



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

August, 2011

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

Re: Departure of J. Michael Dougherty Jr., Director  
Prince George's County Office of Finance

### INTRODUCTION AND SCOPE OF EXAMINATION

Conforming to Article III, Section 313 of the Charter for Prince George's County, Maryland, we have performed a special audit of the accounts of the Director of the Office of Finance. This audit was initiated due to the resignation of Mr. J. Michael Dougherty, Jr. from the position of the Director of the Office of Finance, January 31, 2011.

Our examination included tests of the accounting records and other auditing procedures, as we 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. Dougherty's travel advances, expense reimbursements, leave records, and selected expense accounts for the period

July 1, 2010 through January 31, 2011.

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

The County Council and County Executive  
August, 2011  
Page -2-

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Administration Division of the Office of Finance, for the period July 1, 2010 through January 31, 2011 is presented on Schedule 1 of this report. As of January 31, 2011, total expenditures and encumbrances did not exceed total appropriations for the Office of Finance. However, since expenditure recoveries have only been realized through January 31, 2011, Schedule 1 reflects total expenditures and encumbrances exceeding total appropriations for the Administration Division.

Travel Advances and Expense Reimbursements

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

Leave Records and Final Pay

We verified final pay computations for Mr. Dougherty based on leave records maintained by the Payroll Section of the Office of Finance and the salary and hourly rate of pay maintained by the Office of Human Resources Management and found no discrepancies or irregularities.

The County Council and County Executive  
August, 2011  
Page -3-

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 the 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 costs of the assets. We contacted personnel within the General Services Division and determined that no fixed assets were assigned to Mr. Dougherty.

Our review also included the verification of County issued non-fixed asset items such as cell phone, personal digital assistant, County identification and security card, keys, laptop 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 maintained 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. 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 a Form #4281 in the personnel file documenting the return of County issued non-fixed assets and all County personal property issued to Mr. Dougherty was collected and properly accounted for.

The County Council and County Executive  
August, 2011  
Page -4-

Financial Disclosure Requirement

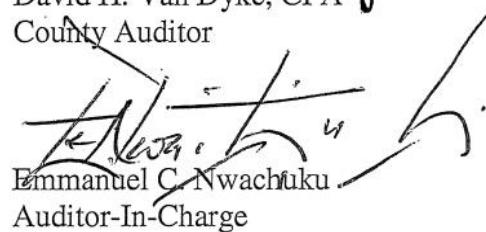
Section 2-294(c) (1) of the Prince George's County Code requires certain officials, employees, and candidates for office (among them the Director of the Office of Finance) to file financial disclosure statements. Council Bill 125-1984, effective February 4, 1985, modified Section 2-294(c) (1) of the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

Mr. Dougherty filed financial disclosure statements with the Prince George's County Board of Ethics for the reporting period January 1, 2010 through December 31, 2010, and a final financial disclosure statement for the period January 1, 2011 through January 31, 2011.



David H. Van Dyke, CPA  
County Auditor



Emmanuel C. Nwachukwu  
Auditor-In-Charge

Schedule 1

OFFICE OF FINANCE  
ADMINISTRATION DIVISION  
STATEMENT OF EXPENDITURES AND ENCUMBRANCES  
COMPARED WITH APPROPRIATIONS FOR THE PERIOD  
JULY 1, 2010 THROUGH JANUARY 31, 2011

<u>Appropriations</u>	<u>Compensation</u>	<u>Fringe Benefits</u>	<u>Other Operating Expenses</u>	<u>Expenditure Recoveries</u>	<u>Total</u>
Current Year	\$899,900	\$260,500	\$ 80,200	(\$1,045,300)	\$195,300
Prior Year			27,342		27,342
Total Appropriations	\$899,900	\$260,500	\$107,542	(\$1,045,300)	\$222,642

Expenditures & Encumbrances

Current Year:

Salaries					
Officials & Admin.	\$ 273,157				\$273,157
Professionals	244,966				244,966
Other	21,046				21,046
Telephone			\$ 1,742		1,742
Duplication & Reproduction			1,551		1,551
Books/Periodicals/Ref Mat.			859		859
Office Automation			64,200		64,200
Training Costs			1,373		1,373
Operational Contract service			(4,188)		(4,188)
Gen. & Admn. Contract Svc			425		425
Office & Operating Supplies			1,296		1,296
Expenditure Recoveries				(\$494,297)	(494,297)
Fringe Benefits		\$ 136,625			136,625

Current Expdts & Encumbrances \$ 539,169 \$ 136,625 \$ 67,258 (\$494,297) \$248,755

Prior Year Costs:

    General Office Supplies \$ 17,043 \$ 17,043

Total Expdts. & Encumbrances \$ 539,169 \$ 136,625 \$ 84,301 (\$494,297) \$ 265,798

Unencumbered Balance

January 31, 2011 \$ 360,731 \$ 123,875 \$ 23,241 (\$551,003) (\$43,156)