

Audit Report

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**Baltimore City Police Department  
Death Relief Fund**

March 2010

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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

March 1, 2010

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

Ladies and Gentlemen:

A prescribed by Article 24, Section 16-106 of the Annotated Code of Maryland, we have audited the Baltimore City Police Department Death Relief Fund for the period beginning January 1, 2007 and ending January 26, 2010. The Fund is administered by an elected Board of Trustees consisting of members of the Baltimore City Police Department. The Fund's purpose is to pay death benefits to eligible beneficiaries of deceased Baltimore City Police Department employees.

Our audit did not disclose any findings.

We wish to acknowledge the cooperation extended to us during the course of our audit by the Fund's Board of Trustees.

Respectfully submitted,

Bruce A. Myers, CPA  
Legislative Auditor



## **Background Information**

### **Agency Responsibilities**

The Baltimore City Police Department Death Relief Fund was established as an instrumentality of the State of Maryland to pay special death benefits to eligible beneficiaries (such as surviving spouse, children) upon the death of police officers or civilian employees of the Baltimore City Police Department. The Fund is administered by an elected Board of Trustees of the Baltimore City Police Department Death Relief Fund which consists of nine members from the Baltimore City Police Department (one major or above, one deputy major, one lieutenant, one sergeant, three patrolmen, one civilian employee, and the Director of the Fiscal Affairs Division).

During calendar years 2007 through 2009, there were four approved payments from the Fund for death benefits, which totaled \$40,000. As of December 31, 2009, the Fund had a balance of approximately \$479,000.

### **Financial Statement Audits**

The Board of Trustees engaged the City of Baltimore Department of Audits to perform audits of the Fund's financial statements for the calendar years ended December 31, 2006, 2007, and 2008. In the related audit reports, the Department stated that the Fund's financial statements for the aforementioned years were presented fairly in conformity with accounting principles generally accepted in the United States.

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

Our audit included a review to determine the status of the four findings contained in our preceding audit report dated April 9, 2007. We determined that the Fund satisfactorily addressed these findings.

## **Findings and Recommendations**

Our audit did not disclose any significant deficiencies in the design or operation of the Fund's internal control. Nor did our audit disclose any significant instances of noncompliance with applicable laws, rules, or regulations.

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

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

As prescribed by Article 24, Section 16-106 of the Annotated Code of Maryland, we have audited the Baltimore City Police Department Death Relief Fund for the period beginning January 1, 2007 and ending January 26, 2010. 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.

The objectives of this audit were to examine the Fund's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations. We also determined the status of the findings included 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. The areas addressed by the audit included disbursements from the Fund and compliance with regulatory requirements. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the Fund'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.

The Fund'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**

**Mark A. Ermer, CPA**  
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**Athenia M. Rock, CFE**  
Senior Auditor