



**ANNE ARUNDEL COUNTY
OFFICE OF THE COUNTY AUDITOR**

January 21, 2010

The Honorable Members of the County Council
The Honorable John R. Leopold, County Executive
Ms. Andrea Fulton, Personnel Officer
Anne Arundel County, Maryland
44 Calvert Street
Annapolis, Maryland 21404

Dear Members, Mr. Leopold, and Ms. Fulton:

In accordance with Section 311 of the County Charter, I am calling to your attention and taking exception to the following improper procedure regarding exempt employees in hourly rate or State or federal grant-funded positions.

Article 6, § 6-2-106 of the County Code provides that "An exempt employee in an hourly rate position or in a State or federal grant-funded position shall receive pay and benefits as specified in a written agreement between the employee and the appointing authority and in accordance with available appropriations in the annual budget and appropriation ordinance." However, the County is not in compliance with the legal requirement, and the Administration regularly employs temporary employees in hourly rate positions without written agreements.

In March 2009, the Office of Personnel provided a list of all exempt employees in hourly rate positions or State or federal grant-funded positions. That list showed 956 employees for whom there was no written agreement as required by § 6-2-106. However, the Office of Personnel was not certain that all the employees were active employees, and they thought that the individual departments that hired the employees may have entered into written agreements without providing copies of the agreements to the Office of Personnel.

Ms. Fulton and I consulted with the Office of Law regarding what types of written agreements are sufficient to comply with the Code requirement, and the Office of Personnel actively pursued obtaining such agreements where appropriate. The Office of Personnel also terminated inactive employees from the system.

In December 2009, Ms. Fulton provided an updated list that shows 278 employees in hourly rate or State or federal grant-funded positions who do not have written agreements with the County. The Department of Recreation and Parks employs 239 of the employees, the Board of Elections employs 26, and the remaining 13 are scattered throughout several County departments.

To address this improper procedure, I recommend that the Administration centralize the agreement process in the Office of Personnel. The Office of Personnel, not the individual departments, should ensure all employees in hourly rate or State or federal grant-funded positions sign written agreements that have been approved in form by the Office of Law. The Office of Personnel should also continue its efforts to pursue written agreements with the current employees, ensure new employees sign written agreements, and terminate employees who do not sign agreements within 60 days.

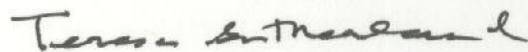
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Management's Response from Ms. Fulton:

The Office of Personnel continues to receive departmental copies of letters of agreement and terminations from the various County departments identified on the Auditor's list. As of January 11, 2010, an additional 122 letters of agreement have been received, and three terminations for 2009 from the Department of Recreation and Parks. We agree with the Auditor's recommendation that all required employment documents, including written agreements, should be kept centralized in the Office of Personnel and not in the various Departments. In fact this requirement was put into place in the fall of 2008; exempt employees are not entered into the payroll system until all required documentation is forwarded to the Office of Personnel for our review. I appreciate the time that the Auditor gave me to obtain those agreements that were in the department files and not in the Office of Personnel.

I thank Ms. Fulton and her staff for their cooperation. Please call if you have any questions regarding our findings and recommendations.

Sincerely,



Teresa Sutherland, CPA
County Auditor