



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

November 17, 2017

The Honorable Members of the County Council
The Honorable County Executive Steven R. Schuh
The Honorable Sheriff Ronald Bateman
Karin McQuade, Controller
Anne Arundel County
44 Calvert Street
Annapolis, Maryland 21401

Dear Members, Mr. Schuh, Sheriff Bateman, and Ms. McQuade:

In accordance with §311 of the County Charter, I am calling to your attention and taking exception to the following improper procedure:

We are conducting an audit of the billing and cash receipts processes in the Office of the Sheriff (Sheriff). During our audit, we found that the Sheriff's requests for reimbursement under the Child Support Enforcement Administration (CSEA) grant violate the provisions of the grant agreement. Therefore, the Sheriff may be over allocating costs to the grant. As a result of this discovery, we reviewed the grant billings and supporting documentation. We also discussed the grant cost allocations with Sheriff personnel. We limited our procedures to determining the Sheriff's compliance with the related CSEA agreement billing requirements and this review is not related to the objectives of our audit of the billing and cash receipt processes on the Office of the Sheriff.

The Sheriff receives federal grant funds through a cooperative reimbursement agreement with the CSEA. The agreement requires the Sheriff to provide services to the local child support office, including, but not limited to, service of process, execution of writs, warrants and body attachments, and security services. The Federal Fiscal Year (FFY) 2017 grant agreement included \$583,465 of federal funds for this purpose and the County provided a local match of \$300,573.

The grant pays for the costs of Sheriff services conducted on behalf of the Anne Arundel County Office of Child Support (Child Support), including the cost of personnel (salary, FICA, health care, pension, overtime, retention bonuses, and allowances for weapons and cleaning). The Sheriff has allocated all personnel costs related to nine employees to this grant. The grant also pays for six vehicles and various administrative expenses. The grant allows the Sheriff to allocate the cost of a vehicle over five years. We have included a summary of the grant budget shown in the agreement for FFY 2017 as Attachment A to this letter.

The grant agreement requires that grant-allocated personnel costs reflect the percentage of time that each employee spends on the grant activities. Further, the agreement requires the Sheriff to maintain after-the-fact time distribution records showing the actual activities for each employee. The

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agreement states the time distribution should reflect compensation for the employee's total activity, be prepared at least monthly to coincide with one or more pay periods, and the employee and the employee's supervisor must sign the time distribution.

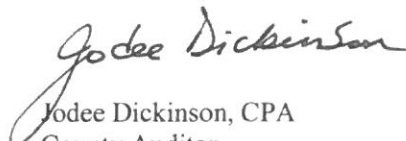
Although the Sheriff bills the grant for 100% of the employee's salary and fringe benefits, Sheriff personnel advised us that it is typical for these employees to perform activities unrelated to Child Support. The Sheriff maintains Daily Operations Activity Summaries that show what activities the employees performed. We looked at a sample form and noted the employee reviewed performed other duties; however, the summary does not show how much time was spent on each activity and neither the employee nor the supervisor signs it. Sheriff administrative personnel estimated that one employee spends as little as 10% of work time on grant activities.

Through our review and inquiries, we concluded that the nine employees are not working 100% on this grant. Regardless of the actual time spent, the employees sign a certification for the grantor every six months asserting that they worked solely on CSEA activities. Consequently, the certifications do not reflect actual employee work activities. In addition, the Sheriff does not have a time allocation process that complies with the grant requirements.

The County has not complied with its CSEA grant agreement. This failure could result in the grantor requiring the County to repay grant funds. We recommend that the Administration and the Office of Finance work with the Sheriff to ensure that billing for federal funds complies with all CSEA and federal provisions. Further, the Administration and the Sheriff should discuss these issues with the grantor to identify and perform all necessary corrective actions.

Please contact us if you have any questions regarding our procedures.

Sincerely


Jodee Dickinson, CPA
County Auditor

Attachment A
CSEA Program Summary FFY 2017

Purpose	Amount	Notes
Salary	\$ 515,520	8 Deputies and 1 Office Support Asst.
Overtime	20,000	
FICA	40,967	
Pension	148,794	
Health	74,700	
Retention Bonuses	4,500	\$500 - \$1,500 per employee
Weapons	5,600	\$700 x 8 employees
Cleaning	4,800	\$600 x 8 employees
	814,881	
Training	283	MJCSC Training for 1 employee
Supplies	600	
Vehicle Depreciation	28,910	\$4,813.33 for 6 vehicles
Telephone	732	2 landlines and 1 wireless
Photocopies	60	
Postage	544	
Vehicle Operating Costs	34,560	
CJIS Fees	588	
Mobile Data Computers	2,880	\$480 annually x 6 deputies
	69,157	
	\$ 884,038	



OFFICE OF THE SHERIFF
ANNE ARUNDEL COUNTY

SHERIFF RONALD S. BATEMAN

Colonel Paul R. Tabor
Chief Deputy

P.O. BOX 507
ANNAPOLIS, MARYLAND 21404
Administration 410-222-1571 FAX 410-222-1583

November 22, 2017

The Honorable Members of the County Council
The Honorable County Executive Steve Schuh
44 Calvert Street
Annapolis, Md 21401

Ms. Jodee Dickinson, County Auditor
44 Calvert Street
Annapolis, MD 21401

Members of the County Council, Executive Schuh and Ms. Dickinson,

This letterhead has been prepared in response to a summary letter from the Anne Arundel County Auditor, Ms. Jodee Dickinson, regarding requests for reimbursement made by the Sheriff's Office to the Child Support Enforcement Administration grant. The Sheriff's Office has benefitted from receiving reimbursement through the Child Support Enforcement Administration grant since October 1st, 2006. Content of the grant was applied for and awarded yearly until October of 2017, when a 3-year agreement was awarded. The requirements of the grant have remained relatively static since inception.

The Auditor's Office has been conducting a financial review of the Sheriff's Office over the last year. Findings from the Auditor related to the Child Support grant referenced identifying requests for reimbursement from the Sheriff's Office that "violate provisions of the grant agreement". Specifically, Ms. Dickinson stated: "Although the Sheriff bills the grant for 100% of the employee's fringe salary and benefits, Sheriff personnel advised us that it is typical for these employees to perform activities that are unrelated to Child Support."

Sheriff's Deputies, by virtue of their position and oath of office, are responsible to take law enforcement action. This includes conducting traffic and criminal enforcement, assisting other officers while engaging in both as well as participating in periodic training. This obligation to engage in actions that are not directly related to Child Support has been exacerbated by the current personnel shortage the agency is experiencing. Deputies assigned to Operational tasking have additionally had to be utilized to assist with backfilling assignments within the Courthouse as a result of the 11 vacant positions and concurrent Sheriff's responsibility to maintain staffing presence to address security needs at the Circuit Courthouse. Correlated to and compounding

this shortage of deputies, the Sheriff's Office additionally endured without a civilian Child Support clerk between August 1st and October 5th, 2016 due to retirement and delay in back fill resulting from the subsequent competitive promotional process.

Ms. Dickinson also referenced, "Sheriff Administrative personnel estimated that one employee spends as little as 10% of work time on CSEA." The Operations Bureau Lieutenant has been attached to the grant since inception. Captain William Smith, the Operations Bureau Commander and Project Manager for the Child Support Enforcement Administration grant retired from the organization on August 1 of 2017. The Operations Lieutenant was appointed as acting Captain in his absence and has maintained Commanding responsibilities for the Operations Bureau since his separation. This dynamic has directly impacted their ability to work 100% on the grant.

The Sheriff's Office is organizationally structured with a Captain and Lieutenant in both the Security Bureau and the Operations Bureau. There are no additional Captains or Lieutenants in the agency. It is worth noting that attaching a Lieutenant's position to the grant may not be the most effective usage of grant funding given the marked increase in volume of responsibilities that have evolved for both Bureaus since the grant was initially awarded. To be clear, the current responsibilities of commanding a Bureau necessitate participation in tasking that is not directly related to Child Support. Linking a Sergeant's salary to the grant and tasking that individual with supervisory responsibility for Operations Bureau deputies assigned to the grant would be an effective resolution to this concern.

Certifications to the Grantor, asserting employees worked solely on CSEA activities, had been completed every six months, as stated by Ms. Dickinson in her summary, to include the 6-month period ending April 1st, 2017. There have been no additional certifications submitted to the Grantor documenting the amount of personnel time spent. Concerns about the 100% of time worked reference was discussed with Ms. Meredith Gupton, Director of the Anne Arundel County Office of Child Support, on September 21st, 2017. Ms. Gupton acknowledged the duty to act, inherent to the Deputies attached to the grant, as well as the potential peril they could face for failing to take action. No changes to procedures or performance, nor corrective measures were requested by Ms. Gupton during or after that meeting.

The Sheriff's Office has benchmarks for performance that must be met in order to receive reimbursement (75% or better for summons service and for warrant service). Falling below this threshold in either category can result in a reduction of reimbursement for the subsequent quarter. The Sheriff's Office acknowledges the 100% of time spent reference could be concerning when only assessing the documentation completed by Child Support deputies. However, the reality of our function consistently shows when Child Support deputies are on leave, out due to injury, in training or busy working their papers/area/other tasks, their teammates (deputies who are NOT assigned to the grant) offer assistance and make attempts towards serving child support summonses and warrants. Looking from a totality of production viewpoint, we do not share the same level of concern about the 100% of time reference that the Auditor conveyed in her report.

The reference to the Sheriff maintaining records of actual activities of employees has been and is currently captured on Deputy's daily activity sheets. Upon initial notification by the Auditor, the absence of signatures by employees and their supervisors on daily sheets has been corrected. Daily sheets containing both signatures are held by Supervisors and summarized monthly. Tracking and reporting employee time spent working on Child Support activities daily and summarizing monthly and quarterly is still being evaluated as the current level of vacancies and workload necessitates increased involvement by all Deputies to maintain continuity of operations.

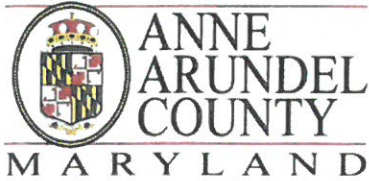
Sheriff's Administrative personnel are scheduled to meet with Ms. June Watson, Cooperative Reimbursement Agreement Contract Manager with the Department of Human Services, Child Support Administration to discuss the points identified by the Auditor. Of particular focus for the meeting, we will seek to clarify expectations relating to the 100% of time reference as well any changes to documentation practices the Department of Human Services, Child Support Administration requires. The Sheriff's Office will share any findings resulting from that meeting.

In closing, the Sheriff's Office has taken actions to address the Auditor's concerns and remains receptive to collaborating to implement resolution to insure we remain in compliance with CSEA and federal requirements.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ronald S. Bateman".

Sheriff Ron Bateman



Karin McQuade
Controller

November 22, 2017

The Honorable Members of the County Council
The Honorable County Executive Steven R. Schuh
The Honorable Sheriff Ronald S. Bateman
Ms. Jodee Dickinson, County Auditor
44 Calvert Street
Annapolis, MD 21401

Members of the County Council, Executive Schuh, Sheriff Bateman and Ms. Dickinson,

The County Auditor recently issued a letter concerning an improper procedure noticed by her office in the Sheriff's quarterly billings for the Child Support Enforcement Administration (CSEA) grant. In that letter, the County Auditor reported that Sheriff's Office personnel advised them that it is typical for some of the same employees who reported working 100% of their time on the CSEA grant, to perform activities unrelated to Child Support. Through their review and inquiries, they concluded that nine employees are not working 100% on this grant.

The CSEA grant is awarded jointly to Anne Arundel County and the Anne Arundel County Sheriff's Office, but the funds are exclusively utilized at the Sheriff's Office to support the Sheriff's Child Support enforcement efforts. The Sheriff's Office is responsible for applying for the CSEA grant, administering the grant, and approving and filing quarterly reports with the grantor that accurately report the time worked on the grant and expenditure of related grant funds.

Documentation provided by the Sheriff's Office to the Office of Finance over the past several years of the CSEA grant seems to support that the grant is being properly spent to fund 100% of the efforts of nine Sheriff's Office positions to work on Child Support enforcement efforts, as well as related vehicle and supply costs. The reported expenditures align closely with the annual grant budget filed by the Sheriff's Office. The grant has been subject to oversight from the State Department of Human Resources (DHR) and subject to the annual Single Audit of federal awards. Neither of those efforts has resulted in the issuance of any recent findings.

The Office of Finance reviews grant reporting to ensure that the Sheriff's Office spending is not beyond the grant limits, reviews the quarterly reports for inaccuracies, and assists the Sheriff's Office in reconciling its filings to the County's accounting records. The Office of Finance also ensures that amounts billed to the grantor for reimbursement by the Sheriff's Office are received and deposited as revenue to the CSEA grant.

Consistent with the County-wide practice for all operating grants, the Sheriff's Office forwards to the Office of Finance, copies of the grant award, the grant budget, and quarterly spending reports that an officer in the Sheriff's Office approved and filed with the grantor. Support documents, including time records, are retained at the Sheriff's Office. Those time records include time certifications that are signed every six months by each employee assigned to the grant. The certifications assert the time the employee worked on the grant. The certifications are also approved by a supervisor. The Office of Finance does not audit the supporting documentation kept by the Sheriff's Office, but will at times verify that the certifications are being produced.

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If requested, the Office of Finance is prepared to assist the Sheriff's Office to address the issues noted. Such efforts can include: 1) assisting the Sheriff's Office to file an amended application, if requested, that is written to properly reflect the staffing of Sheriff's Office employees on the grant, 2) assisting the Sheriff's Office in improving the tracking of employee time charged to the grant and ensuring that time is accurately reported on the grant time certifications and 3) providing training on how to better utilize the financial system to track grant costs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Karin McQuade".

Karin McQuade
Controller
Anne Arundel County