



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 29, 2019

MEMORANDUM

TO: Derrick L. Davis, Chair
Government Operations and Fiscal Policy Committee (GOFP)

THRU: David H. Van Dyke, County Auditor *DHV*
Turkessa M. Green, Deputy County Auditor

FROM: Nana Boadu, Staff Auditor *NB*

RE: Office of Ethics and Accountability
Fiscal Year 2020 Budget Review

Budget Overview

The FY 2020 Proposed Budget for the Office of Ethics and Accountability is \$864,100. This is an increase of \$10,100, or 1.2%, above the FY 2019 Approved Budget. The increase is largely due to an increase in compensation for anticipated cost-of-living adjustments and merit increases, and an increase in fringe benefit costs.

Budget Comparison - General Fund

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	% Change - Est vs App	FY 2020 Proposed	\$ Change	% Change
Compensation	\$ 530,395	\$ 592,700	\$ 551,600	-6.9%	\$ 603,800	\$ 11,100	1.9%
Fringe Benefits	144,463	168,900	144,600	-14.4%	172,700	3,800	2.2%
Operating Expenses	52,151	92,400	92,400	0.0%	87,600	(4,800)	-5.2%
Total	\$ 727,009	\$ 854,000	\$ 788,600	-7.7%	\$ 864,100	\$ 10,100	1.2%

Authorized Staffing Count - General Fund

	FY 2019 Approved	FY 2020 Proposed	Change Amount	Percentage Change
Full-Time	6	6	0	0.0%
Total	6	6	0	0.0%

Staffing Changes and Compensation

- General Funds are provided for six (6) full-time positions – an Executive Director, Attorney, Investigator, Administrative Aide, Administrative Specialist, and a Quality Assurance Analyst. FY 2020 Proposed Staffing remains unchanged compared to FY 2019. Funding is also provided for anticipated merit increases and cost-of-living adjustments in FY 2020.
- As of February 26, 2019, the Office reported that all of its positions were filled.
- The current rate of attrition for the Office is 16.7%. The Office cites the key factor contributing to the current attrition level is staff seeking promotional opportunities outside of the County.

Fringe Benefits

- FY 2020 fringe benefit expenditures are proposed to increase by \$3,800, or 2.2%, as a result of an increase in compensation and a change in the fringe benefit rate.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Proposed
Fringe Benefit Expenditures	\$ 95,224	\$ 119,031	\$ 144,463	\$ 144,600	\$ 172,700
As a % of Compensation	23.3%	28.5%	27.2%	26.2%	28.6%
Annual % Change		25.0%	21.4%	0.1%	19.4%

Operating Expenses

- FY 2020 operating expenses are proposed at \$87,600 and are comprised of the following major items:
 - Operating Contracts \$36,400
 - Office Automation 22,400
 - Training 10,000
 - General Office Supplies 8,000
 - Mileage Reimbursement 4,100
- Overall, operating expenses are decreasing by \$4,800, or 5.2%, below the approved FY 2019 level. The accompanying table compares the FY 2020 Proposed Budget operating expenditures with the FY 2019 Approved Budget operating expenditures. In one (1) of the categories, the FY 2020 Proposed Budget increases planned spending over the FY 2019 level. In one (1) of the categories, the FY 2020 Proposed Budget reduces planned spending from the FY 2019 budget. In eight (8) of the categories, the FY 2020 Proposed Budget level remains unchanged compared to the FY 2019 approved level.

Operating Objects	FY 2019 Budget	FY 2020 Proposed	FY 2019 - FY 2020	
			\$ Change	% Change
Office Automation	\$ 18,700	\$ 22,400	\$ 3,700	19.8%
Postage	200	200	-	0.0%
Advertising	200	200	-	0.0%
Printing	1,300	1,300	-	0.0%
Membership Fees	1,500	1,500	-	0.0%
Telephone	3,500	3,500	-	0.0%
Mileage Reimbursement	4,100	4,100	-	0.0%
General Office Supplies	8,000	8,000	-	0.0%
Training	10,000	10,000	-	0.0%
Operating Contracts	44,900	36,400	(8,500)	-18.9%
TOTAL	\$ 92,400	\$ 87,600	\$ (4,800)	-5.2%

- The only increase between the FY 2020 Proposed Budget and the FY 2019 Approved Budget is in Office Automation (\$3,700 increase) due to an increase in OIT charges to support SAP maintenance costs and the laptop refresh program.
- The only decrease is in Operating Contracts (\$8,500 decrease) due to the removal of the one-time cost for the mandatory compliance audit.

Highlights

- The Office of Ethics and Accountability provides enforcement of the Prince George's County Code of Ethics, to ensure the ethical conduct of individuals who serve in County Government.
- Core services of the Office include administering public ethics laws, providing ethics training and advice to County employees, reviewing financial disclosure and lobbying records, investigating alleged ethical violations, providing administrative support to the County's Board of Ethics, and providing analysis and recommendations to Executive and Legislative Branches.
- In FY 2019, the Office conducted in-person ethics training sessions, continued to meet its objective of providing global ethics education to officials and employees, and developed compliance reporting and procedures for the County's mandated ethics training.
- The Board of Ethics is a five-member board established to administer the County's Code of Ethics. Members of the Board are appointed by the County Executive and confirmed by the Council. There is currently one vacancy on the Board. The current Board members are as follows:
 - Cassandra Burckhalter, Chair
 - Honorable Covette Rooney, Member
 - Sharon I. Theodore-Lewis, Esq., Member
 - Curtis Eugene, Member
- The Office of Ethics and Accountability reported that recommendations made to executive management in prior fiscal years are being implemented, resulting in process improvements that assist in promoting efficiency, accountability and integrity in County government.

- The Office reported the following key accomplishments for FY 2019:
 - Processed over 459 requests for ethics advice, inquiries and complaints filed mainly through the web-portal.
 - Piloted a Schedule A Audit that involved a thorough review of selected Financial Disclosure Statements to ensure proper disclosure of real property items.
 - Provided ten (10) recommendations to Executive leadership prescribing corrective action(s) and/or identifying opportunities to affect process improvement(s) throughout County government and promote efficiency and accountability in County government.
- The Office reports its top priority for FY 2020 is to continue to sustain and effectively administer the County's electronic filing/case management system. This system allows County residents, County government employees, and elected/appointed officials 24/7/365 access to online filing of complaints and required financial disclosure statements, as well as access to lobbyist registrations and annual reports. The system also allows the Office to efficiently investigate all complaints in accordance with applicable laws to ensure timely responses, analysis, reporting and recommendations to management.
- Other goals for FY 2020, as reported by the Office, include:
 - To provide comprehensive services regarding allegations of waste, fraud, abuse, and illegal acts in County government and make necessary recommendations to executive and legislative officials to promote efficiency and accountability.
 - To encourage employees and officials to disclose secondary employment; and
 - To ensure entities and individuals that interact with the County government through lobbying activities are registered and are reporting their lobbying activities in accordance with the County's Code of Ethics.