

Prince George's County, Maryland
Office of Audits and Investigations

Department of Housing and Community Development

Travel Audit

December 2006



David H. Van Dyke
County Auditor

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THE PRINCE GEORGE'S COUNTY GOVERNMENT Office of Audits and Investigations

December 2006

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

We have conducted a performance audit of the

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S TRAVEL EXPENDITURES

in accordance with the requirements of Article III, Section 313, of the Charter for Prince George's County Government George's County, Maryland. Our report is submitted herewith.

We have discussed the contents of this report with appropriate personnel of the Department of Housing and community Development, the Chief Administrative Officer, the Office of Management and Budget and the Office of Finance, and wish to express our sincere gratitude to them for the cooperation and assistance extended to us during the course of this engagement.

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Results In Brief

The County's Travel Regulations establishes uniform standards and regulations that support the County's policy on official business travel. The policy recognizes the occasional necessity for County employees to engage in business travel, while, at the same time, realizing that such travel should be exercised with great care in order to minimize the cost to the County. In order to lessen review delays and extra-departmental pre-approval, the policy attempts to facilitate business travel by streamlining the approval process and providing department heads the additional flexibility desired in carrying out their agency's mission.

During the course of our audit, however, we observed a weak overall control environment and breakdowns in key internal control activities which left the County's travel program vulnerable to the potential for fraudulent expenditures, wasteful spending, and other abusive or questionable uses of public funds. In fiscal year 2006, County-wide expenditures in the travel program was approximately \$1.1 million, which represents a 10% increase over the fiscal year 2005 level of \$1.0 million. As such, the emphasis on internal controls is increasingly important for the effectiveness and credibility of the travel program. Effective internal controls provide increased assurance that the individual events of business travel are for authorized County-business purposes.

During our testing of the Department of Housing and Community Development (DHCD) travel, we found poor segregation of duties in the travel approval process; violations of the required travel approval process; excessive cancellations which resulted in loss of County funds; and various inconsistencies in the supporting documentation for different travel events.

The oversight controls pertaining to the County's business travel is in need of management's review and enforcement. Oversight is a critical element for the success and the integrity of County expenditures on business travel, and we have therefore made several recommendations for improvement throughout this report.

Background

The County has established Travel Regulations to provide uniform standards and guidelines pertaining to employee travel for official County business. The Travel Regulations includes standards on approval authority, travel advances, mode of transportation, meal allowances, lodging, and other expenses. One of the primary objectives of the County's travel policy is that employees exercise care in incurring expenses in order to minimize cost to the County. Reimbursements for official travel will be in accordance with these Regulations. Any waivers to the Regulations must be approved by the Chief Administrative Officer for Executive Branch employees or the Council Administrator for Legislative Branch employees.

Certain travel requests, specifically travel out of the County which costs in excess of \$750.00 per person, do require an additional layer of review. These requests are required to be submitted to the Office of Management and Budget.

The purpose of this audit was to (1) assess the adequacy and performance of designed control activities, (2) determine adherence to policies and procedures, and (3) identify factors inhibiting satisfactory performance and recommend corrective action.

Scope & Methodology

To conduct this audit, we obtained all Department of Housing and Community Development (DHCD) MasterCard expenditures for the period July 1, 2004, through November 30, 2005 and sorted that data to isolate travel related expenditures. It should be noted that DHCD carries out the agency's mission through its collaborative efforts with the Housing Authority of Prince George's County and the Redevelopment Authority. Our audit scope included approximately \$15,743 in expenditures made for County employees' travel, both by the County government by means of check or credit card (\$9,948), and by Housing Authority checks (\$5,795). MasterCard data was obtained both from the Office of Central Services Purchasing Card Administrator and the County's general ledger system.

Additionally, we also obtained a listing from the Office of Management and Budget (OMB) of all travel they approved for the same period. This step was taken to ensure the completeness of the available population of travel expenditures.

In carrying out our audit of the County's travel activity, we selected DHCD as our audit subject for the following reason. Our office had recently concluded an audit of the County's Purchasing Card Program (November 2005), and selected for audit testing a sample of agencies that had a significant number of purchase card transactions or dollars spent. Since DHCD did not fall within that audit's sample selection, but had a notable amount of dollars spent on purchase card transactions which included travel, we believed this warranted a closer review of these transactions.

We selected a judgmental sample of travel related expenditures to examine, vouching expenditures back to supporting records where available. We also interviewed pertinent County staff and reviewed County-wide operating procedures, administrative procedures, and other documents related to the travel program.

Our findings and recommendations are presented in the following sections.

Weakness of Control Environment

Internal control – a key part of managing an organization – is comprised of the plans, methods, and procedures that management uses to meet the organization's missions, goals, and objectives. It is essentially management control which assists government officials to achieve desired results through the effective stewardship of public resources. As evidenced throughout this report, County management has not fostered a strong internal control environment for the travel program. In fiscal years 2005 and 2006, County-wide expenditures on this program was approximately \$1.0 million and \$1.1 million respectively. Based on our examination, there is not a sufficient emphasis being placed on establishing the proper controls and boundaries for this program. This is evidenced, in part, by policies and procedures dating back to the late 1980's with no comprehensive review and update of these policies.

The Government Accountability Office's (GAO) publication addressing standards for internal controls states:

“Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.” (GAO/AIMD-00-21.3.1)

Additionally, in the Government Finance Officers Association 2005 edition of the GAAFR (or Blue Book), it states the following about the need for an effective control environment:

“When management believes that internal control is important to achieving its goals, and it communicates that view to employees at all levels, internal control is likely to function well. Conversely, if management views internal control as unrelated to achieving its objectives, or as an obstacle to that purpose, this attitude almost certainly will be communicated to staff at all levels, despite official statements or policies to the contrary.”

It is important for management to understand their responsibility in setting the “corporate culture” as it relates to good internal control practices and the agencies adherence to those practices. Although we observed that written policies and procedures were developed, there was much less emphasis placed on ensuring that agencies complied with those written policies and procedures. The following sections will highlight examples of this condition. Management control is concerned with those policies and procedures, their implementation, the reporting of results, and any subsequent revision of the plans. It should be built into the organization as part of its infrastructure to help managers run the entity and consistently achieve its desired results. If the internal control *environment* is not strengthened, then there will be breakdowns in the various internal control *activities*.

Inadequate Segregation of Duties

During our audit, we discovered that there were some instances where the individual who initiated the travel request was also the individual who eventually approved the same travel request and payments related to that travel. In these instances, the amounts paid exceeded certain thresholds set forth in Administrative Procedure 121, and as such, is governed by its requirements.

The Government Accountability Office's (GAO) publication addressing standards for internal controls states:

“Key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud. This should include separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets. No one individual should control all key aspects of a transaction or event.”
(GAO/AIMD-00-21.3.1)

Additionally, Prince George's County's Administrative Procedure 121 (March 1986) sets forth certain expenditures that are subject to central approval by the County's Office of Management and Budget (OMB). These expenditures include the following:

“Out of County travel requests with total costs in excess of \$750.00 per person or involving attendance of more than two people at the same out-of-County meeting.”

Our review of OMBs travel approval records for County-wide travel revealed that their logs were incomplete as it did not include all pertinent travel that would be the subject of their review. Additionally, for the travel that OMB did review and approve, there were no subsequent steps taken at the conclusion of the various agencies' trips, to ensure that travel expenditures were in compliance with that which was approved.

Furthermore, since the DHCD has its own check-writing capacity within the Housing Authority, it frequently did not use the County's Office of Finance to make payments to vendors for travel related purposes. As such, any layer of oversight or inquiry that would normally be exercised by the Office of Finance is essentially removed from the process.

If one individual has control over the authorization of their own travel request and the subsequent approval of payments related to the same request, then the critical element of oversight will be absent from such a transaction, making the timely detection of any irregularities unlikely.

Excessive Cancellations Resulted in Lost Funds

As a result of our audit procedures, we discovered that the agency had numerous cancellations of travel plans. Out of the ten trips that were initially scheduled between the period August 2004 through October 2005, as many as five, or 50%, were cancelled – though not all resulted in lost funds. (See **Appendix A** for additional details.)

Because of these cancellations, it appears that registration fees were paid for conferences that were not attended. Similarly, air fare tickets paid in advance at the time of bookings were not used nor refunded. If these air fare tickets were exchanged for later travel, there was no documentation of such an exchange. We also noted that hotel cancellation fees were incurred by the County due to last-minute cancellations. (See **Appendix B** for additional details.)

Anomalies in Supporting Documentation

During our audit, we noted that there were inconsistencies in the supporting documentation for certain travel expenditures. These inconsistencies were as follows:

- Hotel expenses incurred but no registration fee or record of conference attendance
- Registration paid and reported attendance to conference but no travel or lodging expenses incurred
- The amount paid for travel events was in excess of the amount approved by the Chief Administrative Officer (CAO) or Deputy Chief Administrative Officer (DCAO) on the Training and Seminar Request Form with no explanations provided for the difference
- The agency did not consistently utilize the County's travel request form (P.G. Form 109) to obtain and document authorization for travel and support for amounts expended

The Government Accountability Office's (GAO) publication addressing standards for internal controls states:

"Internal control and all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination. The documentation should appear in management directives, administrative policies, or

operating manuals and may be in paper or electronic form. All documentation and records should be properly managed and maintained.” (GAO/AIMD-00-21.3.1)

We also noted instances of duplicate payments made by the agency, as payments for the same event were made by a County credit card as well as by Housing Authority check.

It is the responsibility of the cardholder and the Purchasing Card Coordinator to maintain adequate documentation for credit card transactions. It was brought to our attention that the agency has not appointed a Purchasing Card Coordinator to oversee its MasterCard purchasing activity. Our audit revealed that there were a significant number of unusual credit entries to the agency’s MasterCard accounts representing multiple cancellations of travel plans.

Recommendations

As a result of the above findings and our overall assessment of oversight over the County’s Travel Program, we recommend the following:

1. The Chief Administrative Officer communicates to all agency officials who authorize travel, and all employees who travel at the expense of the County, the importance of obtaining the required approval for all County related travel. This approval, as well as all supporting documentation, should be retained on file to facilitate proper accountability.
2. The Chief Administrative Officer review and update Administrative Procedures 640 and 121 to include the most recent requirements of the County Executive or designee, as set forth in subsequent memorandums, in order to ensure that the central review and agency processing of travel requests and expenditures is done with some consistency across the board. No individual should be allowed to initiate their own travel request and approve payments related to that travel.
3. All travel requests should include a PG109 Travel Request form before authorization for travel can be approved. Additionally, if this form is not included in the requests for

reimbursement or other payment requests, no disbursements of County funds should be made.

4. The Chief Administrative Officer should direct all County agencies that utilize the travel program to appoint a travel coordinator whose duties must include maintaining the file documentation on all travel. It may be beneficial for this person to be assigned the responsibility for using a MasterCard to coordinate travel plans which frequently require credit cards for prepayment of travel-related registration fees, air and train ticket reservations, hotel reservations, and car rentals.
5. The Department of Housing and Community Development should be directed to appoint a Purchasing Card Agency Coordinator in order to come into compliance with the Purchase Card Program Manual requirements or should be suspended from the Purchasing Card Program.
6. The Chief Administrative Officer should assign someone the responsibility to review the cancellations of travel that result in County expenditures. Excessive patterns of this behavior should be cause to suspend or impose restrictions on travel for culpable agencies.
7. The Chief Administrative Officer should ensure that periodic examinations of County agencies' travel expenditures are completed to ensure that these expenditures are properly supported with the appropriate documentation. If expenditures are not supported, then incremental steps should be taken to remove the violating agency from the travel program.
8. The Chief Administrative Officer should ensure that the County's travel program is designed in a manner which ensures that all County-wide travel that requires central review by the Office of Management and Budget is captured, thereby assuring the completeness of OMBs records and enhancing the integrity of the travel program.

APPENDIX A

Summary of Travel Expenditure Review - Housing & Community Development

Travel Event Description Traveller(s)	Date From:	Date To:	Did travel occur?	Amt Apprv'd by CAO	Total
1 2004 MaCo (MD Assn. of Counties) Summer Conference (Ocean City)	8/18/2004	8/21/2004	Y		
Director				\$1,160.00	\$1,430.48
Deputy Director				\$230.00	\$230.00
				\$1,390.00	\$1,660.48

Summary: Appears that conference was attended by both parties.

2 HUD Conference-Philadelphia, PA

Director	10/8/2004		Y	\$264.00	\$264.88
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Summary: Appears that conference was attended by Director.

**3 2004 NALHFA Fall Educational
Conference (Chicago, IL)**

Director	10/13/2004	10/16/2004	Y-per NALHFA	\$1,160.00	\$623.21
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Summary: was unclear from agency records whether or not conference was attended; NALHFA says "Yes", per their records.

4 HUD Conference-Jackson, MS

2/14/2005	2/17/2005				
Comm Dev Asst III		Y	\$750.00	\$655.35	
Comm Dev Asst III		Y	\$750.00	\$764.56	
			\$1,500.00	\$1,419.91	

Summary: Appears that conference was attended as requested by both employees.

**5 NALHFA 2005 Spring Conference-
4/13-16/2005 (Austin, TX)**

Comm Dev II	4/13/2005	4/16/2005	Y	\$1,090.00	\$1,584.45
Comm Dev IV	4/13/2005	4/16/2005	Y	\$1,090.00	\$1,440.35
Comm Dev IV	4/13/2005	4/16/2005	N	\$1,090.00	\$0.00

Summary: Appears that conference was attended as requested by two of the three employees.

Although HOME CDBG funds were to be used to fund this conference, Housing Authority funds were in fact used.

**6 2005 ICSC Spring Convention-May,
2005 (Las Vegas, NV)**

5/22/2005	5/25/2005				
Director		N	\$1,114.00	\$665.39	
Deputy Director		N	\$890.00	\$878.80	
Admin Spec II		N		\$315.00	
Redevelopment Auth Counsel		N		\$0.00	
			\$2,004.00	\$1,859.19	

Summary: Appears that conference was not attended by any Housing officials; however \$1,859 appears to have been spent nonetheless.

APPENDIX A

Summary of Travel Expenditure Review - Housing & Community Development

Travel Event Description Traveller(s)	Date From:	Date To:	Did travel occur?	Amt Apprv'd by CAO	Total
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7 2005 Maryland Municipal League Conference (Ocean City, MD)	6/26/2005	6/29/2005			
Director			N?	\$1,360.00	\$0.00
Admin Spec II			N?	\$1,641.00	\$1,520.99
				\$3,001.00	\$1,520.99

Summary: MD Municipal League has no record of Housing officials attending this conference; however \$1,520.99 in hotel fees appears to have been spent nonetheless.

8 2005 NaCo Conference (Honolulu, HI)	7/15/2005	7/19/2005			
Director			N?	?	\$2,230.31

Summary: Appears that conference was not attended by any Housing officials; however NaCo reported that Director "checked in and picked up...materials". The fact that the hotel was cancelled and the plane tickets were not used contradicts this notion.

9 2005 NAHRO Workshop for Executive Directors (Chicago, IL)	10/6/2005	10/7/2005			
Deputy Director			Y	\$1,420.00	\$1,756.08
Note: Housing Authority informed of dual payment on 3-10-2006.					\$496.00
Director			N?	\$1,457.40	\$887.40
				\$2,877.40	\$3,139.48

10 NAHRO 2005 National Conference and Exhibition (Chicago, IL)?

Director	10/9/2005	10/11/2005	N?	\$0.00	\$0.00
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Summary: Appears that Executive Directors' conference may only have been attended by the Deputy Director. Deputy Director's registration was also paid twice. It appears that although the Housing Authority issued and cancelled two checks, in the amount of \$727.00 and \$638.00 for the Director to stay at the Hyatt Regency on 10/6-10/8 and 10/10-10/11 respectively, it appears neither conference was attended by the Director.

Totals expenditures reviewed:	Travel Amt	Total
	\$15,466.40	\$15,743.25

APPENDIX B

"M/C" = MasterCard transaction
 "HA" = Housing Authority transaction

POTENTIAL DHCD TRAVEL EXPENDITURES FOR CANCELLED TRIPS

Travel Event Description Traveller(s)	Date From:	Date To:	Did travel occur?	Registration Paid	Air Fare Paid	Hotel fees Paid	Other	Potential Expenditure for non-travel
2005 ICSC Spring Convention-May, 2005 (Las Vegas, NV)	05/22/05	05/25/05						
Director			N	\$315.00	\$292.39		\$58.00	\$665.39
Deputy Director			N	\$315.00	\$292.39	\$271.41		\$878.80
Admin Spec II			N	\$315.00				\$315.00
Redevelopment Auth Counsel			N					\$0.00
				\$945.00	\$584.78	\$271.41	\$58.00	\$1,859.19

Summary: Appears that conference was not attended by any Housing officials; however \$1,859 appears to have been spent nonetheless.

2005 Maryland Municipal League Conference (Ocean City)	06/26/05	06/29/05		s/b \$527.00:		M/C:		
Director			N?	\$0.00		\$0.00		\$0.00
Admin Spec II			N?	\$0.00		\$1,520.99		\$1,520.99
								\$1,520.99

Summary: MD Municipal League has no record of Housing officials attending this conference; however \$1,520.99 in hotel fees appears to have been spent nonetheless.

2005 NaCo Conference (Honolulu, HI)	7/15/05	7/19/05		M/C:	M/C:	M/C:		
Director			N?	\$415.00	\$1,790.31	\$0.00	\$25.00	\$2,230.31

Summary: Appears that conference was not attended by any Housing officials; however NaCo reported that Director "checked in and picked up...materials". The fact that the hotel was cancelled and the plane tickets were not used contradicts this notion.

2005 NAHRO Workshop for Executive Directors (Chicago, IL)	10/6/05	10/7/05		Note: Housing Authority (HA) informed of dual payment on 3-10-2006; HA pursuing reimbursement as of June 2006.				
Deputy Director				HA ck:				
			duplicate payment:	\$496.00				\$496.00
Director			N?	\$496.00	\$391.40	\$0.00		\$887.40
								\$1,383.40
and Exhibition (Chicago, IL)?				M/C:		net:		
Director	10/9/05	10/11/05	N?		?	\$0.00		\$0.00

Summary: Appears that Executive Directors' conference may only have been attended by the Deputy Director. Deputy Director's registration was also paid twice. It appears that although the Housing Authority issued and cancelled two checks, in the amount of \$727.00 and \$638.00 for the Director to stay at the Hyatt Regency on 10/6-10/8 and 10/11-10/12 respectively, it appears neither conference was attended by the Director.

Totals:	Registration Paid	Air Fare Paid	Hotel fees Paid	Other	Total
	\$2,352.00	\$2,766.49	\$1,792.40	\$83.00	\$6,993.89

APPENDIX B

Air Fare - Explanations of unused and/or unaccounted for tickets-as of June 2006:

Since there were a number of travel events for which the planned travel evidently did not materialize, Item no. below is a listing of Air Fares on Appendix B and our findings of fact. It should be noted that many of these tickets were purchased by exchanging other unused tickets towards the purchase price.

3 American-ticket no. 001-1174533320 (BWI-Chicago-BWI) – 10/2004: \$228.21

Note: Per American Airlines letter of 4/24/2006 American Airlines was unable to determine if this ticket was subsequently used).

6 a) United-ticket no. 0162124321048 (“exchanged” ticket)- was BWI-Las Vegas-BWI-5/2005: \$292.39

Note: Per United Air letter dated 3/18/2006 ticket no. 0162124321048 was “unused”

Note: Per United Air Passenger Refund Center (1-888-551-6884) this ticket was non-refundable but could be exchanged, less a \$100.00 exchange fee towards a new ticket if purchased by 4/19/2006).

6 b) United-ticket no. 0162124321049 (“exchanged” ticket)- was BWI-Las Vegas-BWI-5/2005: \$292.39

Note: Per United Air letter dated 3/18/2006 ticket no. 0162124321049 was “unused”.

Note: Per United Air Passenger Refund Center (1-888-551-6884) this ticket was non-refundable but could be exchanged, less a \$100.00 exchange fee towards a new ticket if purchased by 4/19/2006).

8 Delta-ticket no. 0062188541282[0] (BWI-Honolulu-BWI)-7/2005: \$1,740.31

Note: Per Delta Airlines e-mails of 3/17-20/2006 this ticket was partially refundable; it (a) could be exchanged for a ticket worth \$1,740.31 or (b) \$1,078.68 could be refunded and a \$661.63 voucher issued to the traveler if requested by 7/1/2006. As of 6/29/2006, Delta’s Refund Status system (1-800-847-0578) indicates that the ticket remains unused and no request for a refund has been received.

see also Delta-ticket no. 0061200803724[4] (BWI-Honolulu-BWI)-7/2005: \$661.63:

Note: Per Delta Airlines e-mails of 3/17-20/2006 this ticket was refundable, and used to purchase ticket no. 0062188541282[0] for an additional charge of \$1,078.68 plus an exchange fee of \$50.00- total = \$1,790.31.

9 United-ticket no. 0162131640238 (BWI-Chicago-BWI)-10/2005”: \$391.40

This ticket was a combination of an exchange of unused ticket no. 0162129848646 (\$239.40, charged 8/22/2005) plus an additional \$152.00 (charged 10/3/2005).

Note: Per United Air letter dated 3/18/2006 ticket no. 0162131640238 was “unused”.

Note: Per United Air Passenger Refund Center (1-888-551-6884) this ticket was non-refundable but could be exchanged, less a \$100.00 exchange fee towards a new ticket if purchased by 10/3/2006).

APPENDIX B

Explanations of Registration and other (non-air fare) travel expenses for what appear to have been cancelled travel - as of June 2006:

Item no.

6 2005 ICSC Spring Convention-May 22-25, 2005 (Las Vegas, NV): up to \$945.00 in registration fees, \$271.41 in hotel fees, and \$58.00 in hotel cancellation fees were paid for a conference which no one from DHCD apparently attended.

7 2005 Maryland Municipal League Conference-6/26-6/29/05 (Ocean City): \$1,520.99 was paid for hotel accommodations for a conference for which no registration fee was paid.

8 2005 NaCo Conference, 7/15-19/2005 (Honolulu, HI): \$415.00 was paid in registration fees and an Expedia air fare cancellation fee for a conference which DHCD officials indicated was not attended (however, NaCo records indicated that the Director "checked in at registration and picked

9 2005 NAHRO Workshop for Executive Directors: 10/6-7/2005 (Chicago, IL):

- a) \$496.00 duplicate registration paid for Deputy Director.
- b) 2005 NAHRO Workshop for Executive Directors: 10/6-7/2005 (Chicago, IL)/NAHRO 2005 National Conference and Exhibition: 10/9-11/2005 (Chicago, IL): \$496.00 was paid to NAHRO on behalf of the Director for registration but there is no evidence that either conference was attended by the Director.

APPENDIX C

Chief Administrative Officer Responses to Travel Audit, Department of Housing and Community Development

1. The Chief Administrative Officer communicates to all agency officials who authorize travel, and all employees who travel at the expense of the County, the importance of obtaining the required approval for all County related travel. This approval, as well as all supporting documentation, should be retained on file to facilitate proper accountability.

This item will be addressed with re-issuance of Administrative Procedure 640. In addition, the Chief Administrative Officer has directed all agencies to appoint a Travel Coordinator who will perform these duties. The County Executive has also directed that the Housing Authority, Revenue Authority and Redevelopment Authority receive approval of the Chief Administrative Officer for all travel (see attached November 20 memorandum).

2. The Chief Administrative Officer review and update Administrative Procedures 640 and 121 to include the most recent requirements of the County Executive or designee, as set forth in subsequent memorandums, in order to ensure that the central review and agency processing of travel requests and expenditures is done with some consistency across the board. No individual should be allowed to initiate their own travel request and approve payments related to that travel.

Administrative Procedures 640 and 121 will be updated to encompass all current requirements.

3. All travel requests should include a PG109 Travel Request form before authorization for travel can be approved. Additionally, if this form is not included in the requests for reimbursement or other payment requests, no disbursements of County funds should be made.

This item will be included in the update of Administrative Procedure 640.

4. The Chief Administrative Officer should direct all County agencies that utilize the travel program to appoint a travel coordinator whose duties must include maintaining the file documentation on all travel. It may be beneficial for this person to be assigned the responsibility for using a MasterCard to coordinate travel plans, which frequently require credit cards for prepayment of travel-related registration fees, air and train ticket reservations, hotel reservations, and car rentals.

The Chief Administrative Officer has directed all county agencies to appoint a Travel Coordinator (see attached November 21 memorandum). This requirement will also be included in the updated Administrative Procedure 640.

5. The Department of Housing and Community Development should be directed to appoint a Purchasing Card Agency Coordinator in order to come into compliance with the Purchase Card Program Manual requirements or should be suspended from the Purchasing Card Program.

The Chief Administrative Officer has directed the Department of Housing and Community Development to appoint a Purchasing Card Agency Coordinator.

6. The Chief Administrative Officer should assign someone the responsibility to review the cancellations of travel that result in County expenditures. Excessive patterns of this behavior should be cause to suspend or impose restrictions on travel for culpable agencies.

APPENDIX C

The agency's Travel Coordinator will undertake a review of cancellations of travel. If cancellations have taken place, the Office of Finance and Chief Administrative Officer shall be notified immediately.

7. The Chief Administrative Officer should ensure that periodic examinations of County agencies' travel expenditures are completed to ensure that these expenditures are properly supported with the appropriate documentation. If expenditures are not supported, then incremental steps should be taken to remove the violating agency from the travel program.

The Office of Finance will perform periodic examinations of agencies' travel.

8. The Chief Administrative Officer should ensure that the County's travel program is designed in a manner which ensures that all County-wide travel that requires central review by the Office of Management and Budget is captured, thereby assuring the completeness of OMB's records and enhancing the integrity of the travel program.

The Chief Administrative Officer issued a memorandum on November 2, 2006 that requires OMB review prior to approval of travel requests.



Jack B. Johnson
County Executive

THE PRINCE GEORGE'S COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

APPENDIX C



MEMORANDUM

TO: Angela Alsobrooks, Executive Director
Revenue Authority

Thomas Thompson, Director
DHCD/Redevelopment Authority

LeRoy Brown, Chairman
Housing Authority

FROM: Dr. Jacqueline F. Brown
Chief Administrative Officer *JFB*

RE: Travel Policy

DATE: November 20, 2006

By order of County Executive Jack Johnson, travel requests for the Revenue Authority, Redevelopment Authority, and Housing Authority must be submitted to my office for approval. Please ensure that the attached travel form is utilized for all requests. Thank you for your cooperation.

Attachment

cc: The Honorable Jack B. Johnson

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
(301) 952-4131 ■ TDD (301) 985-3894



APPENDIX C

PRINCE GEORGE'S COUNTY GOVERNMENT

Travel, Training, and Seminar Request Form

Revenue Authority, Redevelopment Authority, and Housing Authority Use Only

Agency Name:

Employee Name:

Title:

Supervisor:

What is employee's primary responsibility?

<input type="checkbox"/> General Management	<input type="checkbox"/> Operations/ Production	<input type="checkbox"/> Administration
<input type="checkbox"/> Human Resources	<input type="checkbox"/> Financial/ Accounting	<input type="checkbox"/> Marketing/Sales
<input type="checkbox"/> Information Technology	<input type="checkbox"/> Logistics	<input type="checkbox"/> Other _____

Name of Training Course or Seminar:

Location:

Total Cost (including accommodations, travel expenses, per diem, etc):

Funding Source To Be Charged:

Date of Attendance:

Summary of Purpose:

Program Benefits to Agency:

APPENDIX C

For Agency Supervisor use only

How will you implement this training within your agency?

What tools will you use to measure the effectiveness of the above travel/training/seminar within your agency?

(If not applicable, please provide reason.)

Requested by: _____

Date _____

Approved by Supervisor: _____

Date

Authorized Signature for Funding Source:

Signature _____ Title _____

Date _____

Approved by DCAO:

Date

Approved by CAO:

Date



Jack B. Johnson
County Executive

THE PRINCE GEORGE'S COUNTY GOVERNMENT OFFICE OF THE COUNTY EXECUTIVE

APPENDIX C



MEMORANDUM

TO: All Department and Agency Heads

FROM: Dr. Jacqueline F. Brown
Chief Administrative Officer *QJB*

DATE: November 21, 2006

RE: Administrative Procedure 640 – Travel Regulations and Procedures

We are currently reviewing the county's travel regulations and procedures. As part of this review, the applicable Administrative Procedure 640 will be revised and updated. As an immediate matter, **all agencies are to appoint a Travel Coordinator**. The Travel Coordinator's duties are as follows:

- Maintain all file documentation pertaining to travel, including copies of all conference registrations
- Act as the point person for the agency on all travel
- Ensure that all travel regulations and requirements are adhered to
- Ensure that all appropriate sign-offs and approvals are received well in advance of the travel date for all travel
- Monitor travel documentation on an ongoing basis to ensure completeness of records and files
- Notify the Chief Administrative Officer and the Director of Finance when approved travel is cancelled

The name of your assigned Travel Coordinator must be forwarded to the Director of Finance by December 1. Thank you for your attention to this matter.

cc: Iris B. Boswell, Esquire, DCAO for Budget, Finance and Administration
Howard A. Burnett, DCAO for Health and Human Services
David J. Byrd, DCAO for Governmental Operations/Environmental Services and Economic Development
Vernon R. Herron, DCAO for Public Safety/Director of Homeland Security
Pamela H. Piper, DCAO for Government Internal Support Services
Michael D. Herman, Esquire, Chief of Staff
Ralph E. Moultrie, Special Assistant to the County Executive

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
(301) 952-4131 ■ TDD (301) 985-3894

MEMORANDUM

To: All Department/Agency Heads

From: Dr. Jacqueline F. Brown [original signed]
Chief Administrative Officer

Date: November 2, 2006

Re: New Requirement for Submitting Travel, Training, and Seminar Request Forms

Effective November 6, 2006, all travel and training requests will require approval from the Office of Management and Budget (OMB) prior to receiving approval by the appropriate Deputy Chief Administrative Officer or Chief of Staff, and final approval by the Chief Administrative Officer. Travel and training requests will be returned to the submitting agency if OMB has not verified that fiscal resources are budgeted to support requests. To alleviate any delays, please ensure that the revised Travel, Training and Seminar Request form and the Finance Travel Request form (P.G.C. Form #109) are completed and submitted in a timely manner.

In order to avoid unnecessary spending, it is recommended that employees first review the Office of Human Resources Management's Training and Career Development Catalog of Courses and Seminars to determine if requested training is available through the County. The catalog and the forms are available via OHRM's intranet page, under Performance Management - Career Development - Forms.

Thank you for your continued cooperation.

cc: The Honorable Jack B. Johnson, County Executive
Michael D. Herman, Chief of Staff
Iris B. Boswell, DCAO for Budget and Finance
Howard A. Burnett, DCAO for Health and Human Services
David J. Byrd, DCAO for Governmental Operations/Environmental Services
Vernon R. Herron, DCAO for Public Safety and Director for Homeland Security
Pamela H. Piper, DCAO for Government Internal Support Services and Director,
Office of Central Services
Donald Bridgeman, Director, Human Resources Management
Jonathan R. Seeman, Acting Director, Office of Management and Budget



APPENDIX C**PRINCE GEORGE'S COUNTY GOVERNMENT****Travel, Training, and Seminar Request Form**

Agency Name:

Employee Name:

Title:

Supervisor:

What is employee's primary responsibility?

<input type="checkbox"/> General Management	<input type="checkbox"/> Operations/ Production	<input type="checkbox"/> Administration
<input type="checkbox"/> Human Resources	<input type="checkbox"/> Financial/ Accounting	<input type="checkbox"/> Marketing/Sales
<input type="checkbox"/> Information Technology	<input type="checkbox"/> Logistics	<input type="checkbox"/> Other _____

Name of Training Course or Seminar:

Location:

Total Cost (including accommodations, travel expenses, per diem, etc):

Date of Attendance:

Summary of Purpose:

Program Benefits to Agency:

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For Agency Supervisor use only

How will you implement this training within your agency?

What tools will you use to measure the effectiveness of the above travel/training/seminar within your agency?

(If not applicable, please provide reason.)

Requested by: _____ Date _____

Approved by Supervisor: _____ Date _____

Approved by OMB: _____ Date _____

Approved by DCAO: _____ Date _____

Approved by CAO: _____ Date _____

APPENDIX D



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE



Jack B. Johnson
County Executive

M E M O R A N D U M

December 5, 2006

TO: David H. Van Dyke
County Auditor

FROM: Tommie Thompson, Director *Tommie*
Department of Housing and Community Development

SUBJECT: Audit Report
Department of Housing and Community Development: Travel Expenses
September 27, 2006

Overview

Thank you for providing an opportunity to respond to the aforementioned draft audit report.

As you mention in your report the DHCD Family consists of three separate agencies, The Department of Housing and Community Development, the Redevelopment Authority of Prince George's County and the Housing Authority of Prince George's County. The Department of Housing and Community Development is a Cabinet Agency and operates under the direction of the County Executive. Both the Redevelopment Authority and the Housing Authority are Quasi-Authorities and operate under the direction of a separate Board of Directors. Collectively, the DHCD family is responsible for more than \$125,000,000 in programs annually.

This response addresses the concerns outlined in the draft report.

Audit Section Titled: Weakness of Control Environment

This section of your report is not complete.

Internal controls are important. It should be noted that both the Housing Authority and the Redevelopment Authority have received four consecutive clean opinions on its financial statements with no material weakness in the past four years.

The report should state that there is no evidence of waste, fraud or abuse related to any of the findings outlined in your report. The report should state that the documentation for travel including the approval, reimbursement and cancellation should be improved.

To improve the accountability for travel the Deputy Director of DHCD has been named

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Department of Housing and Community Development: Travel Expenses
September 27, 2006
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the Travel Coordinator for DHCD. The responsibilities of the Travel Coordinator are outlined in the response to recommendation to number 5.

Audit Section Titled: Excessive Cancellations Resulted in Lost Funds

This section of the report is not complete.

There were two trips cancelled. These trips are discussed as number #6 and item #8 listed in Appendix A. These trips were cancelled for urgent business reasons that have been disclosed and are summarized below.

The trips were cancelled to make sure that Prince George's County would be eligible to receive more than \$76,000,000 in grant funding from the U.S. Department of Housing and Community Development between 2006-2010. Specifically, the cancellations were necessary to present and to gain approval of the Annual Action Plan and the Consolidated Plan to the THE Committee and the County Council.

Please see the detailed responses for items #1 though #10.

1. Conference attended by Director & Deputy Director.
2. Conference attended by Director, no reimbursement requested.
3. Conference attended.
4. Conference attended.
5. Conference attended.
6. Conference not attended. See statement above.
7. Conference attended.
8. Conference not attended. See statement above.
9. Conference not attended.
10. Conference attended by Deputy Director. Reimbursement for duplicate registration received July 20, 2006.

Audit Section Titled: Anomalies In Supporting Documentation

This section is factually accurate. The supporting documentation for the travel can be improved. The corrective action has been implemented (see the response to recommendation #5). The response to each bulleted item is listed below.

- ✓ DHCD Director is able to attend most conferences without registering because of participation in the conference or sponsorship.
- ✓ Travel reimbursement is not always requested.
- ✓ Not factually accurate.
- ✓ Factually accurate. DHCD is now in compliance.

Recommendation #5

Completed. Effective December 1, 2006



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Department of Housing and Community Development



JACK B. JOHNSON
County Executive

MEMORANDUM

Tommie Thompson
Director

December 1, 2006

TO: Prem Kapani, Deputy Director
Financial, Administration and Human Resources

Kenneth Stewart, Deputy Director
Redevelopment Authority

Charles Ritter, Comptroller
Finance & Administrative Services

FROM: Tommie Thompson, Executive Director
Housing Authority
Redevelopment Authority

RE: Administrative Procedure 640- Travel Regulations and Procedures

You are appointed as the Travel Coordinator for your respective division. By order of the County Executive Jack Johnson, all travel requests must be submitted to the Director's office and then to the Deputy Chief Administrative Officer, Dr. Brown. A memorandum on letterhead from the Director to the DCAO must accompany the travel request explaining the purpose of the requested travel. A completed registration form and any other related information (brochure/flyer) on the conference/seminar/training must accompany the memorandum and travel request. Travel request are to be submitted at least 30 days in advance to allow time for review and approval. Please ensure that the attached travel form is utilized for all requests. Your duties are as follows:

- Maintain all file documentation pertaining to travel, including copies of all conference registrations
- Act as the point person for the agency on all travel
- Ensure that all travel regulations and requirements are adhered to
- Ensure that all appropriate sign-offs and approvals are received well in advance of the travel date for all travel
- Monitor travel documentation on an ongoing basis to ensure completeness of records and files

9400 Peppercorn Place, Largo, Maryland 20774
TDD – (301) 883-5428 FOR HEARING IMPAIRED ONLY
FAX – (301) 883-5427 TELEPHONE TRANSMITTED ONLY

APPENDIX D

- **Notify the Director of the Department, Chief Administrative Officer and the Director of Finance when approved travel is cancelled**

Attachment

cc: **Dr. Brown**
Anthony Benjamin
Bert Lawrence
Jim Lyons
Steve Paul