

Maryland Environmental Service

Independent Accountant's Report
June 30, 2023

Independent Accountant's Report on Applying Agreed-Upon Procedures

Audit Committee of the Board of Directors
Maryland Environmental Service

We have performed the procedures enumerated below related to the Maryland Environmental Service's (MES or the Service) compliance with the defined policies and procedures provided by the Service for expense reports, purchase card purchases, and supplier invoices (the specified requirements) during the period July 1, 2022 to June 30, 2023. The Service's management is responsible for its compliance with those requirements.

The Service's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in determining whether the entity complied with the specified requirements. 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 the associated findings are as follows:

1. We obtained the following policies and procedures as defined by MES:
 - a. Expense Reimbursement Policy FIN 1.01
 - b. Meal Reimbursement Policy FIN 1.02
 - c. State Travel Management Unit – Board of Public Works Subtitle 02 Business Administration 23.02.01 Standard Travel Regulations
 - d. State of Maryland Standards of Conduct for Executive Branch Employees and Reporting of Misconduct
 - e. One Card Procedures
 - f. Training and development tuition assistance program

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

2. We obtained for July 1, 2022 to June 30, 2023, all employee expense and executives' expense transactions listings, all employee and executives' purchase card transaction listings, and the supplier invoice transaction report. We selected 25 transactions from the employee expense transaction listing, 10 transactions from the executives' expense transaction listing, 25 transactions from the employee purchase card transaction listing, 10 transactions from the executives' purchase card transactions listing, and 20 transactions from the supplier invoice transaction report.

Result: We obtained for July 1, 2022 to June 30, 2023, all employee and executives' expense transactions listing, purchase card transaction listings, and the supplier invoice transaction report and made the noted selections.

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

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

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 procedure as shown in Attachment A.

5. We compared each expense to the policies noted in step 1 applying the attributes defined in Attachment A for each transaction type.

Result: We found no exceptions as a result of the procedure as shown in Attachment A.

We were engaged by the Service's management 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, in compliance with the specified requirements. 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 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, and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

Gaithersburg, Maryland
March 15, 2024

Attachment A

Employee Expense Transactions

Attributes tested	Results
I Employee reimbursement was within the appropriate amount based on policy	No exceptions
II Employee used state service contracts when booking hotel/flight	No exceptions
III The employee submitted their expenses within 30 calendar days of incurring expense	No exceptions
IV Expense is included as acceptable within policies provided	No exceptions
V A receipt or applicable support was provided upon reimbursement submission in order to be eligible for reimbursement	No exceptions
VI Employee submitted for expense reimbursement before leaving the Service	No exceptions
VII Transaction traces to the GL account description that matches with the invoice description and expense type.	No exceptions

Purchase Card Transactions

Attributes tested	Results
I Transaction was within the appropriate amount based on policy and does not exceed spending limits without approval	No exceptions
II Employee used state service contracts when booking hotel/flight	No exceptions
III The employee submitted their receipts within 30 days of Activity Statement end date	No exceptions
IV Expense is included as acceptable within policies provided	No exceptions
V A receipt or applicable support was provided	No exceptions
VI Employee made the transaction before leaving the Service	No exceptions
VII Transaction traces to the GL account description that matches with the invoice description and expense type.	No exceptions

Supplier Invoices

Attributes tested	Results
I Supplier was disbursed for an appropriate amount based on policy	No exceptions
II Expense is included as acceptable within policies provided	No exceptions
III An invoice or applicable support was provided upon disbursement submission in order to be eligible for disbursement	No exceptions
IV Transaction traces to the GL account description that matches with the invoice description and expense type.	No exceptions