

April 8, 1958

All Board members and their attorney present today.

Land purchased from Mrs. Robrecht for wharf at St. Geo. Island- Board advised Mrs. Robrecht desires to have land for other use, since the Commissioners have not begun project there. Commissioners are obligated to the Fed. Govt to build a wharf there and no other land is available at this time. If another site can be had they will DEED land back to Mrs. Robrecht.

Dr. Houser, Mr. Hartwell and Mr. Garvin came in again about the Mobile Home project near Dameron, Md. State Health Sanitarian advised some area would be closed for oystering, size to be determined after laboratory test is made. Dr. Houser says the bar is on the charts as an oyster bar, but it is barren. He further advised the oyster industry as it is now would not be affected as the area closed would be about 1/80 of the bar in that section, which is about 1,000 ft x 2,000 ft. State Dept of Health can issue the permit for this project, and if State approves County has no objections. Mr. Garvin was informed that the Commissioners hope to have legislation whereby trailers are taxed, the same as houses. Mr. Garvin says he is agreeable and might even pay the tax himself, rather than impose it on those who use his project for their privately owned trailers. Dr. Houser will write to Mr. Brown and Dr. Praether of the State Health Dept., informing them that County will adhere to their decision.

Phil Langley road, will need new survey and DEED if County is to accept road. Mr. Stone will contact Phil Langley about this, for maintenance only-

Mr. Guy phoned to Commissioner Sullivan of Charles Co., about Teachers starting salary which Mr. Sullivan said is \$3,800 and their tax rate for 1958 is \$1.35 They have reached no decision about a Dog Pound.

Court House Inspection. Messrs. Tilp, Dean, Garner and two gentlemen connected with the ceiling tiles were due at 10 a.m. Mr. Dean and Mr. Garner failed to appear tho Mr. Tilp had talked with Mr. Dean on Friday and latter agreed to come. Mr. Shores, manufacturers agent for the ceiling tiles said there was evidence of interior materials installed at a time when they should not have been; also that the moisture conditions in the building are responsible for the present condition of the ceilings. Mr. Linsey whose firm installed the ceilings agrees to cement the tiles where he considers its necessary. Movement of the ceiling tiles happens everywhere, depending on the moisture in the air. The material is 100% wood fibre However, in the vestibule something is definitely wrong. Mr. Dean should be contacted before any work is done. Mr. Tilp will communicate with Mr. Dean about this and call his attention to the law library and petty jury room ceilings. Mr. Tilp advised a list should be made calling to Mr. Dean's attention all necessary corrections to be made; Drain pipe choked, trouble probably under vestibule from Ct. House to jail; cracked walls in Com. Gen. Hearing room; floor at lunchroom door;

Clerk to write Dr. J. Bay Jacobs asking if he will give R/W to the Gladstone property

Board decided to ask Mr. L.L. Feimster for \$125.00 per mo for hospitalization of wife- Ruth, a patient in Deer's Head Hospital, commencing May 1, 1958.

If no reply to letter to Atty Gen about Dr. Boyd's bill, clerk to write again
Board adjourned at 5 p.m.

approved

Leonard J. Boy
president.

STATEMENT OF THE AUDITOR FOR

ST. MARY'S COUNTY

In order to clarify what appears to be a misunderstanding of ^{the} County's accounting system and financial records, we are presenting herewith a brief but basic analysis of the accounting system in use and our general comments on the steps which have been taken over the past several years for the improvement of that system.

It must first be stated that the comments which follow are offered on a professional basis with no desire to become embroiled in general political discussions. We feel that what is involved here is of prime importance to the people of St. Mary's County and that a knowledge of the facts must necessarily be the basis upon which sound decisions are made.

As a starting point it is important to understand exactly how a County Government of this type functions from the standpoint of revenues and expenditures. In the case of St. Mary's County a large percentage of the County's income is derived from real and personal property tax assessments. The remainder of the County's revenues come from sources which are sometimes shared with the State and which in some cases are derived from such items as County licenses. The real and personal property taxes are billed and actually collected by an officer of the County Government and that part of the taxes which belongs to the State is periodically remitted to the State and an accounting made to it.

In the case of revenues such as the County's share of income taxes, race track revenues, alcoholic beverage taxes, and gasoline taxes (and this is not a complete list) the money is actually collected by the State Government and periodically the County receives from the State its proper percentage of the respective sources of revenues.

In summary therefore, County money is either collected by the office of the County Treasurer or is remitted to the County from time to time from various departments of the State Government and the Clerk of the Circuit Court. Expenditures of County monies are made only on written voucher authority of the County Commissioners and it should be specifically noted that the written voucher authority is delivered to the Treasurer's office and this acts

as the Treasurer's authorization for the payment of the voucher. From time to time certain of the County's monies are actually received in the office of the County Commissioners, this being primarily the situation with respect to monies that are distributed to the County from the State Government and the Clerk of the Circuit Court. This money is deposited intact in a Commissioners' bank account and from time to time there is a transfer of funds from the Commissioners' account to the Treasurer's account. There are times when certain specific payments might be made directly from the Commissioners' account to a particular payee. However, when this is done the checks must carry two signatures. From an audit standpoint there are proper controls over the handling of this money.

As part of the system of internal control over County monies in the Treasurer's office a cash register of a validating type is in use, the control key to which is not in the possession of any County official. Monies received by the Treasurer's office are rung through this machine and the totals are locked into the register, along with the amounts being validated on the particular document or receipt which identifies the transaction. All monies received by the Treasurer are deposited in proper bank accounts.

The Accounting system which is being employed for the County's records follows very closely the State recommended system for municipalities and has in certain cases been added to in order to meet the particular needs of St. Mary's County.

At the end of the County's fiscal year a thorough Audit on a professional basis is made of the County's receipts and disbursements, which Audit involves, among other things, direct confirmation with banks and state agencies and detailed analysis of the various accounting records. The results of this audit are furnished to the County over the signature of a firm of certified public accountants, in appropriate reports, and copies of these reports are forwarded to the State Auditor and the State Fiscal Research Bureau.

These reports relative to the County Commissioners and County Treasurer carry an unqualified auditor's opinion.

In line with the problem of constantly improving the County's record keeping technique a system of control over real and personal property tax bills is in effect which permits a constant surveillance and control by the auditors

and which has permitted an accounting of levies and collection to the ~~nth~~ degree.

With regard to the specific question of the cost of the Court House, reference to the annual report rendered for the fiscal year ended June 30, 1957 would have indicated the cost as of that date. This cost was compiled by analysis of the original contract, subsequent authorized changes to that contract and takes into account actual expenditures and certain real and contingent liabilities. The audit report for the fiscal year which will end June 30, 1958 will reflect the total cost of the Court House. It is unfortunate that the particular answer as to construction cost was not taken from the annual audit report. At this point, lest there ~~be~~^{be} any question or any doubt in anyone's mind as to whether or not \$126,000.00 was misplaced, disappeared, or is not ~~accountable~~^{accounted} for, we wish to state that this is simply not the situation at all. It should be specifically noted that the County's accounting records are not maintained by the Clerk to the County Commissioners. The proper County records reflecting information as to County finances are available at the Court House and again without any attempt at "taking sides" the Auditors would be pleased to show these records and explain the system to those who would be interested. The mere fact that a transfer of funds from the County Commissioners' account to the Treasurer's account was inadvertently added in as part of the construction cost of the Court House is something which was unfortunate but in no way, whatsoever, reflects anything other than the fact that that particular transfer of money was transferred from one County account to another.

David M. Gruber

David M. Gruber & Company,
Certified Public Accountants.