

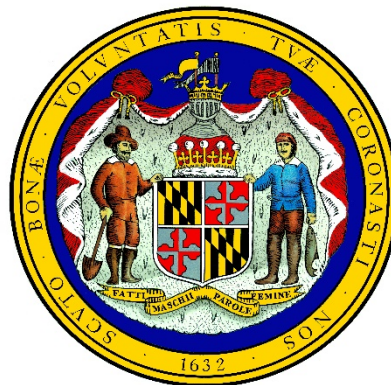
Audit Report

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**Maryland Department of Agriculture**

March 2025

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

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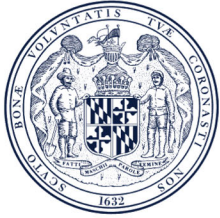
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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Brian S. Tanen, CPA, CFE  
Legislative Auditor

March 13, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Maryland Department of Agriculture (MDA) for the period beginning December 16, 2019 and ending November 30, 2023. MDA's primary purpose is to supervise, administer, and promote agricultural activities throughout the State of Maryland.

Our audit disclosed MDA did not procure certain goods and services in accordance with State procurement regulations. For example, MDA awarded four sole source contracts totaling \$403,000 to one vendor without preparing sole source justifications. In addition, since MDA did not consolidate these procurements, it circumvented Department of General Services and Board of Public Works approval for these contracts. Additionally, MDA did not publish the award for any of these contracts on *eMaryland Marketplace Advantage* as required.

Furthermore, we received a referral to our fraud, waste, and abuse hotline related to the Rural Maryland Council's (RMC) reviews of grantees performance to ensure grant funds were used as intended. Based on our review, we were able to substantiate certain concerns raised in the allegation. Specifically, RMC did not always receive and review grantee reports and did not document approval of grantee extension requests (see Finding 2).

Our audit also disclosed that MDA had not established adequate controls over certain product registrations and related collections, and its equipment inventory.

Finally, our audit included a review to determine the status of the three findings contained in our preceding audit report. We determined that MDA satisfactorily addressed one of these findings. The remaining two findings (lack of controls over certain product registrations and equipment inventory) are repeated in this report. These two findings have been longstanding issues commented upon in our preceding audit reports dating back to 2007 and 1990, respectively.

MDA's response to this audit is included as an appendix to this report. We reviewed the response to our findings and related recommendations, and have concluded that the corrective actions identified are sufficient to address all audit issues.

We wish to acknowledge the cooperation extended to us during the audit by MDA.

Respectfully submitted,

*Brian S. Tanen*

Brian S. Tanen, CPA, CFE  
Legislative Auditor

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\* Denotes item repeated in full or part from preceding audit report

## Background Information

### Agency Responsibilities

The Maryland Department of Agriculture (MDA) supervises, administers, and promotes agricultural activities throughout the State of Maryland. Its mission is to provide leadership and support agriculture and the citizens of Maryland by conducting regulatory, services, and educational activities that assure consumer confidence, protect the environment, and promote agriculture. MDA's responsibilities include providing planning assistance to farmers, protecting the health of domestic animals (such as livestock), controlling insect pests, regulating the use of pesticides, and implementing sound soil conservation methods. MDA also inspects and grades agricultural commodities, oversees the practice of veterinary medicine, and inspects the weighing and packaging of various products. MDA consists of the following units:

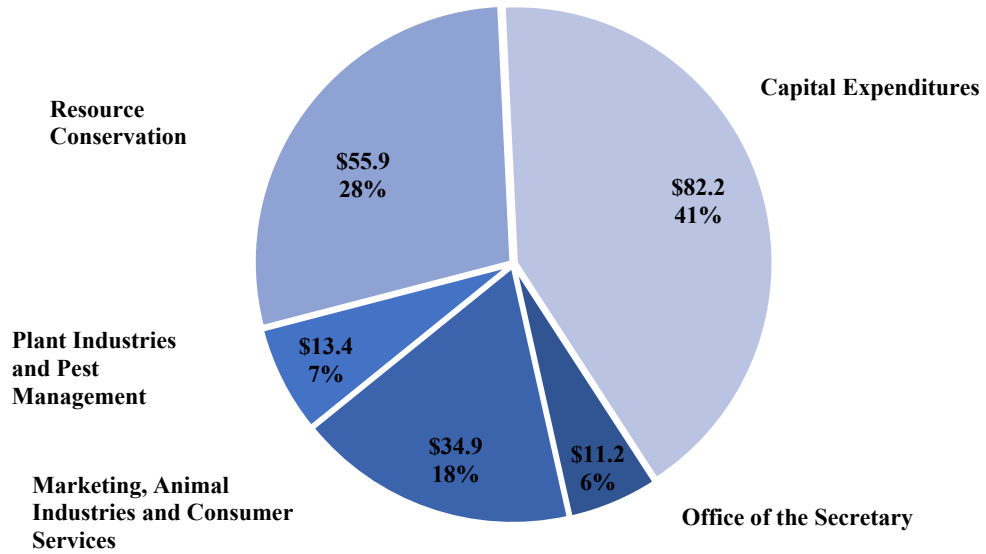
- Office of the Secretary
- Office of Marketing, Animal Industries, and Consumer Services<sup>1</sup>
- Office of Plant Industries and Pest Management
- Office of Resource Conservation

According to State records, during fiscal year 2023, MDA's expenditures totaled \$197.6 million, which included capital expenditures totaling \$82.2 million. (see Figure 1 on the following page). These expenditures were funded by general funds totaling \$42.6 million, special funds totaling \$122 million, federal funds totaling \$8.9 million, and reimbursable funds totaling \$23.9 million (see Figure 2 on page 6). MDA's capital expenditures primarily related to the Maryland Agricultural Land Preservation Foundation (MALPF). MALPF is governed by a Board of Trustees consisting of 13 members, purchases land easements with General Obligation Bonds and Maryland Agricultural Land Preservation Fund revenue, and places certain restrictions on the use of the land. For example, the land may be restricted from subdivision for residential or commercial purposes.

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<sup>1</sup> Within the Office of Marketing, Animal Industries, and Consumer Services are the Rural Maryland Council and the Maryland Agricultural and Resource-Based Industry Development Corporation, whose operating expenditures in fiscal year 2023 totaled approximately \$8.6 million and \$6.7 million, respectively.

**Figure 1**  
**MDA's Expenditures Fiscal Year 2023**  
**(amounts in millions)**



Source: State financial records

**Figure 2**  
**MDA Positions, Expenditures, and Funding Sources**

<b>Full-Time Equivalent Positions as of June 30, 2023</b>		
	<b>Positions</b>	<b>Percent</b>
Filled	358	88.2%
Vacant <sup>2</sup>	48	11.8%
<b>Total</b>	<b>406</b>	
<b>Fiscal Year 2023 Expenditures</b>		
	<b>Expenditures</b>	<b>Percent</b>
Salaries, Wages, and Fringe Benefits	\$ 37,510,432	18.9%
Technical and Special Fees	2,695,372	1.4%
Operating Expenses	157,429,253	79.7%
<b>Total</b>	<b>\$197,635,057</b>	
<b>Fiscal Year 2023 Funding Sources</b>		
	<b>Funding</b>	<b>Percent</b>
General Fund	\$ 42,655,920	21.6%
Special Fund	122,034,017	61.8%
Federal Fund	8,953,644	4.5%
Reimbursable Fund	23,991,476	12.1%
<b>Total</b>	<b>\$197,635,057</b>	

Source: State financial and personnel records

## **Maryland Agricultural and Resource-Based Industry Development Corporation**

State law provides for an annual appropriation in MDA’s budget to fund the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). MARBIDCO was created by State law as a public corporation and an instrumentality of the State. MARBIDCO provides grants and loans to fulfill its mission to enhance the sustainability and profitability of the State’s agricultural and resource-based industries.

<sup>2</sup> A majority of MDA’s vacancies were in the Office of Resource Conservation. The findings contained in our report did not specifically relate to this Office.



In accordance with State law, MARBIDCO engaged an independent public accounting firm to perform audits of its financial statements for the fiscal years ended June 30, 2020, 2021, 2022, and 2023. In the related audit reports, the firm stated that these financial statements presented fairly, in all material respects, the financial position of the MARBDICO as of June 30, 2020, 2021, 2022, and 2023, and the changes in its net position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Referral to Our Fraud, Waste, and Abuse Hotline**

We received a referral to our fraud, waste, and abuse hotline. The allegation referral related to the Rural Maryland Council's (RMC) reviews of grantees performance to ensure grant funds were used as intended. Based on our determination of the associated risk, we interviewed applicable personnel and reviewed applicable processes used by RMC to monitor grantee performance.

Based on our review, we were able to substantiate certain concerns raised in this allegation (see Finding 2). However, the results of our review of the allegation did not identify any issues that warranted a referral to the Office of the Attorney General – Criminal Division.

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

Our audit included a review to determine the status of the three findings contained in our preceding audit report dated December 14, 2020. As disclosed in Figure 3 on the following page, we determined that MDA satisfactorily addressed one of the three findings. The remaining two findings are repeated in this report.

**Figure 3**  
**Status of Preceding Findings**

<b>Preceding Finding</b>	<b>Finding Description</b>	<b>Implementation Status</b>
Finding 1	MDA had not established comprehensive procedures for Soil Conservation Districts to perform inspections of farms in the Cover Crop Program, did not adequately monitor the inspections, and did not take required action when inspections identified grantees that were noncompliant with the related grant agreement.	Not repeated
Finding 2	MDA did not segregate duties for collections, and did not ensure that certain product registrations were proper and the related fees were collected and deposited.	<b>Repeated</b> (Current Finding 3)
Finding 3	MDA's physical inventory and equipment recordkeeping procedures were inadequate and were not in accordance with State policy.	<b>Repeated</b> (Current Finding 4)

# Findings and Recommendations

## Procurements and Disbursements

### Background

According to State records, the Maryland Department of Agriculture (MDA) processed disbursements totaling approximately \$99.9 million through the State's Financial Management Information System (FMIS) during fiscal year 2023, including \$7.6 million in contractual services, materials and supplies, and equipment which would generally be subject to State procurement regulations. The majority of the remaining disbursements were for grants and property easements and totaled \$89.5 million.

### Finding 1

**MDA did not procure certain goods and services in accordance with State procurement regulations.**

### Analysis

MDA did not procure certain goods and services in accordance with State procurement regulations. We tested 10 procurements procured during fiscal years 2021 through 2024 collectively valued at \$9.8 million and 24 payments related to these procurements totaling \$2.8 million.<sup>3</sup>

- MDA obtained services and paid a vendor \$1.6 million for aerial pesticide spraying services procured by a local jurisdiction without ensuring the services were competitively procured and without a contract. These services were used by MDA based under a memorandum of understanding (MOU) with the local jurisdiction. MDA was not a party to the local jurisdiction's contract with the vendor and did not have documentation on whether the contract was competitively procured. Additionally, because of the method used to obtain these services, MDA did not obtain approval from the Department of General Services (DGS) and the Board of Public Works (BPW) as required for procurements in the amount paid to the vendor.
- MDA did not prepare a sole source justification for a \$94,514 contract for laboratory equipment maintenance services and did not publish the award on

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<sup>3</sup> We selected procurements to review in which MDA paid vendors material amounts without the payments being posted to an approved purchase order or the amount paid was materially more than the recorded purchase order. We tested material payments from the vendors selected to review the procurement.

*eMaryland Marketplace Advantage (eMMA)*<sup>4</sup> as required. MDA also did not consolidate multiple procurements from this vendor. MDA awarded a total of four sole source contracts totaling \$403,000 to this vendor during the period from July 1, 2020 through June 30, 2024. MDA did not prepare a sole source justification or publish the award for any of these procurements.

The use of the sole source method for the aforementioned procurement did not appear warranted because we identified other vendors that could provide the services. In addition, since MDA did not consolidate these procurements, it circumvented Department of General Services (DGS) and Board of Public Works (BPW) approval and precluded its leverage as a high-volume purchaser.

State procurement regulations provide that sole source procurements should only be used when goods or services are available from only a single vendor, that a written sole source justification be prepared, and awards exceeding \$100,000 be published on *eMMA* (prior to October 1, 2023 the amount was \$50,000). The regulations also require DGS approval for competitively procured contracts totaling more than \$100,000 and BPW approval for contracts totaling more than \$200,000.

### **Recommendation 1**

**We recommend that MDA comply with State procurement regulations.**

**Specifically, we recommend that MDA**

- a. execute written contracts that include all relevant contract provisions;**
- b. ensure that written justifications are prepared for sole source procurements and related awards are published on *eMMA*;**
- c. consolidate procurements to maximize State purchasing power; and**
- d. obtain DGS and BPW approval as required, including retroactive approval for the laboratory equipment maintenance and aerial pesticide spraying services contracts noted above.**

## **Rural Maryland Council**

### **Background**

In accordance with the Economic Development Article §13-404, the Rural Maryland Council (RMC) is an independent unit of the State and is organized under MDA for administrative and budgetary purposes. The RMC is governed by a board, of up to 45 members, that consists of representation from the federal,

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<sup>4</sup> *eMMA* is an Internet-based, interactive procurement system managed by the State of Maryland's Department of General Services.

State, county and municipal governments, as well as the for-profit and nonprofit sectors.

RMC administers two grant programs, the Maryland Agricultural Education and Rural Development Assistance Fund Program (MAERDAF) and the Rural Maryland Prosperity Investment Fund (RMPIF).<sup>5</sup> According to RMC records, it awarded 84 grants with total grant awards totaling \$8.4 million during fiscal year 2023.

We received a referral to our fraud, waste, and abuse hotline alleging that a grantee did not use funds as intended for a specific project. Our review substantiated certain aspects of the allegation. Our review did not identify any matters that warranted a referral to the Office of the Attorney General’s Criminal Division but did identify certain deficiencies that require corrective action by RMC, in conjunction with MDA, as further described in the finding below.

**Finding 2**

**RMC did not always receive and review grantee reports and did not document approval of grantee extension requests.**

**Analysis**

RMC did not always receive and review grantee programmatic and financial reports and did not document approval of grantee extension requests. According to RMC’s *Grant Guidelines and Criteria*, grantees are required to complete projects funded by RMC’s grant awards within one fiscal year and submit an interim and a final report in January and July, respectively. RMC uses these reports to help ensure the grant awards were used as intended by the grantee.

We performed an analysis of a tracking spreadsheet that RMC used to monitor fiscal year 2023 grantee information (such as award amounts and grantee reports). Our analysis noted that as of March 2024, 13 of the 79 grantees with grant awards totaling \$461,000, had not submitted interim and/or final reports to RMC for periods ranging from 70 to 419 days after the report’s due date. In addition, RMC had not documented that it reviewed the final report for 26 awards totaling approximately \$2.6 million. As a result, there is a lack of assurance that the grantees used the funds in accordance with the related grant agreement and/or whether any funds are required to be returned to RMC.

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<sup>5</sup> The MAERDAF provides grants to rural-serving nonprofit organizations that promote statewide and regional planning; economic and community development; and agricultural and forestry education. The RMPIF provides grants that help raise the overall standard of living in rural areas to a level that meets or exceeds statewide benchmark averages while preserving the cultural heritage and rural way of life.

RMC also did not always document its grant review board’s approval of grant extensions. We tested 4 grants totaling approximately \$1 million (one grant totaling \$52,506 referenced in the aforementioned allegation, and three other grants totaling \$971,000 based on materiality) awarded during fiscal years 2019, 2021, and 2023. Our test disclosed that RMC granted extensions of more than one year for 3 grants totaling \$523,500 without a documented approval from its grant review board.

For example, the grantee noted in the allegation received a \$52,500 grant in fiscal year 2019 to build a greenhouse but as of September 2024, had not completed the project despite providing documentation that it had purchased the necessary materials. RMC approved an extension for the grantee to complete the greenhouse, and followed up with the grantee on multiple occasions, but had not recovered any of the funds despite the ongoing lack of progress on the project.

**Recommendation 2**

**We recommend that RMC, in conjunction with MDA,**

- a. ensure grantees submit required reports and perform reviews of reports in a timely manner and determine if any grant funds should be recovered, and**
- b. document the decisions made by the grant review board on grantee extensions.**

**Product Registrations**

**Finding 3**  
**MDA did not adequately verify its product registration collections were deposited, and did not ensure that certain product registrations were proper.**

**Analysis**

MDA had not established adequate controls over cash receipts and certain product registrations. MDA’s collections are primarily related to registration and inspection fees, and agricultural transfer taxes. According to State records during fiscal year 2023, MDA collections totaled approximately \$37 million, which included electronic collections (credit card, bank lockbox, and other collections) totaling \$33.2 million and check collections totaling \$3.8 million.

Checks were received in the mail by various MDA units and then transferred to MDA’s Fiscal Services Office for centralized deposit. We reviewed procedures and controls over cash receipts and related registrations processed by the Fiscal

Services Office and at one MDA unit (State Chemist Section) that received collections totaling \$289,000 during fiscal year 2023.

- MDA did not independently reconcile the value of product registrations (such as for commercial feed and pesticides) issued by the State Chemist Section with the corresponding collections deposited by the Fiscal Services Office, to ensure that the proper amounts were collected and deposited for all registrations issued by the section. Our test of four days of arbitrarily selected product registration collections totaling \$4,280 disclosed that the proper amounts were collected.
- MDA did not use available system output reports to ensure that all product registrations were subject to supervisory review. Although a supervisor in the State Chemist Section reviewed and approved product registration applications recorded in the system prior to final issuance, MDA did not ensure all registrations issued were subject to review. Two employees had full system access to issue registrations, and therefore it is critical that a system report be reviewed to ensure the propriety of issued registrations. According to MDA records, as of April 24, 2024, there were 32,025 active product registrations in the State Chemist Section.

The Comptroller of Maryland's *Accounting Procedures Manual*<sup>6</sup> requires that the total value of registrations issued be reconciled with the total collections received for those registrations. The *Manual* also requires reconciliation of collections from the initial records to the amounts deposited.

The lack of an independent reconciliation of the registrations has been commented upon in our five preceding audit reports dating back to 2007 and the lack of an independent supervisory review of registrations has been commented upon in our three preceding audit reports dating back to 2013. In its response to our preceding audit report, MDA stated that it established a process to reconcile the total value of the registrations issued with the revenue deposited in the State's accounting system and implemented a new registration system to address the approval of registrations. As noted above, the reconciliations were not being performed and although a new registration system was implemented, it does not require supervisory review and approval.

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<sup>6</sup> The updated *Accounting Policies and Procedures Manual*, effective June 2024, has the same requirements.

### Recommendation 3

We recommend that MDA

- a. independently reconcile the total value of registrations issued and fees collected according to its records with the related revenues deposited (repeat), and
- b. establish a process for independent supervisory review and approval of registrations issued by an employee independent of the registration process (repeat).

## Equipment

### Finding 4

**MDA did not conduct required physical inventories of its equipment and did not maintain complete and accurate equipment records.**

### Analysis

MDA's physical inventory and equipment recordkeeping procedures were not in accordance with the Department of General Services (DGS) *Inventory Control Manual*. According to MDA's records, its equipment inventory as of March 20, 2024 totaled approximately \$10 million.

- Physical inventories of certain sensitive and non-sensitive equipment were not performed as required. As of March 2024, there were 4,047 sensitive items with a recorded cost of approximately \$4 million that had not been inventoried within one year as required and the majority had not been inventoried within the last three years. In addition, as of March 2024, there were 5,564 non-sensitive items with a recorded cost of \$6 million that had not been inventoried within three years as required.
- Equipment items were not always properly recorded in the detailed records, as required. Our test of 10 equipment purchases totaling approximately \$1 million (selected based on materiality) made between August 2019 and September 2023, disclosed that for 8 of the purchases, 24 equipment items totaling approximately \$685,000, had not been recorded in the detail records as of March 2024. We also noted 121 sensitive items (such as thermometers and cameras) totaling \$42,600 that had been incorrectly classified in the detail records as non-sensitive even though they met the criteria for sensitive items.

These conditions were caused, at least in part, because MDA did not establish written procedures as required by the DGS *Inventory Control Manual*. The *Manual* also requires, sensitive equipment to be inventoried annually, non-



sensitive equipment to be inventoried every three years, and detailed records be properly maintained.

Similar conditions regarding accountability and control over equipment have been commented on in our 10 preceding audit reports dating back to 1990. In its response to our preceding audit report, MDA stated that it had developed procedures to ensure assets were appropriately accounted for. However, MDA employees could not document that it developed the procedure. Considering the number of years over which these conditions have gone uncorrected, MDA should consider seeking assistance from DGS for establishing, monitoring, and maintaining compliance with the aforementioned *Manual* requirements.

**Recommendation 4**

**We recommend that MDA**

- a. comply with the *Inventory Control Manual* requirements (repeat); and**
- b. seek specific assistance from DGS for establishing, monitoring, and maintaining compliance with those requirements (repeat).**

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

We have conducted a fiscal compliance audit of the Maryland Department of Agriculture (MDA) for the period beginning December 16, 2019 and ending November 30, 2023. 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 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 MDA's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on our assessments of significance and risk. The areas addressed by the audit included procurements and disbursements, cash receipts, grants, budgetary closeout transactions, corporate purchasing cards, and equipment. In addition, we examined the Maryland Agricultural Land Preservation Fund, the Maryland Agricultural and Resource-Based Industry Development Corporation, and the Rural Maryland Council (RMC). Furthermore, we reviewed RMC's grant activity based on a referral to our fraud, waste, and abuse hotline. Finally, we determined the status of the findings contained in our preceding audit report.

Our audit did not include an evaluation of internal controls over compliance with federal laws and regulations for federal financial assistance programs and an assessment of MDA's compliance with those laws and regulations because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including MDA.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of December 16, 2019 to November 30, 2023, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions,

and to the extent practicable, observations of MDA's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data), as well as from the contractor administering the State's Corporate Purchasing Card Program (credit card activity). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

MDA'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. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to MDA, were considered by us during the course of this audit.

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.

This report includes findings related to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect MDA's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to MDA that did not warrant inclusion in this report.

MDA's response to our findings and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise MDA regarding the results of our review of its response.



**Maryland**  
**Department of Agriculture**

*Office of the Secretary*

**Wes Moore**, Governor  
**Aruna Miller**, Lt. Governor  
**Kevin M. Atticks**, Secretary  
**Steven A. Connelly**, Deputy Secretary

**APPENDIX**

Agriculture | *Maryland's Leading Industry*  
mda.maryland.gov

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Annapolis, Maryland 21401

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March 13, 2025

Mr. Brian S. Tanen, CPA, CFE  
Legislative Auditor  
Office of Legislative Audits  
The Warehouse at Camden Yards  
351 West Camden Street, Suite 400  
Baltimore, MD 21201

Dear Mr. Tanen:

We have received the draft audit report for the Maryland Department of Agriculture (MDA) for the period beginning December 16, 2019 and ending November 30, 2023. Enclosed is our agency response form, including our detailed responses to the findings and recommendations outlined in the report.

We would like to thank your team for their professionalism and collaborative approach throughout the audit process. If you have any questions or need further information or clarification, please contact MDA's Assistant Secretary for Operations, Heather Barthel, at [heather.barthel@maryland.gov](mailto:heather.barthel@maryland.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin M. Atticks", with a stylized flourish at the end.

Kevin M. Atticks, DCD  
Secretary  
Maryland Department of Agriculture

# Maryland Department of Agriculture

## Agency Response Form

### Procurements and Disbursements

**Finding 1**

**MDA did not procure certain goods and services in accordance with State procurement regulations.**

**We recommend that MDA comply with State procurement regulations.**

**Specifically, we recommend that MDA**

- a. execute written contracts that include all relevant contract provisions;**
- b. ensure that written justifications are prepared for sole source procurements and related awards are published on *eMMA*;**
- c. consolidate procurements to maximize State purchasing power; and**
- d. obtain DGS and BPW approval as required, including retroactive approval for the laboratory equipment maintenance and aerial pesticide spraying services contracts noted above.**

Agency Response			
<b>Analysis</b>			
<b>Please provide additional comments as deemed necessary.</b>	MDA is currently hiring a new Procurement Officer, who will take the lead in the Department's efforts to correct these deficiencies.		
<b>Recommendation 1a</b>	Agree	<b>Estimated Completion Date:</b>	1/1/25
<b>Please provide details of corrective action or explain disagreement.</b>	This has been communicated to all of the MDA units and is being included in all contracts going forward.		
<b>Recommendation 1b</b>	Agree	<b>Estimated Completion Date:</b>	1/1/25
<b>Please provide details of corrective action or explain disagreement.</b>	This has been communicated to all of the MDA units. All future sole source procurements will include written justifications and be published on eMMA.		
<b>Recommendation 1c</b>	Agree	<b>Estimated Completion Date:</b>	1/1/25
<b>Please provide details of corrective action or explain disagreement.</b>	This has been communicated with all of the MDA units and will be implemented going forward.		
<b>Recommendation 1d</b>	Agree	<b>Estimated Completion Date:</b>	1/1/25

# Maryland Department of Agriculture

## Agency Response Form

<b>Please provide details of corrective action or explain disagreement.</b>	This has been communicated to all of the MDA units and will be implemented going forward. The Department is still reviewing the two retroactive approvals with the Office of the Attorney General to determine the appropriate actions that are needed to comply with this recommendation.
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# Maryland Department of Agriculture

## Agency Response Form

### Rural Maryland Council

#### Finding 2

RMC did not always receive and review grantee reports and did not document approval of grantee extension requests.

We recommend that RMC, in conjunction with MDA,

- a. ensure grantees submit required reports and perform reviews of reports in a timely manner and determine if any grant funds should be recovered, and
- b. document the decisions made by the grant review board on grantee extensions.

Agency Response			
<b>Analysis</b>			
<b>Please provide additional comments as deemed necessary.</b>	This report and recommendations have been shared with RMC. MDA is coordinating with RMC to ensure these deficiencies are corrected.		
<b>Recommendation 2a</b>	Agree	<b>Estimated Completion Date:</b>	7/1/25
<b>Please provide details of corrective action or explain disagreement.</b>	MDA will work with RMC to ensure the grantee reports are submitted and reviewed consistent with RMC's Grant Guidelines and Criteria. Any grant funds that should be recovered will be identified through the timely submission and review of grantee reports.		
<b>Recommendation 2b</b>	Agree	<b>Estimated Completion Date:</b>	7/1/25
<b>Please provide details of corrective action or explain disagreement.</b>	MDA will work with RMC to ensure its grant review boards approve grant extensions and document this approval.		



# Maryland Department of Agriculture

## Agency Response Form

### Product Registrations

#### **Finding 3**

**MDA did not adequately verify its product registration collections were deposited, and did not ensure that certain product registrations were proper.**

**We recommend that MDA**

- a. independently reconcile the total value of registrations issued and fees collected according to its records with the related revenues deposited (repeat), and**
- b. establish a process for independent supervisory review and approval of registrations issued by an employee independent of the registration process (repeat).**

Agency Response			
<b>Analysis</b>			
<b>Please provide additional comments as deemed necessary.</b>			
<b>Recommendation 3a</b>	Agree	<b>Estimated Completion Date:</b>	7/1/25
<b>Please provide details of corrective action or explain disagreement.</b>	MDA has established a process to reconcile the total value of registrations issued with revenue deposited. The Department will ensure that these reconciliations happen on a consistent basis.		
<b>Recommendation 3b</b>	Agree	<b>Estimated Completion Date:</b>	7/1/25
<b>Please provide details of corrective action or explain disagreement.</b>	MDA has implemented a new registration system to address the approval of registrations. MDA will use the available system output reports to ensure that all product registrations are subject to supervisory review.		

# Maryland Department of Agriculture

## Agency Response Form

### Equipment

**Finding 4**  
**MDA did not conduct required physical inventories of its equipment and did not maintain complete and accurate equipment records.**

We recommend that MDA

- a. comply with the *Inventory Control Manual* requirements (repeat); and
- b. seek specific assistance from DGS for establishing, monitoring, and maintaining compliance with those requirements (repeat).

Agency Response			
<b>Analysis</b>			
<b>Please provide additional comments as deemed necessary.</b>	MDA recently hired a new Director of Central Services, who will take the lead in the Department's efforts to correct these deficiencies.		
<b>Recommendation 4a</b>	Agree	<b>Estimated Completion Date:</b>	12/31/25
<b>Please provide details of corrective action or explain disagreement.</b>	MDA will review all of our procedures to ensure compliance with the Inventory Control Manual. The Department will establish written procedures consistent with the Inventory Control Manual.		
<b>Recommendation 4b</b>	Agree	<b>Estimated Completion Date:</b>	12/31/25
<b>Please provide details of corrective action or explain disagreement.</b>	MDA is committed to having an up-to-date accounting of the entire inventoried assets of the Department and we will coordinate directly with DGS for assistance in establishing, monitoring, and maintaining compliance with the requirements of the Inventory Control Manual.		

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