



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

January 2012

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

Re: Departure of Edward M. Scott
Director of the Office of Central Services

INTRODUCTION AND SCOPE OF EXAMINATION

Conforming to Article III, Section 313 of the Charter of Prince George's County, Maryland, we have performed a special audit of the accounts of the Office of the Director of the Office of Central Services. This audit was initiated due to the retirement of Edward M. Scott, from the position of Director of the Office of Central Services, effective May 31, 2011.

Our examination included tests of the accounting records and other auditing procedures, as considered necessary under the circumstances. Consideration was given to the fact that these records were included in the scope of the County's annual financial audit, conducted by Clifton Gunderson, LLP, independent auditors for the fiscal year ended June 30, 2011, and no discrepancies or irregularities were disclosed. Therefore, we primarily directed our examination to include a review of Mr. Scott's travel advances, expense reimbursements, fixed assets records, and selected expense accounts for the period July 1, 2010, through May 31, 2011.

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
VOICE (301) 952-3431; FAX (301) 780-2097; TDD (301) 925-5167

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances, and Commitments

A statement of expenditures, encumbrances, and commitments compared with appropriations for the Office of the Director of the Office of Central Services, for the period July 1, 2010, through May 31, 2011, is presented on Schedule 1 of this report. As of May 31, 2011, total expenditures and encumbrances exceeded total appropriations for the Office by \$327,871, due to current year expense recoveries of \$335,500 having not yet been realized, and excess salaries and fringe benefit costs of \$29,809, and \$20,543, respectively. Council Resolution 36-2011, adopted June 7, 2011, provided an interdepartmental transfer of appropriations in the amount of \$950,000 to the Office from savings in other areas of government. As of the fiscal year ended June 30, 2011, the Office did not exceed its budget appropriation.

Travel Advances and Expense Reimbursements

We reviewed the travel advance records maintained by the Office of Finance, Accounting Division, for the period July 1, 2010, through May 31, 2011, and determined that Mr. Scott did not have any unsettled travel advances at the time of his retirement. We also reviewed expense reimbursements paid to Mr. Scott for the period July 1, 2010, through May 31, 2011, and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified the final pay computations for Mr. Scott based on leave records maintained by the Payroll Section of the Office of Finance and verified the salary and hourly rate of pay maintained by the Office of Human Resources Management. We determined that the annual leave compensation was computed correctly and found no discrepancies or irregularities.

Fixed Assets

The Fixed Assets Procedures Manual prepared by the Office of Finance requires that the Office of Central Services' General Services Division, upon the departure of any agency head, take inventory of only those fixed assets for which that agency head has signed an Equipment Custody Receipt (PGC Form #1890) form. It further requires that the unexplained loss of any such fixed assets be reported to the Chief Administrative Officer, who is to take action to recover the cost of the assets. We contacted personnel within the General Services Division and the Office of the Director of the Office of Central Services to determine whether any fixed assets were assigned to Mr. Scott and determined that there were no fixed assets assigned to Mr. Scott.

Our review also included the verification of County issued non-fixed asset items such as a cell phone, a personal digital assistant, a County identification and security card, keys, a laptop computer/equipment, etc. This review included an examination of personnel records maintained by the Office of Human Resources Management (OHRM) and the Office of Finance's Payroll Section on terminated employees. When an employee is terminated from County service, an Employee Separation Form (OHRM Form #4281) is filled out by each employee as a part of the exit process. OHRM Form #4281 records the return of assigned County personal property and normally a copy can be found in the terminated employee's personnel file. At the time of our review, we determined there was an OHRM Form #4281 in the personnel file documenting the return of County issued non-fixed assets and reflecting that all County personal property issued to Mr. Scott was collected and properly accounted for.

Financial Disclosure Requirement

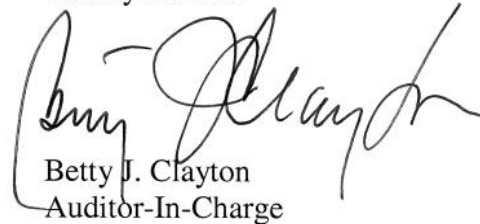
Section 2-294(c) (1) of the Prince George's County Code requires certain officials, employees, and candidates for office (among them the Director of the Office of Central Services) to file financial disclosure statements. Council Bill 125-1984, effective February 4, 1985, modified Section 2-294(c) (1) of the County Code, by adding the following requirement:

“Any official or employee who is required to file a statement and who leaves office or employment for any reason, other than the official's or employee's death, shall file, within sixty (60) days of leaving office or employment, the statement required by this Section, for the calendar year immediately preceding, unless a statement has previously been filed for that year, and any portion of the current calendar year during which that official or employee held office or employment.”

According to the County Code, Mr. Scott was required to file a financial disclosure within sixty (60) days of leaving office. As of July 30, 2011, Mr. Scott had filed a financial disclosure statement with the Prince George's County Board of Ethics, for the period July 1, 2010, through May 31, 2011, as required.



David H. Van Dyke, CPA
County Auditor



Betty J. Clayton
Auditor-In-Charge

**OFFICE OF CENTRAL SERVICES
OFFICE OF THE DIRECTOR
STATEMENT OF EXPENDITURES, ENCUMBRANCES AND COMMITMENTS
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2010 THROUGH MAY 31, 2011**

<u>Appropriations</u>	Other Current				<u>Total</u>
	<u>Compensation</u>	<u>Operating Expenses</u>	<u>Expense Recoveries</u>	<u>Fringe Benefits</u>	
Current Year	\$ 1,410,900	\$ 225,300	\$ (335,500)	\$ 440,400	\$ 1,741,100
Prior Year		7,204			7,204
Total Appropriations	<u>\$ 1,410,900</u>	<u>\$ 232,504</u>	<u>\$ (335,500)</u>	<u>\$ 440,400</u>	<u>\$ 1,748,304</u>
 <u>Expenditures and Encumbrances</u>					
Current Year:					
Compensation					
Professional	\$ 642,119	\$ -	\$ -	\$ -	\$ 642,119
Office and Administrative	522,354	-	-	-	522,354
Office and Clerical	126,311	-	-	-	126,311
Para-Professionals	147,791	-	-	-	147,791
Other Compensation	2,134	-	-	-	2,134
General & Admin. Contract Services	-	70,166	-	-	70,166
Procurement Card Purchases	-	648	-	-	648
Telephone	-	22,858	-	-	22,858
Local Trnsp/Mileage/Moving	-	14,516	-	-	14,516
Office Automation	-	36,359	-	-	36,359
Training Costs	-	3,199	-	-	3,199
Printing & Reproduction	-	5,370	-	-	5,370
Office & Operating Supplies	-	8,743	-	-	8,743
Office & Operating Equip Rep Maint	-	5,460	-	-	5,460
Fringe Benefits	-	-	-	460,943	460,943
Total Current Year Expenditures & Encumbrances	<u>\$ 1,440,709</u>	<u>\$ 167,319</u>	<u>\$ -</u>	<u>\$ 460,943</u>	<u>\$ 2,068,971</u>
Prior Year Costs:					
Printing & Reproduction	-	\$ 257	-	-	-
Advertising	-	5,400	-	-	-
General & Admin Costs	-	1,547	-	-	-
Total Prior Year Costs	<u>\$ -</u>	<u>\$ 7,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,204</u>
Total Expenditures and Encumbrances	<u>\$ 1,440,709</u>	<u>\$ 174,523</u>	<u>\$ -</u>	<u>\$ 460,943</u>	<u>\$ 2,076,175</u>
Unencumbered Balance as of May 31, 2011	<u>\$ (29,809)</u>	<u>\$ 57,981</u>	<u>\$ (335,500)</u>	<u>\$ (20,543)</u>	<u>\$ (327,871)</u>