



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

October 2011

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

Re: Departure of James E. Johnson
Director of the Department of Housing and Community Development

INTRODUCTION AND SCOPE OF EXAMINATION

Conforming with Article III, Section 313 of the Charter for Prince George's County, Maryland, we have performed a special audit of the accounts of the Office of the Director of the Department of Housing and Community Development. This audit was initiated due to the retirement of James E. Johnson from the position of Director of the Department of Housing and Community Development, effective January 1, 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 the records of the Department of Housing and Community Development 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. Johnson's travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2010, through January 31, 2011.

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FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Department of Housing and Community Development, 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 Department.

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 January 31, 2011, and determined that Mr. Johnson did not have any unsettled travel advances at the time of his departure from the Department of Housing and Community Development. We also reviewed expense reimbursements paid to Mr. Johnson for the period July 1, 2010, through January 31, 2011, and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified the final pay computations for Mr. Johnson 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 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 cost of the assets. We contacted personnel within the General Services Division and personnel within the Department of Housing and Community Development to determine whether any fixed assets were assigned to Mr. Johnson. We determined that all fixed assets assigned to Mr. Johnson were collected and properly accounted for.

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 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. Johnson 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 Department of Housing and Community Development) 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. Johnson was required to file a financial disclosure within sixty (60) days of leaving office. As of October 2011, Mr. Johnson had not filed a financial disclosure statement with the Prince George’s County Board of Ethics for the period January 1, 2010, through December 31, 2010, as required.

We therefore recommend:

- 1. The Prince George’s County Board of Ethics take the appropriate steps necessary to notify departing officials of the sixty (60) day reporting requirement for financial disclosure statements and ensure compliance.**



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

Kendal Gray
Auditor-In-Charge

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2010 THROUGH JANUARY 31, 2011

	Compensation	Fringe Benefits	Other Operating Expenses	Expenditure Recoveries	Total
<u>Appropriations</u>					
Current Year	\$ 1,338,300	\$ 376,100	\$ 469,500	-	\$ 2,183,900
Prior Year	-	-	12,537	-	12,537
Total Appropriations	\$ 1,338,300	\$ 376,100	\$ 482,037	-	\$ 2,196,437
<u>Expenditures and Encumbrances</u>					
Current Year:					
Salaries:					
Leave Payout	\$ 23,019	-	-	-	\$ 23,019
Officials and Administrative	314,951	-	-	-	314,951
Professional	318,285	-	-	-	318,285
Para-Professionals	30,538	-	-	-	30,538
Office and Clerical	64,331	-	-	-	64,331
Other Compensation	552	-	-	-	552
Compensation Budget	1,228	-	-	-	1,228
Telephone	-	-	2,233	-	2,233
Office Automation Charges	-	-	50,400	-	50,400
Pool Car Rental	-	-	1,875	-	1,875
General & Admin. Contract Services	-	-	14,207	-	14,207
Office Supplies & Oper. Equipment	-	-	7,049	-	7,049
Miscellaneous	-	-	99	-	99
Maintenance	-	-	12,403	-	12,403
Fringe Benefits	-	204,388	-	-	204,388
Current Expenditures & Encumbrances	\$ 752,904	\$ 204,388	\$ 88,266	\$ -	\$ 1,045,558
Prior Year Costs:					
Genl & Admin Contract Services	\$ -	\$ -	\$ 3,870	\$ -	\$ 3,870
Total Expenditures & Encumbrances	\$ 752,904	\$ 204,388	\$ 92,136	\$ -	\$ 1,049,428
Unencumbered Balance as of					
January 31, 2011	\$ 585,396	\$ 171,712	\$ 389,901	\$ -	\$ 1,147,009