

February 2004

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

Re: Departure of Stanley A. Earley, Director,
Office of Management and Budget

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 Management and Budget. This audit was initiated due to the resignation of Stanley A. Earley from the position of Director, effective February 7, 2003. However, upon his resignation as Director of the Office of Management and Budget, Mr. Earley accepted the position of Deputy Chief Administrative Officer for Budget, Finance and Administration. He continued in that position until his final resignation from County government effective September 26, 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 Management and Budget 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. Earley's travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2002 through February 28, 2003.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Office of Management and Budget for the period July 1, 2002 through February 28, 2003, is presented in Schedule 1 of this report. At February 28, 2003, total expenditures and encumbrances did not exceed total appropriations for the Office of Management and Budget.

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 February 28, 2003, and determined that Mr. Earley did not have any unsettled travel advances at the time of his departure from the position. We also reviewed expense reimbursements paid to Mr. Earley covering the period July 1, 2002 through February 28, 2003 and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified final pay computations for Mr. Earley 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 and found no discrepancies. We determined Mr. Earley's annual and sick leave payouts at the time of his resignation from the position of Deputy Chief Administrative Officer, effective September 26, 2003, 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 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 within the Office of Management and Budget to determine if any assets issued to Mr. Earley 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 Management and Budget) 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. Earley filed the proper financial disclosure statement with the Prince George's County Board of Ethics for the period January 1, 2003 through September 26, 2003, on October 24, 2003.

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

Michael J. Soresi
Auditor-In-Charge

Office of Management and Budget
Statement of Expenditures, Encumbrances and Commitments
Compared with Appropriations for the Period
July 1, 2002 Through February 28, 2003

<u>Appropriations</u>	Other Current			<u>Total</u>
	<u>Compensation</u>	<u>Operating Expenses</u>	<u>Fringe Benefits</u>	
Current Year	\$ 1,195,700	\$ 227,000	\$ 241,900	\$ 1,664,600
Prior Year	\$ -	\$ 3,835	\$ -	\$ 3,835
Total Appropriations	\$ 1,195,700	\$ 230,835	\$ 241,900	\$ 1,668,435

Expenditures and Encumbrances

Current Year:

Salaries-Professional	\$ 324,221	\$ -	\$ -	\$ 324,221
Other Compensation	520,042	-	-	520,042
Fringe Benefits	-	-	181,879	181,879
Telephone	-	3,184	-	3,184
Printing	-	7,131	-	7,131
Books/Periodicals	-	-	-	-
Training	-	2,264	-	2,264
Office Automation	-	-	-	-
Other Travel	-	558	-	558
Operational Contract Service	-	-	-	-
Office & Operating Supplies	-	492	-	492
Miscellaneous	-	9,259	-	9,259
Sub-Total	\$ 844,263	\$ 22,888	\$ 181,879	\$ 1,049,030

Prior Year:

Operating Expenses	\$ -	\$ 5,435	\$ -	\$ 5,435
Sub-Total	\$ -	\$ 5,435	\$ -	\$ 5,435

**Total Expenditures and
Encumbrances**

\$ 844,263	\$ 28,323	\$ 181,879	\$ 1,054,465
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Unencumbered Balance

February 28, 2003	\$ 351,437	\$ 202,512	\$ 60,021	\$ 613,970
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