

Audit Report

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**Historic St. Mary's City Commission**

September 2009

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**OFFICE OF LEGISLATIVE AUDITS**  
DEPARTMENT OF LEGISLATIVE SERVICES  
MARYLAND GENERAL ASSEMBLY

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**Karl S. Aro**  
Executive Director

**DEPARTMENT OF LEGISLATIVE SERVICES**  
**OFFICE OF LEGISLATIVE AUDITS**  
**MARYLAND GENERAL ASSEMBLY**

**Bruce A. Myers, CPA**  
Legislative Auditor

September 18, 2009

Delegate Steven J. DeBoy, Sr., Co-Chair, Joint Audit Committee  
Senator Verna L. Jones, Co-Chair, Joint Audit Committee  
Members of Joint Audit Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Historic St. Mary's City Commission for the period beginning July 1, 2006 and ending August 2, 2009. The Commission is responsible for preserving and protecting archaeological and historical records of Maryland's first colonial capital and for appropriately developing and using this historic and scenic site for the education, enjoyment, and general benefit of the public.

Our audit did not disclose any findings that warrant mention in this report.

We wish to acknowledge the cooperation extended to us by the Commission during the course of this audit.

Respectfully submitted,

Bruce A. Myers, CPA  
Legislative Auditor



## **Background Information**

### **Agency Responsibilities**

The Commission, located in St. Mary's City, consists of 17 members and is responsible for preserving and protecting archaeological and historical records of Maryland's first colonial capital and for appropriately developing and using this historic and scenic site for the education, enjoyment, and general benefit of the public. According to the State's records, the Commission's fiscal year 2009 operating expenses totaled \$2.8 million.

### **Status of Findings From Preceding Audit Report**

Our audit included a review to determine the status of the finding contained in our preceding audit report dated November 15, 2006. We determined that the Commission had satisfactorily resolved that finding.

## **Findings and Recommendations**

Our audit did not disclose any significant deficiencies in the design or operation of the Commission's internal control. Nor did our audit disclose any significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to the Commission that did not warrant inclusion in this report.

A draft copy of this report was provided to the Commission. Since there are no recommendations in this report, a written response was not necessary.

## **Audit Scope, Objectives, and Methodology**

We have audited the Historic St. Mary's City Commission for the period beginning July 1, 2006 and ending August 2, 2009. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the Office's financial transactions, records and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations. The areas addressed by the audit included cash receipts, contract procurements, and payroll adjustments. We also determined the status of the finding contained in our preceding audit report.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the Commission's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

Our audit did not include certain support services provided to the Commission by St. Mary's College of Maryland. These support services (such as payment processing, payroll processing, maintenance of accounting records and related fiscal functions) are included within the scope of our audits of the College.

The Commission's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

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