

Maryland Environmental Service

Independent Accountant's Report
June 21, 2022



RSM US LLP

Independent Accountant's Report

Audit Committee of the Board of Directors
Maryland Environmental Service

We have performed the procedures enumerated below, which were agreed to by the Audit Committee and management of Maryland Environmental Service (MES or the Service), with respect to the expense reports, purchase card purchases, and supplier invoices review in accordance with defined policies and procedures provided by the Service focusing on unauthorized spending, misallocated expenses and accounting errors for the specified period of July 1, 2020, through June 30, 2021. The Service's management is responsible for the expense report review in accordance with defined policies and procedures. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The Service has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the agreed-upon procedures. Additionally, the Audit Committee and management has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the following policies and procedures as defined by MES:
 - a. MES Travel Advance and Expense Report Procedures Revised 10-02
 - b. MES Travel Advance and Expense Reimbursement Procedures Revised 10-20
 - c. State Travel Management Unit – Board of Public Works Subtitle 02 Business Administration 23.02.01 Standard Travel Regulations
 - d. Maryland Environmental Service Personnel Meal Reimbursement Policy No. 10.16
 - e. State of Maryland Standards of Conduct for Executive Branch Employees and Reporting of Misconduct
 - f. Procurement one card procedures
 - g. Training and development tuition assistance program

Result: We found no exceptions as a result of the procedures.

2. We obtained the July 1, 2020 to June 30, 2021, all employee expense transaction listing, purchase card transaction listing, and the supplier invoice transaction report. We selected 30 transactions from the all-employee expense transaction listing, 30 transactions from the purchase card transaction listing, and 30 transactions from the supplier invoice transaction report.

Result: We obtained the July 1, 2020 to June 30, 2021, all employee expense transaction listing, purchase card transaction listing, and the supplier invoice transaction report and made the noted selections.

3. We traced each expense selected from step 2 to an external party receipt/supporting documentation.

Result: We found no exceptions as a result of the procedures for the selected 30 transactions from the all-employee expense transaction listing, 30 transactions from the purchase card transaction listing and the 30 transactions from the supplier invoice transaction report.

4. We traced each expense selected from step 2 to the general ledger and expense allocation category.

Result: We found no exceptions as a result of the procedures.

5. We compared each expense to the policies noted in step 1.

Result: We found no exceptions as a result of the procedures for the 30 transactions from the purchase card transaction listing and the 30 transactions from the supplier invoice transaction report.

Five of the 30 transactions selected from the employee expense transaction listing, for a total of \$730.32, were not submitted for reimbursement within five business days of purchase for transactions dated through September 30, 2020, in accordance with the MES Travel Advance and Expense Report Procedures Revised 10-02 or within 30 calendar days for transactions dated after September 30, 2020, in accordance with the MES Travel Advance and Expense Reimbursement Procedures Revised 10-20.

We were engaged by the Service to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the agreed-upon procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Service and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the audit committee and management of the Service and is not intended to be, and should not be, used by anyone other than the specified parties.

RSM US LLP

Gaithersburg, Maryland
June 21, 2022

Attachment A

The following summarizes by category the number of transactions tested applying the agreed upon procedures and the results noted.

Employee Expense Transactions

Type of results noted below (if applicable)

I Employee was reimbursed for more than the appropriate amount based on policy	No exceptions
II Employee did not use state service contracts when booking hotel/flight	No exceptions
III Employee did not submit their expenses within 5 business days (applicable before 10/20) or within 30 calendar days (applicable after 10/20) of incurring expense while on travel	5 out of 30 items amounting to \$730.32.
IV Expense is not listed as an acceptable expense within policies provided	No exceptions
V A receipt or applicable support was not provided upon reimbursement submission in order to be eligible for reimbursement	No exceptions
VI Employee submitted for expense reimbursement after leaving the Service	No exceptions
VII Transaction does not trace to the GL	No exceptions

Purchase Card Transactions

Type of results noted below (if applicable)

I Employee was reimbursed for more than the appropriate amount based on policy	No exceptions
II Employee did not use state service contracts when booking hotel/flight	No exceptions
III Employee did not submit their expenses within 5 business days (applicable before 10/20) or within 30 calendar days (applicable after 10/20) of incurring expense while on travel	No exceptions
IV Expense is not listed as an acceptable expense within policies provided	No exceptions
V A receipt or applicable support was not provided upon reimbursement submission in order to be eligible for reimbursement	No exceptions
VI Employee submitted for expense reimbursement after leaving the Service	No exceptions
VII Transaction does not trace to the GL	No exceptions

Supplier Invoices

Type of results noted below (if applicable)

I Supplier was disbursed for more than the appropriate amount based on policy	No exceptions
II Expense is not specifically included as acceptable within policies provided	No exceptions
III A receipt or applicable support was not provided upon disbursement submission in order to be eligible for disbursement	No exceptions
IV Transaction does not trace to the GL	No exceptions