

August 2004

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

Re: Departure of Sandra F. Peaches, Director,
Office of Community Relations

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 Community Relations. This audit was initiated due to the departure of Sandra F. Peaches, from the position of Director of the Office of Community Relations, effective March 22, 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 Office of Community Relations 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 Ms. Peaches' travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2002 through March 31, 2003.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Office of Community Relations, for the period July 1, 2002 through March 31, 2003, is

presented in Schedule 1 of this report. At March 31, 2003, total expenditures and encumbrances did not exceed total appropriations for the agency.

Travel Advances and Expense Reimbursements

We reviewed the travel advance records maintained by the Office of Finance, Accounting Division, for the period July 1, 2001 through March 31, 2003, and determined that Ms. Peaches did not have any unsettled travel advances at the time of her departure from the County. We also reviewed expense reimbursements paid to Ms. Peaches for the period July 1, 2001 through March 31, 2003 and found no discrepancies or irregularities.

Leave Records and Final Pay

Ms. Peaches accepted a merit position with another County agency without a break in County service, therefore there was no leave payout. We verified the final pay computations for Ms. Peaches as Director of Community Relations from the records maintained by the Payroll Section of the Office of Finance and verified the salary and hourly rate of pay maintained by the Office of Human Resources Management 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 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 personnel within the Office of Community Relations to determine if

any assets issued to Ms. Peaches 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 Office of Community Relations) 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 of employment.”

According to the County Code, Ms. Peaches was required to file a financial disclosure within sixty (60) days of leaving office. Ms. Peaches did, however, file a financial disclosure statement with the Prince George's County Board of Ethics for the period January 1, 2003 through December 31, 2003 on April 28, 2004.

We therefore recommend:

- 1. 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

OFFICE OF COMMUNITY RELATIONS
ADMINISTRATION
STATEMENT OF EXPENDITURES, ENCUMBRANCES AND COMMITMENTS
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2002 THROUGH MARCH 31, 2003

	Compensation	Other Current Operating Expenses	Fringe Benefits	Total
<u>Appropriations</u>				
Current Year	\$ 504,500	\$ 706,000	\$ 103,300	\$ 1,313,800
Prior Year Encumbrances				
Outstanding	-	31,310	-	31,310
Total Appropriations	\$ 504,500	\$ 737,310	\$ 103,300	\$ 1,345,110
<u>Expenditures and Encumbrances</u>				
Current Year:				
Salaries - Officials & Admin.	\$ 126,509	\$ -	\$ -	\$ 126,509
- Professional	\$ 197,915	\$ -	\$ -	\$ 197,915
Other Compensation	22,737	-	-	22,737
Fringe Benefits	-	-	82,207	82,207
Telephone	-	6,179	-	6,179
Utilities	-	7	-	7
Books, Newspapers, Period., Etc.	-	222	-	222
Advertising	-	343	-	343
Local Transportation & Mileage	-	69	-	69
Grants & Contributions	-	645,000	-	645,000
Office & Operating Supplies	-	1,444	-	1,444
Vehicle & Heavy Equip-Rep	-	1,669	-	1,669
Gas & Oil	-	62	-	62
Miscellaneous- Procure. Card	-	3,234	-	3,234
Sub-total	\$ 347,161	\$ 658,229	\$ 82,207	\$ 1,087,597
Prior Year:				
Operating Expenses	\$ -	\$ -	\$ -	\$ -
Sub-total	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Encumbrances	\$ 347,161	\$ 658,229	\$ 82,207	\$ 1,087,597
Unencumbered Balance March 31, 2003	\$ 157,339	\$ 79,081	\$ 21,093	\$ 257,513