

COMMUNITY MINISTRY OF PRINCE GEORGE'S COUNTY, INC.

**GRANT AUDIT
February 2018**

**OFFICE OF AUDITS AND INVESTIGATIONS
Prince George's County
Upper Marlboro, Maryland**



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

February 2018

The County Council and County Executive
of Prince George's County, Maryland

Council Resolution 51-1991, adopted June 25, 1991, requires the Office of Audits and Investigations to perform random financial audits of grants and transfer payments appropriated in the Non-Departmental section of the County's Approved Annual Current Expense Budget.

We have examined the books and records of

COMMUNITY MINISTRY OF PRINCE GEORGE'S COUNTY, INC.

for the period July 1, 2016, through June 30, 2017. Our examination included such tests of the accounting records and such other auditing procedures, as we considered necessary under the circumstances.

We noted no matters involving the Prince George's County grants to Community Ministry of Prince George's County that led us to believe that the County grant funds were used for other than their intended purpose.

This report, in our opinion, fulfills the requirements of Council Resolution 51-1991 to perform random financial audits of grants and transfer payments made pursuant to the Non-Departmental section of the Prince George's County, Maryland, Fiscal Year 2017 Approved Operating Budget.

A handwritten signature in blue ink, appearing to read "D. H. Van Dyke".

David H. Van Dyke, CPA
County Auditor

A handwritten signature in blue ink, appearing to read "Nana Boadu".

Nana Boadu
Auditor-In-Charge

Community Ministry of Prince George's County, Inc.

The Prince George's County Government awarded Community Ministry of Prince George's County, Inc. (CMPGC) two (2) grants totaling \$60,000 in fiscal year 2017. These awards were issued on August 17, 2016 (\$50,000) and June 9, 2017 (\$10,000).

CMPGC is a 501 (c)(3) organization that was founded in 1973 and is dedicated to serving underserved communities. The organization is largely supported by grants and funding from direct public support. The County grants awarded to CMPGC were used to support programs designed to help meet human service needs, reduce achievement gaps in education, and reduce health disparities in underserved communities. CMPGC partners with churches and other organizations to feed the homeless and low income individuals on a weekly basis. The organization also provides programs that help individuals develop practical skills for independent living, mentors volunteers to minister to at risk youth, and provides health education and outreach to the community.

The organization maintains written policies and procedures that define their processes and assigned responsibilities for various aspects of the accounting function. It maintains its financial records using an automated accounting system and periodically hires an independent Certified Public Accountant (CPA) to perform an audit of its financial statements. The organization operates on a July 1 through June 30th fiscal year.

We noted that the last audit performed by an independent CPA firm was for the fiscal year ending June 30, 2015. Additionally, we noted that CMPGC was unable to pay its Executive Director or Treasurer/CFO on a consistent basis. The organization relies on contributions and grants from outside sources to fund their programs and day-to-day operations, hence it may experience financial difficulties with inconsistent funding. However, with the assistance of grant

funding from the County, CMPGC was able to fund their programs during the fiscal year under review.

We examined the books and records maintained by CMPGC and included tests of the accounting records and other auditing procedures, as we determined necessary. Our examination included a review of expenditures and supporting documentation to ensure that payment amounts were properly approved and corresponded to related invoices. We noted no instances that led us to believe that County grant funds were used for reasons other than their intended purpose.

However, we noted that written approval by the Executive Director was not evidenced on the supporting documentation provided for our review. Per discussion with the organization, all expenditures require concurrence between the Executive Director and the Treasurer/CFO, which is achieved through email. Additionally, the Treasurer/CFO reported that he is the only signatory on all of the organization's financial accounts. **We recommend that the Executive Director ensure that written approval of all transactions are appended to relevant support (i.e. invoices, timesheets, request for reimbursements, etc.) to verify that a review has been performed.**

The attached Statement of Revenues and Expenditures (unaudited) for the period ending June 30, 2017, shows the activities of the organization for the period in which the grant funds were received.

COMMUNITY MINISTRY OF PRINCE GEORGE'S COUNTY, INC.
REVENUES AND EXPENDITURES FOR THE PERIOD ENDING
JUNE 30, 2017
(ACCRUAL BASIS – UNAUDITED)

	<u>2017</u>
Revenues:	
Government Grants (Contributions) ¹	\$75,000
Government Contracts	\$35,741
Direct Public Grants	\$25,000
Other Contributions	\$6,486
Program Service Revenue	-
Total Revenues	<u>\$142,227</u>
 Expenditures:	
General Assistance	\$402
Contract Services	\$4,987
UMD - MPACT	\$20
UMD - HEAL	\$5,528
Facilities and Equipment	\$3,594
Operations	\$3,250
Other Expenses	\$3,146
Payroll Expenses	\$120,582
Total Expenditures	<u>\$141,508</u>
 Excess Revenue Over/(Under) Expenses	 <u><u>\$720</u></u>

1 - Government Grants includes FY 2016 Community Partnership Grant in the amount of \$15,000 that was awarded by the County on 6/29/2016.