

February 2004

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

Re: Departure of Arthur G. Thacher, Health Officer
for Prince George's County

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 Health Department. This audit was initiated due to the departure of Arthur G. Thacher, as the Health Officer for Prince George's County, effective January 7, 2003.

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 Health Department were included in the scope of the County's annual financial audit, conducted by KPMG, LLP, independent auditors, for the year ended June 30, 2002, and no discrepancies or irregularities were disclosed. Therefore, we primarily directed our examination to include a review of Mr. Thacher's travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2002 through January 31, 2003.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Health Department, Division of Administration, for the period July 1, 2002

through January 31, 2003 is presented in Schedule 1 of this report. At January 31, 2003, total expenditures and encumbrances did not exceed total appropriations for the Health Department, Division of Administration.

Travel Advances and Expense Reimbursements

We reviewed the travel advance records maintained by the Office of Finance, Accounting Division, for the period April 15, 1998 through January 31, 2003, and determined that Mr. Thacher did not have any unsettled travel advances at the time of his departure from the County. We also reviewed expense reimbursements paid to Mr. Thacher for the period July 1, 2002 through January 31, 2003 and found no discrepancies or irregularities.

Leave Records and Final Pay

According to the Payroll Section of the Office of Finance and the Office of Personnel and Labor Relations, Mr. Thatcher's employment status with Prince George's County was considered contract employee. Therefore, he was ineligible to earn sick or annual leave, and there was no leave payout. We determined that Mr. Thacher's final pay was 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 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 Health Officer, who is to take action to recover the costs of the assets. We contacted personnel within the Contract Administration and

Procurement Division and personnel within the Health Department to determine if any assets issued to Mr. Thacher were returned to the County. Based on our review, all assets were properly accounted for and returned.

Financial Disclosure Requirement

According to a letter from the State Ethics Commission dated July 20, 1990, the Health Officer for Prince George's County is subject to the State Ethics Law (HB 215 passed by the Maryland General Assembly in their 1990 Session) and not the County law. Therefore, the County Health Officer is required to file a financial disclosure statement with the State, but not the County. This letter was also acknowledged by the County's Office of Law in a memorandum dated September 26, 1990 advising the Health Department of the impact of the new State law and the fact that in keeping with the new State law, Section 2-294(b)(2) of the County code no longer applies.

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

Mackenzie Lewis
Auditor-In-Charge

HEALTH DEPARTMENT ADMINISTRATION DIVISION
STATEMENT OF EXPENDITURES, ENCUMBRANCES AND COMMITMENTS
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2002 THROUGH JANUARY 31, 2003

<u>Appropriations</u>	<u>Compensation</u>	<u>Fringe Benefits</u>	<u>Other Operating Expenses</u>	<u>Recoveries</u>	<u>Total</u>
Current Year	\$ 2,487,500	\$ 522,900	\$ 1,791,000	\$ (1,238,400)	\$ 3,563,000
Prior Year Encumbrances Outstanding	-	-	221,723	-	221,723
Total Appropriations	\$ 2,487,500	\$ 522,900	\$ 2,012,723	\$ (1,238,400)	\$ 3,784,723

<u>Expenditures and Encumbrances</u>					
Current Year:					
Salaries:					
Professional	\$ 750,707	\$ -	\$ -	\$ -	\$ 750,707
Para-Professional	261,666	-	-	-	261,666
Clerical	307,121	-	-	-	307,121
Other Compensation	1,852	-	-	-	1,852
Fringe Benefits	-	321,355	-	-	321,355
Building Repair&Maintenance	-	-	297,427	-	297,427
Operational Contract Services	-	-	255,092	-	255,092
Office Space&Building Rent/Lease	-	-	156,289	-	156,289
Telephone	-	-	151,177	-	151,177
Utilities	-	-	116,091	-	116,091
Office&Operating Supplies	-	-	29,940	-	29,940
General&Administrative Contract Services	-	-	22,128	-	22,128
Training Cost	-	-	21,796	-	21,796
Vehicle&Heavy Equipment Repairs&Maint	-	-	20,920	-	20,920
Miscellaneous	-	-	15,362	-	15,362
Office Equipment-Non Capital	-	-	14,494	-	14,494
Equipment Rental/Lease	-	-	10,315	-	10,315
Office&Operations Equipment Rep&Maint	-	-	8,680	-	8,680
Postage	-	-	8,415	-	8,415
Local Transportation	-	-	3,674	-	3,674
Printing and Reproduction	-	-	3,443	-	3,443
Gasoline&Oil	-	-	3,406	-	3,406
Books, Periodicals,&Reference Matertial	-	-	1,334	-	1,334
Insurance Premiums	-	-	630	-	630
Memberships	-	-	225	-	225
Sub-Total	\$ 1,321,346	\$ 321,355	\$ 1,140,838	\$ -	\$ 2,783,539
Expenditure Recoveries:					
Capital Outlay - Equipment	\$ -	\$ -	\$ -	\$ 2,232	\$ 2,232
Sub-Total	\$ -	\$ -	\$ -	\$ 2,232	\$ 2,232
Prior Year:					
Operating Expenses	-	-	208,837	-	208,837
Sub-Total	\$ -	\$ -	\$ 208,837	\$ -	\$ 208,837
Total Expenditures & Encumbrances	\$ 1,321,346	\$ 321,355	\$ 1,349,675	\$ 2,232	\$ 2,994,608
Unencumbered Balance, January 31, 2003	\$ 1,166,154	\$ 201,545	\$ 663,048	\$ (1,240,632)	\$ 790,115