

July 2009

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

Re: Departure of Lawrence H. Sedgwick, Jr.
Chief of the Prince George's County Fire/EMS Department

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 Fire/EMS Department. This audit was initiated due to the retirement of Lawrence H. Sedgwick, Jr. from the position of Fire Chief, effective February 28, 2009.

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 Thompson, Cobb, Bazilio & Associates, PC, independent auditors, for the year ended June 30, 2008, and no discrepancies or irregularities were disclosed. Therefore, we primarily directed our examination to include a review of Mr. Sedgwick's travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2008 through February 28, 2009.

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FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Fire/EMS Department, for the period July 1, 2008 through February 28, 2009 is presented in Schedule 1 of this report. At February 28, 2009, total expenditures and encumbrances did not exceed total appropriations for the Department.

Travel Advances and Expense Reimbursements

We reviewed the travel advances log maintained by the Office of Finance, Accounting Division, for the period July 1, 2008 through February 28, 2009, and determined that Mr. Sedgwick did not have any unsettled travel advances at the time of his departure from the County. We also reviewed expense reimbursements paid to Mr. Sedgwick for the period July 1, 2008 through February 28, 2009 and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified final pay computations for Mr. Sedgwick 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.

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Fixed Assets

The Fixed Assets Procedures Manual prepared by the Office of Finance requires that the Office of Central Services' General Services Division, upon 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 personnel within the Fire/EMS Department and determined there were no fixed assets assigned to Mr. Sedgwick. We contacted personnel within the Fleet Management Division and within the Fire/EMS Department to determine the status of the County vehicle assigned to Mr. Sedgwick. We determined that this vehicle was reassigned to the Acting Fire Chief.

Our review also 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 part of the exit process. Form #4281 records the return of assigned County issued non-fixed asset items and normally a copy can be found in the terminated employee's personnel file. During our review, we verified there was a Form #4281 in the personnel file of Mr. Sedgwick documenting the return of County issued non-fixed asset items.

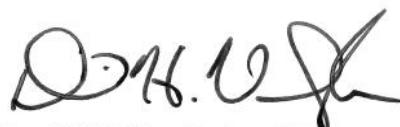
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Financial Disclosure Requirement

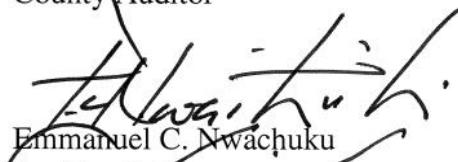
Section 2-294(c) (1) of the Prince George's County Code requires certain officials, employees, and candidates for office (among them the Fire Chief) to file financial disclosure statements. Council Bill 125-1984, effective February 4, 1985, modified Section 2-294(c) (1) of the County Code, by adding 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. Sedgwick filed financial disclosure statements with the Prince George's County Board of Ethics for the reporting period January 1, 2008 through December 31, 2008, and a final financial disclosure statement for the period January 1, 2009 through February 28, 2009.



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


Emmanuel C. Nwachukwu
Auditor-In-Charge

Schedule 1

FIRE/EMS DEPARTMENT
OFFICE OF THE FIRE CHIEF
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2008 THROUGH FEBRUARY 28, 2009

<u>Appropriations</u>	<u>Compensation</u>	<u>Fringe Benefits</u>	<u>Other Operating Expenses</u>	<u>Expenditure Recoveries</u>	<u>Total</u>
Current Year	\$1,045,000	\$615,900	\$44,400	(\$59,400)	\$1,645,900
Total Appropriations	\$1,045,000	\$615,900	\$44,400	(\$59,400)	\$1,645,900
Expenditures & Encumbrances					
Current Year					
<u>Compensation</u>					
Officials & Administrative	\$134,390	\$ -	\$ -	\$ -	\$134,390
Professionals	612,739	-	-	-	612,739
Para-professionals	51,851	-	-	-	51,851
Other Compensation	(1,041,900) ¹	-	-	-	(1,041,900)
Telephone	-	-	532	-	532
Printing & Reproduction	-	-	1,684	-	1,684
Membership Fees	-	-	190	-	190
Professional Service – Legal	-	-	360	-	360
Operational Contract Services	-	-	30,275	-	30,275
Office & Operating Supplies	-	-	2,325	-	2,325
Equipment Rental & Lease	-	-	3,443	-	3,443
Office & Operating Equip. Non-Cap	-	-	75	-	75
Miscellaneous	-	-	63	-	63
Group Health	-	68,265	-	-	68,265
Group Life	-	5,522	-	-	5,522
Employees Retirement	-	18,377	-	-	18,377
Fire Retirement	-	220,301	-	-	220,301
Supplemental Retirement	-	25,504	-	-	25,504
Employer FICA	-	56,506	-	-	56,506
County Employee Fringe	-	(529,300) ¹	-	-	(529,300)
Expenditure Recoveries	-	-	-	-	-
Total Expenditures & Encumbrances	(\$242,920)	(\$394,474)	\$38,947	\$ -	(\$338,752)
Unencumbered Balance					
February 28, 2009	\$1,287,920	\$750,725	\$5,453	(\$59,400)	\$1,984,698

¹Due to a delay in approving the labor agreement for the International Association of Firefighters, AFL-CIO Local 1619 of Prince George's County, for the period July 1, 2007 through June 30, 2009, a retroactive adjustment was required for accounting purposes. Compensation and Fringe Benefits earned in fiscal year 2008 were paid in fiscal year 2009, and then adjusted and charged back to fiscal year 2008.