

June 2009

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

Re: Departure of Thomas M. Thompson
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 termination of Thomas M. Thompson from the position of Director of the Department of Housing and Community Development, effective June 27, 2008.

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 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. Thompson's travel advances, expense reimbursements, fixed assets records, and selected expense accounts for the period July 1, 2007 through June 30, 2008.

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, 2007 through June 30, 2008, is presented on Schedule 1 of this report. At June 30, 2008, 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, 2007 through June 30, 2008, and determined that Mr. Thompson 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. Thompson for the period July 1, 2007 through June 30, 2008 and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified the final pay computations for Mr. Thompson 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. It should be noted however, that Mr. Thompson is disputing the method in which his final leave balance was determined and calculated.

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 costs 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. Thompson. We determined that there were no fixed assets assigned to Mr. Thompson.

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 there was no Form #4281 in the personnel file documenting the return of County issued non-fixed

asset items. We were unable to determine if all County personal property issued to Mr. Thompson was collected and properly accounted for.

We therefore recommend:

- 1. The Director of the Office of Human Resources Management ensure the return of County issued non-fixed asset items and obtain a signed employee separation form from Mr. Thompson documenting the return of County property.**
- 2. The Director of the Office of Finance require the Payroll Section to retain an employee's final pay check until a copy of a properly documented employee separation form has been received.**

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:

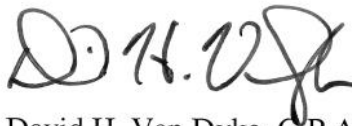
"Any official or employee who is required to file a statement and who leaves office or employment for any reason, other than the official's or employee's death, shall file, within sixty (60) days of leaving office or employment, the statement required by this Section, for the calendar year immediately 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. Thompson was required to file a financial disclosure within sixty (60) days of leaving office. As of March 5, 2009, Mr. Thompson had not filed a financial

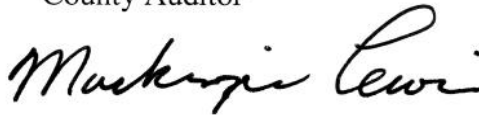
disclosure statement with the Prince Georges County Board of Ethics for the period January 1, 2008 through June 27, 2008, and for the calendar year 2007, as required.

We therefore recommend:

- 3. The Prince Georges County Board of Ethics take the necessary action to ensure Mr. Thompson files a 2007 and 2008 financial disclosure statement as required by the County Code.**



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



Mackenzie Lewis
Auditor-In-Charge

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
OFFICE OF THE DIRECTOR
STATEMENT OF EXPENDITURES, ENCUMBRANCES AND COMMITMENTS
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2007 THROUGH JUNE 30, 2008

<u>Appropriations</u>	Other Current			
	Compensation	Operating Expenses	Fringe Benefits	Total
Current Year	\$ 768,875	\$ 102,200	\$ 187,175	\$ 1,058,250
Prior Year	-	13,920	-	13,920
Total Appropriations	\$ 768,875	\$ 116,120	\$ 187,175	\$ 1,072,170

<u>Expenditures and Encumbrances</u>				
Current Year:				
Compensation--				
Officials & Administrative	\$ 300,240	\$ -	\$ -	\$ 300,240
Professionals	224,544	-	-	224,544
Summer Youth Program	64,192	-	-	64,192
Professionals--AFSCME	62,925	-	-	62,925
Para--Professionals	55,723	-	-	55,723
Other Compensation	52,788	-	-	52,788
Office Automation	-	50,400	-	50,400
Professional Services--Audit	-	17,291	-	17,291
Mileage Reimbursement	-	125	-	125
Other Miscellaneous	-	850	-	850
Employer FICA	-	-	46,559	46,559
Group Health	-	-	45,020	45,020
Employees Retirement	-	-	25,899	25,899
Supplemental Retirement	-	-	21,569	21,569
County Employee Fringe	-	-	5,855	5,855
Workmens Compensation	-	-	5,500	5,500
Group Life	-	-	3,884	3,884
Disability Insurance	-	-	710	710
Sub-total	\$ 760,412	\$ 68,666	\$ 154,996	\$ 984,074
Prior Year Cost:				
Genl. & Admin. Contract Services	\$ -	\$ 13,920	\$ -	\$ 13,920
Sub-total	\$ -	\$ 13,920	\$ -	\$ 13,920
Total Expenditures and Encumbrances	\$ 760,412	\$ 82,586	\$ 154,996	\$ 997,994
Unencumbered Balance June 30, 2008	\$ 8,463	\$ 33,534	\$ 32,179	\$ 74,176