

January 2003

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

Re: Departure of Keith A. Hampden, Director,
Department of Family Services

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 Director of the Department of Family Services. This audit was initiated due to the resignation of Keith A. Hampden, from the position of Director of the Department of Family Services, effective August 30, 2002.

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 Family Services 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, 2002, and no discrepancies or irregularities have been disclosed. Therefore, we primarily directed our examination to include a review of Mr. Hampden's travel advances, expense reimbursements, leave records, and selected expense accounts for the period September 7, 1999 through August 31, 2002.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Department of Family Services, Office of the Director, for the period July 1, 2002 through

August 31, 2002, is presented in Schedule 1 of this report. At August 31, 2002, total expenditures and encumbrances did not exceed total appropriations for the Office of the Director.

Travel Advances and Expense Reimbursements

We reviewed the travel advances log maintained by the Office of Finance, Accounting Division, for the period September 7, 1999 through August 31, 2002, and determined that Mr. Hampden did not receive any unsettled travel advances at the time of his departure from the County. We also reviewed expense reimbursements paid to Mr. Hampden covering the period July 1, 2001 through August 31, 2002 and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified final pay computations for Mr. Hampden 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 Personnel. During our review of Mr. Hampden's annual and sick leave payout, we observed that Mr. Hampden's letter of resignation dated July 1, 2002 had an effective date of resignation for August 30, 2002. Mr. Hampden had requested approval for use of leave, in order to take care of personal matters, during the period July 1, 2002 through August 30, 2002.

Our review of Mr. Hampden's leave records revealed that between the pay period ending July 13, 2002 and September 7, 2002, a total of 352 hours of sick leave was used before resigning on August 30, 2002. Although the resignation letter did contain a request for the use of leave, the request was not specific as to the use of sick leave. We did learn that there was approval related to the use of leave for this time period; however, we found no written documentation specifically approving sick leave usage.

We reviewed the written procedures governing employee's sick leave usage (Personnel Law, Section 16-221 and Administrative Procedure 284, Revised 1994 – Administration of Employee Leave)

and found no procedures to prohibit this practice of allowing excessive sick leave usage. It is our opinion that excessive sick leave usage should be approved through written documentation.

We therefore recommend:

- 1. The Chief Administrative Officer request written procedures be established that require 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 Office of Central Services' 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. We also contacted personnel within the Department of Family Services to determine if any assets issued to Mr. Hampden were returned to the County. Based on our review, all assets were 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 Family Services) 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. Hampden filed the proper financial disclosure statement with the Prince George’s County Board of Ethics for the period January 1, 2001 through December 31, 2001 on March 25, 2002. Mr. Hampden was also required to file a financial disclosure statement for the period January 1, 2002 through August 30, 2002, on or before October 29, 2002. As of December 12, 2002, Mr. Hampden’s final financial disclosure statement had not been filed with the Prince George’s County Board of Ethics.

We recommend:

- 2. The Prince George’s County Board of Ethics take appropriate action to obtain the required financial disclosure statement from Mr. Hampden for the period January 1, 2002 through August 30, 2002 to ensure compliance with Prince George’s County Code requirements.**

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

Mackenzie Lewis
Auditor-In-Charge

DEPARTMENT OF FAMILY SERVICES
OFFICE OF THE DIRECTOR
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2002 THROUGH AUGUST 31, 2002

<u>Appropriations</u>	Other Current				<u>Total</u>
	<u>Compensation</u>	<u>Operating Expenses</u>	<u>Fringe Benefits</u>		
Current Year	\$ 163,800	\$ 373,400	\$ 31,800	\$ 569,000	
Prior Year Encumbrances					
Outstanding	-	34,618	-	34,618	
Total Appropriations	\$ 163,800	\$ 408,018	\$ 31,800	\$ 603,618	

Expenditures and Encumbrances

Current Year:						
Salaries - Professional	\$ 34,608	\$ -	\$ -	\$ -	\$ 34,608	
Other Compensation	10,852	-	-	-	10,852	
Fringe Benefits	-	-	8,578	8,578	8,578	
Regular Services	-	269	-	-	269	
Postage	-	12	-	-	12	
Professional Services - Audit	-	5,816	-	-	5,816	
Other Operating Contract Services	-	45,756	-	-	45,756	
Vehicle/Heavy Equip. Rep./Maint.	-	250	-	-	250	
Miscellaneous	-	7,495	-	-	7,495	
Sub-total	\$ 45,460	\$ 59,598	\$ 8,578	\$ 113,636		
Prior Year:						
Operating Expenses	\$ -	\$ 34,618	\$ -	\$ 34,618		
Sub-total	\$ -	\$ 34,618	\$ -	\$ 34,618		
Total Expenditures and Encumbrances	\$ 45,460	\$ 94,216	\$ 8,578	\$ 148,254		
Unencumbered Balance						
August 31, 2002	\$ 118,340	\$ 313,802	\$ 23,222	\$ 455,364		