

October 2003

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

Re: Departure of Jalal Greene, Director,
Department of Housing and Community Development

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 Director of the Department of Housing and Community Development. This audit was initiated due to the resignation of Jalal Greene from the position of Director, effective May 30, 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 Department of Housing and Community Development 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 have been disclosed. Therefore, we primarily directed our examination to include a review of Mr. Greene's travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2002 through May 30, 2003.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Department of Housing and Community Development, for the period July 1, 2002 through May 31, 2003 is presented in Schedule 1 of this report. As of May 31, 2003, total expenditures and encumbrances did not exceed total appropriations for the Department of Housing and Community Development.

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 May 30, 2003, and determined that Mr. Greene had an unsettled travel advance in the amount of \$158.50 at the time of his departure from the County. We therefore recommend:

- 1. The Office of Finance take the necessary steps to ensure that Mr. Green's travel advance of \$158.50 is reconciled and settled.**

We also reviewed expense reimbursements paid to Mr. Greene covering the period July 1, 2002 through May 30, 2003 and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified final pay computations for Mr. Greene 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 and Labor Relations. We determined that the annual

and sick leave payouts were not computed correctly. Mr. Greene continued to accrue annual leave beyond his termination date of May 30, 2003. We concluded that Mr. Greene was erroneously paid an additional 13 hours of annual leave upon his departure. We therefore recommend:

- 2. The Office of Finance take the necessary action to recover the excess leave payout amount.**

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 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 to determine if any assets issued to Mr. Greene were returned to the County. Based on our review, all assets were properly accounted for and 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 Director of the Department of Housing and Community Development) to file financial disclosure statements. Council Bill 125-1984, effective February 4, 1985, modified Section 2-294(c)(1) of the County Code, by

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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 of employment.”

As of September 30, 2003, Mr. Greene had not filed the proper financial disclosure statements with the Prince George’s County Board of Ethics for the period January 1, 2002 through December 31, 2002 nor the final financial disclosure statement for the period January 1, 2003 through May 30, 2003. We therefore recommend:

- 3. The Board of Ethics take the necessary steps to ensure that Mr. Greene’s required financial disclosure statements are filed.**

David H. Van Dyke, CPA
County Auditor

Natalie M. Beckwith
Auditor-In-Charge

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
OFFICE OF THE DIRECTOR
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2002 THROUGH MAY 31, 2003

| <u>Appropriations</u> | <u>Compensation</u> | <u>Fringe Benefits</u> | <u>Other Current Operating Expenses</u> | <u>Total</u> |
|--|---------------------|------------------------|---|---------------------|
| | | | | |
| Current Year | \$ 758,400 | \$ 155,400 | \$ 367,900 | \$ 1,281,700 |
| Total Appropriations | \$ 758,400 | \$ 155,400 | \$ 367,900 | \$ 1,281,700 |
| Expenditures and Encumbrances | | | | |
| Current Year: | | | | |
| Salaries: | | | | |
| Professional | \$ 607,544 | \$ - | \$ - | \$ 607,544 |
| Para-Professional | \$ 51,643 | | | \$ 51,643 |
| Clerical | 39,738 | - | - | \$ 39,738 |
| Other Compensation | 196 | - | - | \$ 196 |
| Fringe Benefits | - | 146,631 | - | \$ 146,631 |
| Telephone | - | - | 550 | \$ 550 |
| Office & Operating Supplies | - | - | 6 | \$ 6 |
| General & Administrative Contracts | - | - | 311,479 | \$ 311,479 |
| Memberships | - | - | 11,300 | \$ 11,300 |
| Local Transportation | - | - | 180 | \$ 180 |
| Office Automation | - | - | 22,900 | \$ 22,900 |
| Total Expenditures and Encumbrances | \$ 699,121 | \$ 146,631 | \$ 346,415 | \$ 1,192,167 |
| Unencumbered Balance | | | | |
| May 31, 2003 | \$ 59,279 | \$ 8,769 | \$ 21,485 | \$ 89,533 |