February 17, 2012

TO: Federal Co-Chairman
ARC Executive Director

FROM: Hubert Sparks
ARC Inspector General

SUBJECT: Audit Report No. 12-08
Report on the Grant Activities of the Garrett County Board of Commissioners
McHenry Business Park Project, MD-15388 & 15388-R1

GRANTEE: Garrett County, Maryland (Board of Commissioners)

The OIG engaged Leon Snead & Company, P.C., Certified Public Accountants, to conduct an audit of grants made to Garrett County, Maryland, for construction of a new Business Park which was to facilitate business growth, attract jobs to the area, and provide for a water tank and fire suppression system.

The grants pertain to fiscal years 2006 and 2008. The amount of ARC grant funds provided for the projects was $800,000. The auditors had four recommendations, two concerning the disposition of prepayments for utility work, one for undocumented reasons and analysis for increases to construction inspection fees, and one concerning no utilization (no occupancy) of the business park. All recommendations were found agreeable to the County and the auditor recommended they be closed.

In connection with the Audit of Garrett County's activities related to the grants made for the McHenry Business Park Project, conducted by Leon Snead & Company, P.C., the OIG does not express an opinion on Garrett County's grant activities, its internal controls, or conclusions on compliance with laws and regulations. The OIG had no involvement in the review of grants to Garrett County for the McHenry Business Park Project. The OIG's involvement was with Leon Snead & Company, P.C., who was contracted to audit and report on grant compliance and other matters as outlined in the report's scope section. Leon Snead & Company, P.C. is responsible for the attached auditor's report and the opinions, conclusions, and recommendations expressed in that report.

Hubert Sparks
Inspector General

cc: M. Theobald
Attachment