



OFFICE OF THE COUNTY AUDITOR

Craig Glendenning, CPA
County Auditor

MEMORANDUM

July 2, 2019

MEMO TO: Council Members

Calvin Ball
County Executive

FROM: Craig Glendenning
County Auditor

SUBJECT: Exit Audit – Allan Kittleman

Pursuant to Section 213 of the Howard County Charter, “upon the death, resignation, removal or expiration of the term of any County administrative officers, the County Auditor shall cause an audit and investigation of the accounts maintained by the officer, and by his or her department, office or agency, to be made.” We have conducted an exit audit for Allan Kittleman, County Executive until the end of his term, effective December 3, 2018.

The objectives of our review were to determine whether:

- The County’s procedures for separation of employment were followed.
- The accounts maintained by Mr. Kittleman were in order.
- Mr. Kittleman’s access to County systems had been terminated.
- Mr. Kittleman’s earnings on his final earnings statement were accurate.

FINDINGS AND RECOMMENDATIONS

We found that County procedures were followed in Mr. Kittleman’s separation from County employment. Additionally, Mr. Kittleman’s access to County systems was fully terminated in accordance with County procedures. However, we did note the following issues.

Finding 1**Credit card purchases were made outside the purview of the County's Procurement Card program.**

We found that the County Executive was using a credit card that was not issued under the County's Procurement Card program. As a result, this card was not subject to the controls over the County's program (such as blocked merchant category codes, independent review of all charges, etc.). We requested the credit card statements from June 2016 to December 2018 and reviewed the related supporting documentation. Charges for that period totaled \$3,938. We were advised that the current County Executive and one other County employee still utilize this type of card.

We recommend that the County discontinue the practice of allowing the use of credit cards exempt from the County's Procurement Card program.

Administration's Response:

We concur with this finding and will discontinue the use of the credit cards.

Finding 2**There was a calculation error in the vehicle fringe benefit amount.**

The review disclosed that Mr. Kittleman's final paycheck was not accurate. Specifically, the fringe benefit for his assigned County vehicle did not include the proper amount for the fuel surcharge as required by Internal Revenue Service regulations. We recalculated the benefit and determined that the amount of the error was not material. This condition was commented on in a previous exit audit on the Chief of the Department of Fire and Rescue Services. The condition impacts all County employees assessed a commuting fringe benefit based on the annual leave value methodology as established by the Internal Revenue Service.

We again recommend that the County take the appropriate action to calculate and report the correct amount of the vehicle fringe benefit.

Administration's Response:

The Administration concurs with the finding. The County has put procedures into place to prevent similar errors from occurring in the future and to reflect the correct vehicle fringe benefit amount during the applicable period.

We wish to express our gratitude to the Administration for the cooperation and assistance extended to us during the course of this engagement.

cc: Lonnie Robbins, Chief Administrative Officer
Patrick Pope, Internal Auditor
Gary Kuc, County Solicitor