

May 2005

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

Re: Departure of Esther H. Francis, Director,
Department of Public Works and Transportation

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 Public Works and Transportation. This audit was initiated due to the departure of Esther H. Francis, from the position of Director of the Department of Public Works and Transportation, effective April 9, 2004. Although Ms. Francis' resignation was accepted April 9, 2004, she remained on the payroll through August 6, 2004 (discussed later in this report).

Our examination included tests of the accounting records and other auditing procedures, as we considered necessary under the circumstances. Consideration was given the fact that the records of the Department of Public Works and Transportation were included in the scope of the County's annual financial audit being conducted by KPMG, LLP, independent auditors, for the year ended June 30, 2004, and no discrepancies or irregularities have been disclosed. Therefore, we primarily directed our examination to include a review of Ms. Francis' travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2003 through August 6, 2004.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Office of the Director of the Department of Public Works and Transportation for the period July 1, 2003 through June 30, 2004 is presented in Schedule 1 of this report. A statement of expenditures, encumbrances and commitments compared with appropriations for the Office of the Director of the Department of Public Works and Transportation for the period July 1, 2004 through August 6, 2004 is presented on Schedule 2 of this report. At June 30, 2004, and at August 6, 2004, total expenditures and encumbrances did not exceed total appropriations for the Office of the Director.

During our review and verification of the agency expenditures for the Office of the Director, we determined that procurement card purchases were not being charged to the appropriate expense accounts. Procurement card purchases for travel, office supplies, employee training, telephone costs, and other expenses were being lumped into a single miscellaneous expense account. In order to properly account for and track agency expenditures, the various types of procurement card purchases must be allocated to the proper expense accounts.

We therefore recommend:

- 1. The Chief Administrative Officer require all agencies using County procurement cards to properly allocate procurement card expenditures to the appropriate expense accounts in accordance with Generally Accepted Accounting Principles.**

Travel Advances and Expense Reimbursements

We reviewed the travel advances log maintained by the Office of Finance, Accounting Division, for the period July 1, 2002 through August 6, 2004, and determined that Ms. Francis did not have any unsettled travel advances at the time of her departure from the County. We also reviewed

expense reimbursements paid to Ms. Francis covering the period July 1, 2002 through August 6, 2004 and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified final pay computations for Ms. Francis 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.

During our review of Ms. Francis' final pay and leave payouts we determined that on April 9, 2004, the County Executive accepted Ms. Francis' undated letter of resignation from the position of Director of the Department of Public Works and Transportation and immediately placed her on administrative leave through June 25, 2004. Ms. Francis was subsequently paid for 430 hours of administrative leave through June 25, 2004. According to Personnel Law Sec. 16-222, there is no provision for the granting of significant amounts of administrative leave under these circumstances. Additionally, the Office of Finance's Payroll Section was unable to produce any supporting documentation that would have allowed the processing of a paycheck with the use of administrative leave in this instance.

We therefore recommend:

2. **The County Attorney review the usage of administrative leave for the situation described above and make a determination as to whether the usage was allowable in accordance with Personnel Law. If it is determined that the usage was unallowable, the County should take appropriate action.**
3. **The Office of Finance's Payroll Section require written documentation be submitted with the employee's timesheet that justifies the usage of administrative leave, in accordance with Personnel law Sec. 16-222, when administrative leave is utilized.**

In addition to the usage of administrative leave, Ms. Francis used a total of 224 hours of sick leave from the pay period beginning June 27, 2004 through August 6, 2004, before ending County service. We reviewed the Payroll Section's employee records and had discussions with personnel at the

Department of Public Works and Transportation, but could not find any written supporting documentation approving extended sick leave usage.

The written procedures governing employee's sick leave usage (Personnel Law Section 16-221 and Administrative Procedure 284, Revised 1994 – Administration of Employee Leave) do not prohibit the practice of allowing excessive sick leave usage. It is our opinion, however, that excessive sick leave usage should be approved through written documentation.

We therefore recommend:

- 4. The Chief Administrative Officer request written procedures be established that require the written approval for the use of excessive sick leave in the absence of any medical verification of illness.**

Fixed Assets

The Fixed Assets Procedures Manual prepared by the Office of Finance requires that the Fixed Assets Section of the Department of Public Works and Transportation' Contract Administration and Procurement 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 Contract Administration and Procurement Division to determine if assets issued to Ms. Francis were returned to the County. Based on our review, all assets were properly accounted for and returned to the County.

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 Public Works and

Transportation) 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, Ms. Francis was required to file a financial disclosure within sixty (60) days of leaving office. As of May 20, 2005, Ms. Francis has not filed a financial disclosure statement with the Prince George’s County Board of Ethics, for the period January 1, 2004 through August 6, 2004 as required.

We therefore recommend:

- 5. 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

Mackenzie Lewis
Auditor-In-Charge

PRINCE GEORGE'S COUNTY, MARYLAND
DEPARTMENT OF PUBLIC WORKS AND TRANSPORTATION
OFFICE OF THE DIRECTOR
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2003 THROUGH JUNE 30, 2004

<u>Appropriations</u>	<u>Compensation</u>	<u>Other Current Operating Expenses</u>	<u>Recoveries</u>	<u>Fringe Benefits</u>	<u>Capital Outlay</u>	<u>Total</u>
Current Year	\$ 885,100	\$ 339,300	\$ (250,000)	\$ 376,400	\$ -	\$ 1,350,800
Prior Year Encumbrances						
Outstanding	-	12,340	-	-	74,758	87,098
Total Appropriations	\$ 885,100	\$ 351,640	\$ (250,000)	\$ 376,400	\$ 74,758	\$ 1,437,898
<u>Expenditures and Encumbrances</u>						
Current Year:						
Salaries:						
Officials & Admin.-General	\$ 525,918	\$ -	\$ -	\$ -	\$ -	\$ 525,918
Professional	334,146	-	-	-	-	\$ 334,146
Office & Clerical	35,474	-	-	-	-	35,474
Fringe Benefits	-	-	-	201,210	-	201,210
Telephone	-	4,916	-	-	-	4,916
Printing & Reproduction	-	2,394	-	-	-	2,394
Office Automation	-	172,200	-	-	-	172,200
Training	-	8,505	-	-	-	8,505
Membership	-	100	-	-	-	100
Local Trnsp/Mileage/Moving	-	25	-	-	-	25
Genl & Admin Contract Services	-	92,598	-	-	-	92,598
Office & Operating Supplies	-	306	-	-	-	306
Miscellaneous	-	49,532	-	-	-	49,532
Sub-total	\$ 895,538	\$ 330,576	\$ -	\$ 201,210	\$ -	\$ 1,427,324
Prior Year:						
Operating Expenses	\$ -	\$ 12,050	\$ -	\$ -	74,758	\$ 86,808
Sub-total	\$ -	\$ 12,050	\$ -	\$ -	74,758	\$ 86,808
Less Recoveries:						
Operating Expenses	\$ -	\$ -	\$ (79,713)	\$ -	-	\$ (79,713)
Sub-total	\$ -	\$ -	\$ (79,713)	\$ -	-	\$ (79,713)
Total Expenditures and Encumbrances	\$ 895,538	\$ 342,615	\$ (79,713)	\$ 201,210	74,758	\$ 1,434,408
Unencumbered Balance At June 30 2003						
	\$ (10,438)	\$ 9,026	\$ (170,287)	\$ 175,190	\$ -	\$ 3,491

DEPARTMENT OF PUBLIC WORKS AND TRANSPORTATION
OFFICE OF THE DIRECTOR
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
July 1, 2004 THROUGH August 31, 2004

<u>Appropriations</u>	Compensation	Fringe Benefits	Other Current Operating Expenses	Recoveries	Total
Current Year	\$ 964,400	\$ 262,400	\$ 339,300	(\$231,200)	\$1,334,900
Prior Year Encumbrances Outstanding	-	-	7,984	-	7,984
Total Appropriations	\$ 964,400	\$ 262,400	\$ 347,284	(\$231,200)	\$1,342,884
 <u>Expenditures and Encumbrances</u>					
Current Year:					
Salaries-					
Officials & Administrative	\$ 70,179	\$ -	\$ -	\$ -	\$ 70,179
Professional	31,292	-	-	-	31,292
Para-Professionals	15,163	-	-	-	15,163
Office & Clerical	4,836	-	-	-	4,836
Other Compensation	254	-	-	-	254
Telephone	-	-	(176)	-	(176)
Training	-	-	(16)	-	(16)
General & Administrative Contract Services	-	-	100,000	-	100,000
Office & Operating Supplies	-	-	2,974	-	2,974
Miscellaneous	-	-	320	-	320
Fringe Benefits	-	29,360	-	-	29,360
Sub-total	\$ 121,724	\$ 29,360	\$ 103,102	\$ -	\$ 254,186
Prior Year:					
Operating Expenses	-	-	7,984	-	7,984
Sub-total	\$ -	\$ -	\$ 7,984	\$ -	\$ 7,984
Total Expenditures and Encumbrances	\$ 121,724	\$ 29,360	\$ 111,086	\$ -	\$ 262,170
Unencumbered Balance At August 31, 2004	\$ 842,676	\$ 233,040	\$ 236,198	(\$231,200)	\$1,080,714