

---

The Capital  
HOMETOWNANNAPOLIS.COM

---

[Home](#)

[Cars](#)

[Jobs](#)

[Real Estate](#)

[Directory](#)

[Classifieds](#)

[Advertise](#)

[Subscribe](#)

[Front page](#)

•

•

•

•

•

•

•

•

•

•

## Government

[more>>](#)

 ShareThis

- [Comment](#)
- [Email This](#)

# Audit: County cuts lead to less tax scrutiny

## County could miss out on money it's due

By ERIN COX, Staff Writer

Published 03/23/09

An annual financial audit has revealed that the county no longer makes sure it collects all the sales taxes due to it.



Lean budget times have prevented the hiring of an employee to look over county sales-tax receipts, a job that in the past has uncovered errors as large as \$40,000 in the county's favor.

To overcome a growing budget shortfall, the county has had three consecutive hiring freezes. And in an effort to create a balanced budget for this year, county managers last May decided to eliminate the position that completed the sales-tax audit, which was previously done on a

three-year cycle.

The weakness was isolated by county auditors, who are required by law to perform an annual review of the county's financial reports. This report was overseen by County Auditor Teresa Sutherland, who this year worked with the independent Hunt Valley-based accounting firm SB & Co., and reviewed the books for fiscal 2008, which ended June 30.

The tax auditing was only one part of the eliminated job's function, and administration officials told the County Council it would not be cost-effective to hire a contractor for the job. Instead, the county Finance Office will monitor receipts and audit sales taxes only when something appears abnormal, they said.

"We still have sales-tax accountants that get all the returns and go through them looking for any unusual trends, looking for drops," said Controller Rick Drain.

Council members expressed concerns that the county could be shortchanged, and other officials were hesitant to publicize the weakness, lest companies start skimping on money owed to Anne Arundel County.

Others feared this example was the first hint that cost-cutting might be going too deep, affecting what Councilman Ron Dillon called "muscle" functions of government.

"When you start cutting vacancies, you need to be aware of what happens to the internal controls," said Dillon, R-Pasadena.

The recent audit also discovered that county employees overcharged commercial developers and collected wrong impact fee amounts in at least five instances. The audit checked only a sample of the impact-fee calculations, finding that no employees ever reviewed how the fee was calculated.

In another department, county workers failed to send more than 20 delinquent accounts to tax sale in order to recoup \$950,000 in unpaid fees related to sewer and water systems.

Other audit findings reflected less-than-ideal-bookkeeping, but only one issue rose to what's known, in auditing parlance, as a "significant deficiency" - a bad accounting practice that creates "more than a remote likelihood" that accounting documents will be wrong.

The auditors said the way the county prepares the list of federal grants constituted a significant deficiency.

The auditing of county sales taxes included the fees paid by phone companies, mobile home companies, utility companies such as Baltimore Gas and Electric Co., and all of the hotels in the county, as well as businesses like parking garages.

## YOUR COMMENTS

[REGISTER](#) . [POST](#)

[RULES OF PARTICIPATION](#)

If you encounter other problems, please email [ewiffin@capitalgazette.com](mailto:ewiffin@capitalgazette.com) and include your name, username, and any errors or messages that are displayed. The more information you can provide, the better able we will be to assist you.

## LOGIN TO POST A COMMENT

If you encounter other problems, please email [ewiffin@capitalgazette.com](mailto:ewiffin@capitalgazette.com) and include your name, username, and any errors or messages that are displayed. The more information you can provide, the better able we will be to assist you.

Username:

Password:

## EVENTS CALENDAR

[more>>](#)

[Mar 23 - St. Mary's High School Art Show Opening](#)

---

[Mar 24 - Grow It, Eat It: Maryland's Food Gardening Network](#)

---

[Mar 27 - Mar 29 - March Madness](#)

---

[Mar 27 - Women's History Tour of Annapolis](#)

---

[Mar 27 - Mar 29 - Art Show, Sale, and Artists Reception](#)

---

[Mar 28 - Kees's Bday wish](#)

---

## VIDEOS

[more>>](#)



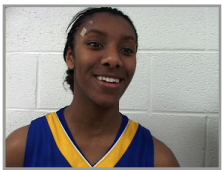
Home of the Week: Lindsey and Michael Foundos



## Eastport Burning of the Socks



All-Star MVP Ciarra Lucas

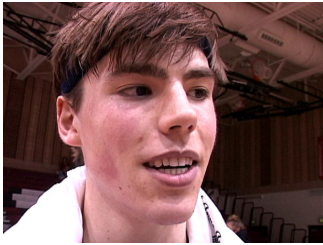


All-Star MVP Jasmine Wills



All-Star Girls Game

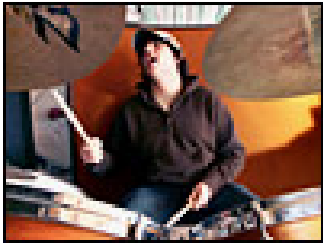




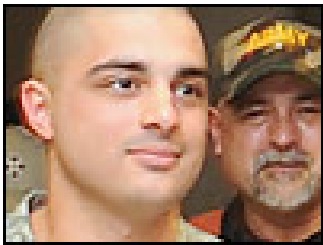
All-Star MVP Brendan Bald

## SLIDESHOWS

[more>>](#)



Kentavius



Daniel Alvear returns from Iraq





Navy vs. Colgate lacrosse



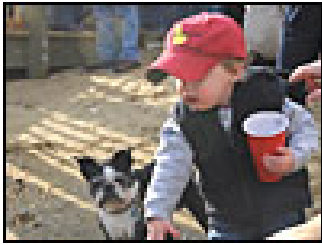
Home of the Week: Lindsey and Mike Foundos



Burning of the Sock







The Week in Photos

## Homes InAnnapolis.com

A Capital Gazette Website



Annapolis



Chester

Search HometownAnnapolis.com

### NEWS

- Archives
- Business
- Columnists
- Environment
- Government
- Local
- Naval Academy
- Obituaries
- Opinion
- Police
- Public Record

- [Region](#)
- [Story index](#)
- [Weather](#)
- [Get news alerts](#)
- [Send news tip](#)

---

## COMMUNITIES

---

- [Local](#)
- [Annapolis](#)
- [Broadneck](#)
- [Crofton](#)
- [Crownsville](#)
- [Edgewater](#)
- [Kent Island](#)
- [Millersville](#)
- [Odenton](#)
- [Pasadena](#)
- [Severna Park](#)
- [Severn](#)
- [South County](#)
- [West County](#)
- [Calendar](#)
- [Schools](#)
- [Glen Burnie](#)
- [Bowie](#)

---

## SPORTS

---

- [High School](#)
- [Naval Academy](#)
- [College](#)
- [Professional](#)
- [Outdoors](#)
- [Sailing/Boating](#)

---

## ENTERTAINMENT

---

- [Entertainment](#)
- [Calendar](#)
- [Child's Play](#)
- [Movie Showtimes](#)
- [Dining Review](#)
- [Live Music](#)

---

## VOICES

---

- [Blogs](#)
- [Columnists](#)
- [Comments](#)

- Editorials
- Letters
- Registration

---

## LIFESTYLE

---

- Lifestyle
- Food/Wine
- Home & Garden
- Religion
- Seniors

---

## SPECIALS

---

- Reader's Choice
- Waterfront Living
- Home & Garden
- Ches. Bay Flavor
- Public Housing

---

## ONLINE

---

- Advertise
- Archive
- Blogs
- Calendar
- Comments
- Contact us
- Cookbook
- Slideshows
- Video
- AP Video

### SUBMIT INFO:

- Anniversary
- Band info
- Birth
- Calendar event
- Engagement
- Letter
- Obituary
- Wedding

---

## CONTACT US

---

- Advertise
- Contact Capital
- Contact Online
- Capital history
- Carrier supplies
- Deal of the Day!

- [Forms](#)
- [Internships](#)
- [Legal ads](#)
- [Send news tip](#)
- [Stop delivery](#)
- [Subscribe](#)

CONTACT:

- [Bowie](#)
- [Crofton](#)
- [Maryland Gazette](#)
- [West County](#)

---

## MARKET PLACE

---

- [Cars](#)
- [Classifieds](#)
- [Find a newspaper](#)
- [Hotels/Lodging](#)
- [Homes](#)
- [Jobs](#)
- [Local Directory](#)
- [News Archives](#)
- [Photo reprints](#)
- [Restaurants](#)
- [Subscribe](#)