



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

July 2012

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

Re: Departure of Vernon R. Herron
Director of the Office of Homeland Security

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 Homeland Security. This audit was initiated due to the resignation of Vernon R. Herron from the position of Director of the Office of Homeland Security, effective December 3, 2010.

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 year ended June 30, 2010, and no discrepancies or irregularities were disclosed. Therefore, we primarily directed our examination to include a review of Mr. Herron's travel advances, expense reimbursements, leave records, fixed assets records, and selected expense accounts for the period July 1, 2010, through December 31, 2010.

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FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances, and Commitments

A statement of expenditures, encumbrances, and commitments compared with appropriations for the Office of Homeland Security, for the period July 1, 2010, through December 31, 2010, is presented on Schedule 1 of this report. As of December 31, 2010, total expenditures and encumbrances did not exceed total appropriations for the Office of Homeland Security.

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 December 31, 2010, and determined that Mr. Herron did not have any unsettled travel advances at the time of his resignation. We also reviewed expense reimbursements paid to Mr. Herron for the period July 1, 2010, through December 31, 2010, and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified the final pay computations for Mr. Herron 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 and Non-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 value of the assets. We contacted personnel within the Office of Central Services' General Services Division and the Office of Homeland Security and determined the only fixed asset assigned to Mr. Herron was a County vehicle. In accordance with Administrative Procedure 624, Mr. Herron's request to purchase his assigned vehicle was approved by the Director of the Office of Central Services.

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 there was an OHRM Form #4281 in the personnel file documenting the return of County issued non-fixed asset items reflecting that all County personal property issued to Mr. Herron was collected and properly accounted for. In accordance with Administrative Procedure 624, Mr. Herron's request to purchase his personal digital assistant (Blackberry) was approved by the Office of Central Services.

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 Homeland Security) 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. Herron was required to file a financial disclosure statement within sixty (60) days of leaving office. As of December 3, 2010, Mr. Herron had filed a financial disclosure statement with the Prince George's County Board of Ethics, for the period January 1, 2010, through December 3, 2010, as required.



David H. Van Dyke, C.P.A.
County Auditor



Jude S. Moise
Auditor-In-Charge

**OFFICE OF HOMELAND SECURITY
OFFICE OF THE DIRECTOR
STATEMENT OF EXPENDITURES, ENCUMBRANCES, AND COMMITMENTS
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2010, THROUGH DECEMBER 31, 2010**

	Compensation	Fringe Benefits	Other Operating Expenses	Total
<u>Appropriations</u>				
Current Year	\$ 347,500	\$ 93,600	\$ 172,700	\$ 613,800
Prior Year	-	-	\$ 1,896	\$ 1,896
Total Appropriations	\$ 347,500	\$ 93,600	\$ 174,596	\$ 615,696
<u>Expenditures and Encumbrances</u>				
Current Year:				
Salaries				
Officials and Administrative	\$ 51,634	\$ -	\$ -	\$ 51,634
Professionals	35,661	-	-	35,661
Other Compensation	600	-	-	600
Telephone and Automation	-	-	1,416	1,416
Printing and Reproduction	-	-	4,134	4,134
Books/Periodicals	-	-	1,322	1,322
Conference and Seminar Fees	-	-	3,285	3,285
Other Training Costs	-	-	5,779	5,779
Gen. & Admin. Contract Servc.	-	-	3,140	3,140
General Office Supplies	-	-	1,083	1,083
Other Operating Supplies	-	-	473	473
Vehicle & Equip./Maintenance	-	-	959	959
Office Space Lease	-	-	278,037	278,037
Fringe Benefits	-	17,017	-	17,017
Total Current Year Expenditures and Encumbrances	\$ 87,895	\$ 17,017	\$ 299,628	\$ 404,540
Prior Year Costs			1,896	1,896
Total Expenditures and Encumbrances	\$ 87,895	\$ 17,017	\$ 301,524	\$ 406,436
Unencumbered Balance as of December 31, 2010	\$ 259,605	\$ 76,583	\$ (126,928)	\$ 209,260