfilled.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on whether revenue reported by Comcast is complete or if franchise fees were completely collected by the County in accordance with the agreement between the two parties.

Comcast has been provided an opportunity to respond to this report; however, none was provided. The audit team is available to respond to any questions you have regarding this report.

Sincerely,



Chrystal Brooks
County Auditor

Report Distribution:

Mr. Matthew Shiffermiller, Comcast (Director, Government Affairs)
Mr. Charles Kearney, Council Attorney
Ms. Mylia Dixon, Council Administrator
Mr. Robert Sandlass, County Treasurer

Audit Team:

Chrystal Brooks
CPA, CIA, CGAP, CISA, CGFM, CRMA
County Auditor
Brad DeLauder
CPA, CIA
Senior Auditor

Auditor's Note: After this report was completed, Comcast contacted our office to discuss the project. They have provided the attached response.



June 7, 2024

Council Members
Harford County, Maryland
212 South Main Street, 2nd Floor
Bel Air, MD 21014

County Executive Cassilly
Harford County, Maryland
220 South Main Street
Bel Air, MD 21014

RE: 2024 Audit of Cable Franchise Fees - Comcast

Council Members and County Executive Cassilly,

Subsequent to the Office of the County Auditor's May 20, 2024, opinion on the audit of Comcast Cable's franchise fees paid between 1/1/2021 through 12/31/2023, Comcast has been in contact with, and has met virtually with, the Office of the County Auditor related to the audit and has expressed the Company's availability to provide the requested information and complete the audit at this time. The Office of the County Auditor has indicated that the window for completing the audit has passed, but that the County may revisit the audit in the future. Comcast is available to complete this audit at a future date at the convenience of the Office of the County Auditor and in accordance with its franchise agreement.

We appreciate the County's partnership as we continue to provide Harford County residents with industry leading products and services. Should you have any additional questions, please do not hesitate to contact me at (301) 836-9361.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Shiffermiller", is written over a faint, larger signature that appears to be "County Executive Cassilly".

Matt Shiffermiller
Director, Government & Regulatory Affairs
Comcast