

December 2004

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

Re: Departure of Dr. William A. Welch, Sr., Executive Director,
Human Relations Commission.

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 Executive Director. This audit was initiated due to the retirement of Dr. William A. Welch, Sr. from the position of Executive Director, effective June 30, 2004.

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 are included in the scope of the County's annual financial audit currently 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 Dr. Welch's travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2003 through June 30, 2004.

The County Council and County Executive
December 2004
Page -2-

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Human Relations Commission, for the period July 1, 2003 through June 30, 2004 is presented in Schedule 1 of this report. At June 30, 2004, total expenditures and encumbrances did not exceed total appropriations for the Human Relations Commission.

Travel Advances and Expense Reimbursements

We reviewed the travel advances log maintained by the Office of Finance, Accounting Division, for the period July 1, 2003 through June 30, 2004, and determined that Dr. Welch did not have any unsettled travel advances at the time of his departure from the County. We also reviewed expense reimbursements paid to Dr. Welch for the period July 1, 2003 through June 30, 2004 and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified final pay computations for Dr. Welch 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. We determined that the annual and sick leave payouts were computed correctly and found no discrepancies or irregularities.

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 departure of any agency head, take inventory of only those fixed

The County Council and County Executive
December 2004
Page -3-

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 Contract Administration and Procurement Division and determined that there were no fixed assets assigned to Dr. Welch. Additionally, all other County property, such as mobile phones, pagers, etc., were properly returned.

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 Executive Director) 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.”

Dr. Welch filed the proper financial disclosure statement with the Prince George's County Board of Ethics for the period January 1, 2004 through June 30, 2004 on July 28, 2004.

David H. Van Dyke, CPA
County Auditor.

Emmanuel C. Nwachukwu
Auditor-In-Charge

Schedule 1

HUMAN RELATIONS COMMISSION
STATEMENT OF EXPENDITURES, ENCUMBRANCES AND COMMITMENTS
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2003 THROUGH JUNE 30, 2004

<u>Appropriations</u>	<u>Compensation</u>	<u>Fringe Benefits</u>	<u>Other Operating Expenses</u>	<u>Expenditure Recoveries</u>	<u>Total</u>
Current Year	\$510,900	\$128,600	\$132,200	\$(110,200)	\$661,500
Prior Year	-	-	133	-	133
Total Appropriations	\$510,900	\$128,600	\$132,333	\$(110,200)	\$661,633
 <u>Expenditures and Encumbrances</u>					
Current Year					
Salaries					
Officials & Admin.	205,623	-	-	-	205,623
Professionals	200,183	-	-	-	200,183
Other	7,276				7,276
Telephone	-	-	17,419	-	17,419
Printing & Reproduction	-	-	569	-	569
Books/Periodicals	-	-	319	-	319
Office Automation	-	-	119,498	-	119,498
Training	-	-	1,207	-	1,207
Membership Costs	-	-	855	-	855
Local Transp./Mile./Moving.	-	-	1,233	-	1,233
Other G & A Contract Service	-	-	(8,795)	-	(8,795)
Office & Operating Supplies	-	-	1,490	-	1,490
Miscellaneous	-	-	244	-	244
Expenditure Recoveries	-	-	-	(15,000)	(15,000)
Fringe Benefits	-	127,995	-	-	127,995
Current Expenditures & Encumbrances	\$413,082	\$127,995	\$134,039	\$(15,000)	\$660,116
 Total Expenditures & Encumbrances	\$413,082	\$127,995	\$134,039	\$(15,000)	\$660,116
Unencumbered Balance					
June 30, 2004	\$ 97,818	\$ 605	\$ (1,706)	\$(95,200)	\$ 1,517