



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT ADVISORY BOARD

MINUTES OF NOVEMBER 22, 2016 MEETING

Board Members: Darla Garrett, Kelli Miller, Brian Rowe, Bill Seymour, Richard Slutzky, Mike Perrone, Christen Sullivan (for Kim Spence), Chrystal Brooks

Other Attendees: Brad DeLauder

The meeting began at approximately 4:30 pm in the County Council Conference Room

Board Meeting Minutes – August 30, 2016(prior meeting date)

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

Status of FY2016 Audit Plan

The last remaining project on the 2016 audit plan was an Audit of Purchase Card Controls. Ms. Brooks noted that the audit was completed and the report was issued on 11/26/2016.

Status of FY2017 Audit Plan

Ms. Brooks noted that 3 projects are complete, 5 are in progress and the remaining projects have not started. She noted that the reporting for the projects that are in progress will be pushed back to December.

Proposed Budget for FY2018

- Ms. Brooks presented her proposed budget for FY2018. The main increases are related to adding a Staff Auditor and formalizing the summer intern position. Additionally, training costs have increased and Ms. Brooks has requested an additional \$10,000 for outsourced audit projects.
- Mr. Rowe asked if the training budget will accommodate 40 CPE for each auditor and if the budget allows for attending the national GFOA conference. The answer to both questions was yes.
- Mr. Perrone asked how the office's efficiency is improved by adding a staff auditor. Ms. Brooks explained that there are many simple audit tasks that can be performed by a lower paid employee. This makes her available for more complex tasks and better oversight and training of the office's staff.



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Audit Reports

- Ms. Brooks presented the audit report for purchase card controls. She noted that the four issues noted in the report had been reported in prior audits. There has been some improvement over time in the number of exceptions. Mr. Seymour asked about whether the County receives a rebate for purchase card use. Ms. Brooks noted that the rebate is 1% or 1.5% and procurement has been considering a new contract; the RFP has not been issued. Board members asked about limits on categories and amounts for purchases. There are a few unallowed categories and cardholders have monthly and single purchase limits. Management responses to the report indicate that cardholder monthly limits are under review.
- Ms. Brooks explained that the follow-up to prior audit findings has been completed. There are 49 issues that remain open following that project. Of those, 12 have been open for more than two years. The group generally discussed why those things haven't been completed (system limitations and low priority for management) and how to get more focus on them (include in budget analysis again?). Mr. Seymour suggested including them in budget analysis again but in a more concise format (X total number of findings, Y the number of outstanding findings, and Z the number of overdue findings). Mr. Seymour also asked if there were any issues that could be significant deficiencies. Ms. Brooks noted that the ethics policy needs to be expanded to cover more employees and the lack of reports from the mainframe limits management's ability to provide spending oversight.

The meeting was adjourned at 5:05 pm. The next meeting is scheduled for February 28, 2017.

Respectfully submitted,
Chrystal Brooks
County Auditor

Minutes were approved via email on 12/1/2016