



# MARYLAND 9-1-1 EMERGENCY SYSTEM OF BALTIMORE CITY, MARYLAND

Actual Receipts and  
Expenditures Report  
for Fiscal Year Ended  
June 30, 2021  
City Auditor, Josh Pasch  
June 22, 2022



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## Office of the Comptroller

**Josh Pasch, City Auditor**

100 N. Holliday St., Room 321  
Baltimore, Maryland 21202

### **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES 9-1-1 FEES AND EXPENDITURES FOR FISCAL YEAR 2021**

To Members of the Maryland 9-1-1 Board,

We have performed the procedures enumerated on page 2, which were agreed to by the State of Maryland 9-1-1 Board (State) solely to assist the party in evaluating the Baltimore City's (City) compliance with Public Safety Article 1, Sections 301 through 313 of the Maryland Annotated Code related to the actual receipts and expenditures of the 9-1-1 Trust Fund of Baltimore City, Maryland, as reported in the Actual Receipts and Expenditures Report (the Report) for the year ended June 30, 2021. The City's management is responsible for the items listed in the Report (see page 6). The sufficiency of these procedures is solely the responsibility of the State. Consequently, we make no representation regarding the sufficiency of the procedures enumerated on page 2 either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance on the enclosed Report as of June 30, 2021. 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.

This report is intended solely for the information and use by the State of Maryland 9-1-1 Board and the City and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Josh Pasch, CPA  
City Auditor  
Baltimore City, Maryland  
June 22, 2022

**Agreed-Upon Procedures and Results of Procedures  
9-1-1 Fees and Expenditures for Fiscal Year 2021  
June 22, 2022**

Agreed-Upon Procedures	Results	Other Observations
1. Revenue		
<ul style="list-style-type: none"> <li>Obtain the confirmation of the quarterly amounts received to amounts disbursed by the State.</li> </ul>	No exceptions were found as a result of this procedure.	NA
<ul style="list-style-type: none"> <li>Agree the receipts in the City records to the amounts in the City’s general ledger and amounts disbursed from the State.</li> </ul>	<p>The Report did not include \$183,020 of Pre-Paid revenue that was sent by the State.</p> <p>No other exceptions were noted.</p>	We noted this omission was due to the amount being misclassified in the City of Baltimore’s General Ledger.
2. Salaries and Wages		
<ul style="list-style-type: none"> <li>Obtain the payroll runs for 9-1-1 call takers and support staff and verify that they contained the 27 pay periods in FY 2021 from the BCFD.</li> </ul>	No exceptions were found as a result of this procedure.	NA
<ul style="list-style-type: none"> <li>Obtain the payroll roster from BCFD for call takers and support staff and verify all employees in our judgmentally selected samples were included in the roster.</li> </ul>	No exceptions were found as a result of this procedure.	NA
<ul style="list-style-type: none"> <li>Obtain the time reported from the City’s timekeeping system for the judgmentally selected samples and compare E-Time to the call takers’</li> </ul>	No exceptions were found as a result of this procedure for the last six months of the year.	Due to the transition to the new payroll system, alternative procedures were performed for the first six months of the year. See next step.

Agreed-Upon Procedures	Results	Other Observations
<p>daily activity recorded in the 9-1-1 call center’s timekeeping system (Vesta).</p> <ul style="list-style-type: none"> <li>○ Perform analytical analysis to determine reasonableness to hours and hourly rate for the first six months of the year.</li> <li>● Verify the pay amount recorded in Workday for each employee in our judgmentally selected samples and agree the total pay amount to the pay amount in the payroll run.</li> </ul>	<p>No exceptions were found as a result of this procedure.</p> <p>The reported amount for payroll was understated because the Report did not include compensatory and permission leave time and pension amounts for the last six months of fiscal year 2021.</p> <p>No other exceptions were noted.</p>	<p>Due to the transition to the new payroll system, alternative procedures were performed for the first six months of the year.</p> <p>We noted that this omission was due to the transition to a new ERP system. At the time of this AUP, certain types of leave and allocation of pension costs are recorded in the general fund. This is expected to be resolved when the ERP system is fully implemented.</p> <p>Workday was the payroll system for the last six months of the year. See previous step for alternative procedures performed for the first six months of the year.</p>
<hr/> <p>3. Overtime</p>		
<ul style="list-style-type: none"> <li>● Agree the approved overtime slip signed by both the employee and supervisor to the overtime hours recorded in our judgmentally selected samples.</li> </ul>	<p>No exceptions were found as a result of this procedure.</p>	<p>NA</p>

Agreed-Upon Procedures	Results	Other Observations
<p>4. Sick leave and other leave</p> <ul style="list-style-type: none"> <li>Agree the approved sick leave slips, signed by both the employee and supervisor, to the sick leave hours recorded in our judgmentally selected samples.</li> <li>Agree the approved other leave slips, signed by both the employee and supervisor, to the other leave hours recorded in our judgmentally selected samples.</li> </ul>	<p>No exceptions were found as a result of this procedure.</p> <p>No exceptions were found as a result of this procedure.</p>	<p>NA</p> <p>As noted above, certain types of leave were not included in the Report for the last six months of fiscal year 2021, which understated payroll for that period.</p>
<p>5. Telephone expenditures</p> <ul style="list-style-type: none"> <li>Obtain a listing of paid telephone expenditures, agree the amounts to supporting documentation (invoices), and account for 12 monthly invoices for the year.</li> <li>Verify that the 12 monthly invoices are charged to the Call Taker account in the General Ledger.</li> </ul>	<p>The telephone expenditures reported were understated for fiscal year 2021. We identified an additional \$644,243 of telephone expenditures not included in the Report.</p> <p>Same as above.</p>	<p>The difference was mainly due to telephone expenditures incorrectly charged to the Baltimore City Police Department.</p> <p>Same as above.</p>

Agreed-Upon Procedures	Results	Other Observations
<p>6. Compliance with the use and disposition of the 9-1-1 Trust Funds</p> <ul style="list-style-type: none"> <li>Reviewed the Maryland Annotated Code Public Safety (MACPS) § 1-301 to § 1-313 for allowable expenditures.</li> </ul>	<p>No exceptions were found as a result of this procedure.</p>	<p>Reported operating expenses for fiscal year (FY) 2021 of \$7,671,000 (understated) includes expenses for Call Takers and 50 percent of the Call Takers 911 Payroll Clerk and Assistant Payroll Clerk (support staff). The new Maryland Annotated Code Public Safety § 1-301 (o), allows all personnel costs for Call Takers, Dispatchers, and support staff to be included. BCFD has identified, but not included, Fire and Police Dispatchers expenses (approximately \$5,000,000 and \$7,000,000, respectively – unaudited) in the Actual Receipts and Expenditures Report for FY 2021.</p>

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## Office of the Comptroller

**Josh Pasch, City Auditor**

100 N. Holliday St., Room 321  
Baltimore, Maryland 21202

**Date:** June 22, 2022

**To:** James Fischer, Chief of Fiscal Services II  
Baltimore City Fire Department  
401 East Fayette Street, 6th floor  
Baltimore, MD 21202

**Subject:** Management Comment Limited Use Letter: Maryland 9-1-1 Emergency System of Baltimore City, Maryland Actual Receipts and Expenditures Report for the Fiscal Year Ended June 30, 2021

Dear Mr. Fischer,

In planning and performing our Agreed-Upon Procedures for the Maryland 9-1-1 Emergency Number System (9-1-1) for the year ended June 30, 2021 (the Report), in accordance with Generally Accepted Government Auditing Standards, we considered 9-1-1's compliance with Public Safety Article 1, Sections 301 through 313 of the Maryland Annotated Code related to the actual receipts and expenditures of the 9-1-1 Trust Fund of Baltimore City, Maryland, as reported in the Actual Receipts and Expenditures Report, but not for the purpose of expressing an opinion on the effectiveness of the 9-1-1's internal control. Accordingly, we do not express an opinion on the effectiveness of the 9-1-1's internal control.

However, during our agreed-upon procedures (AUP) we became aware of some issues related to the Report that we believe should be brought to management's attention. The memorandum that accompanies this letter summarizes our comments regarding those matters.

This letter does not affect our AUP report dated June 22, 2022, on the *Maryland 9-1-1 Emergency System of Baltimore City, Maryland Actual Receipts and Expenditures Report for The Fiscal Year Ended June 30, 2021*. We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions during our meeting on June 23, 2022, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. This communication is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than those specified parties.

Respectfully,

Josh Pasch, CPA  
City Auditor

## SUMMARY OF AGREED-UPON PROCEDURES ISSUES NOTED

The Actual Receipts and Expenditures Report (Report) was initially due to the State of Maryland (State) on January 31, 2022. The State gave an extension to February 28, 2022. However, neither deadline was met due to the following factors listed below.

### Revenue

**Condition:** The Report did not include \$183,020 of Pre-Paid revenue that was sent by the State because the City of Baltimore (City) could not locate this amount in the City's General Ledger until May 2022, and not reported to Department of Audits (DOA) until June 2022.

**Recommendation:** We recommend that management monitor revenues recorded in the 9-1-1 revenue account in the City's General Ledger to those expected from the State. We recommend that management establish protocols with Bureau of Accounting and Payroll Services (BAPS) to facilitate the correct posting of 9-1-1 receipts.

### **Management Response:**

BCFD and BAPS have conferred and we will monitor on a regular basis to make sure that the revenue is credited to the correct account. Subsequently BAPS was able to locate and journal it to the correct account for 9-1-1 program.

### Expenditures

#### Telephone

**Condition:** The Report included only two telephone invoices, totaling \$92,090, after incorrectly crediting \$23,419. Also, one invoice was included in the General Ledger for \$7,233 less than the current charge billed by Verizon. We identified an additional \$644,243 of telephone expenditures not included in the Report. The difference was mainly due to telephone expenditures incorrectly charged to the Baltimore City Police Department. We noted that telephone invoices are received and recorded by Department of Telecommunications (Telecom).

**Recommendation:** We recommend that management generate and review periodic reports to monitor expenditures recorded in the 9-1-1 telephone expenditure account in the City's General Ledger for accuracy and completeness.

We recommend that management establish protocols with Telecom to facilitate the correct posting of telephone expenditures. These protocols should include an effective method to validate the accuracy of the invoices.

**Management Response:**

BCFD has conferred with Telecom on this matter to make sure that they charge to the correct Agency. Any of the charges for the current fiscal year will be adjusted by Telecom.

**Payroll**

**Condition:** We noted that the payroll was understated for the last six months of fiscal year 2021 because the Report did not include compensatory and permission leave time. In addition, payroll expenditures did not include pension expenditures for the last six months of fiscal year 2021. We noted that this omission was due to the transition of the new payroll system.

**Recommendation:** We recommend that management coordinate with BAPS on procedures to correctly classify 9-1-1 payroll expenditures in Workday.

**Management Response:**

BAPS has assured BCFD that this problem with the payroll charges been resolved.