



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT OF RECREATION COUNCIL COLLECTIONS AND DISBURSEMENTS

Report Highlights

Report Number: 2017-A-02

Date Issued: August 24, 2016

Why We Did This Audit

This audit was conducted as part of the County Auditor's risk-based Annual Audit Plan approved by the County Council for FY2017.

What We Found

Because of scope limitations, we have not expressed an opinion on this subject matter.

Harford County does not have agreements in place authorizing County audits of the Recreation Councils.

Council Members and County Executive Glassman:

In accordance with Section 213 of the Harford County Charter, we initiated audits of the Collections and Disbursements controls for Harford County's Recreation Councils for the period of July 1, 2014 through June 1, 2016. This project was included in the risk-based annual audit plan approved by the Harford County Council for fiscal year 2017. Each recreation council is an independent IRS § 501(c)(3) not-for-profit corporation. None are part of the County government or under its control, although, they rely upon the free use of County facilities and staff assistance to operate.

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

Recreation Councils are authorized to use County Facilities by the Parks and Recreation Advisory Board. There are Rules and Regulations in place requiring councils to "abide by the Department's Rules and Regulations, policies, and Directives and procedures to ensure use of facilities, program funds, staff assistance, and consideration for Capital Budget projects." However, Harford County does not have agreements with the various recreation councils wherein the Recreation Councils authorize the government to review and audit their records. The County Attorney and Council Attorney

believe that we do not have authority to compel these entities to provide the documents we requested for review.

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 the adequacy of the billing and collection controls of the Recreation Councils within Harford County.

We would like to thank the volunteers of the Fallston, Joppatowne and Dublin-Darlington Recreation Councils and employees of the Liriodendron Foundation. Although we were not able to complete this audit, they were cooperative and generous with their time during the planning phase of this audit.

The County's Executive Administration has been provided an opportunity to respond to this report; however, no response was required since there are no reported findings. The audit team is available to respond to any questions you have regarding this report.

Sincerely,



Chrystal Brooks
County Auditor

cc: Ms. Kathy Burley, Director of Parks and Recreation
Mr. Billy Boniface, Director of Administration
Mr. James V. McMahan, President, Liriodendron Foundation
Mr. Steven Trostle, President, Joppatowne Rec. Council
Mr. Steven Schneiders, President, Fallston Rec. Council
Mr. Richard Howe, President, Dublin-Darlington Rec. Council

Audit Team:

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

Brad DeLauder, CPA
Senior Auditor