

December 2001

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

Re: Departure of Robert R. Hagans, Jr., Director of Finance

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 Director of Finance. This audit was initiated due to the resignation of Robert R. Hagans, Jr., from the position of Director of Finance, effective July 20, 2001.

Our examination included tests of the accounting records and other auditing procedures as we considered necessary under the circumstances. Consideration was given the fact that the records of the Department of Finance 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, 2001, and no discrepancies or irregularities have been disclosed. Therefore, we primarily directed our examination to include a review of Mr. Hagans' travel advances, expense reimbursements, leave records, and selected expense accounts for the period July 1, 2000 through July 31, 2001.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Office of Finance, for the period July 1, 2000 through June 30, 2001 is presented in Schedule 1 of this report. At June 30, 2001, total expenditures and encumbrances did not exceed total appropriations for the Office of Finance.

The County Council and County Executive
December 2001
Page -2-

Travel Advances and Expense Reimbursements

We reviewed the travel advances log maintained by the Office of Finance, Accounting Division, for the period July 1, 2000 through July 31, 2001, and determined that Mr. Hagans did not receive any travel advances during this period nor had any unsettled travel advances at the time of his departure from the County. We also reviewed expense reimbursements paid to Mr. Hagans for the period July 1, 2000 through July 31, 2001 and found no discrepancies or irregularities.

Leave Records and Final Pay

We verified final pay computations for Mr. Hagans 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. We further 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 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 determined that there were no fixed assets assigned to Mr. Hagans.

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 Finance) 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.”

Mr. Hagans filed the proper financial disclosure statement with the Prince George’s County Board Of Ethics for the period January 1, 2000 through December 31, 2000 on May 1, 2001.

Mr. Hagans was also required to file a financial disclosure statement for the period January 1, 2001 through July 20, 2001, on or before September 20, 2001. As of October 29, 2001, Mr. Hagans’ final financial disclosure statement had not been filed with the Prince George’s County Board of Ethics Commission. We recommend:

- 1. The Prince George’s County Board of Ethics take appropriate action to obtain the required financial disclosure statement from Mr. Hagans for the period January 1, 2001 through July 20, 2001 to ensure compliance with Prince George’s County Code requirements.**

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

Hawi Dahniya-Norton, C.P.A
Auditor-In-Charge

OFFICE OF FINANCE
STATEMENT OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
APRIL 1, 2001 THROUGH JUNE 30, 2001

	Compensation	Fringe Benefits	Operating Expenses	Expenditure Recoveries	Other Current	Total
<u>Appropriations</u>						
Current Year	\$ 837,600	\$ 187,600	\$ 169,100	\$ (843,400)	\$ 350,900	
<u>Expenditures and Encumbrances</u>						
Current Year:						
Salaries:						
Officials and Administrative	\$ 468,650	\$ -	\$ -	\$ -	\$ 468,650	
Professionals	147,704	-	-	-	147,704	
Para Professionals	133,296	-	-	-	133,296	
Office and Clerical	49,218	-	-	-	49,218	
Service Maintenance	6,643	-	-	-	6,643	
Other Compensation	821	-	-	-	821	
Telephone	-	-	19,164	-	19,164	
Printing and Reproduction	-	-	5,036	-	5,036	
Books & Periodicals	-	-	1,375	-	1,375	
Office Automation	-	-	2,000	-	2,000	
Non Training Travel	-	-	166	-	166	
Travel and Lodging	-	-	4,555	-	4,555	
Advertising	-	-	3,106	-	3,106	
Membership Fees	-	-	741	-	741	
Local Transportation	-	-	1,522	-	1,522	
General & Admin Contract Svc.	-	-	95,883	-	95,883	
Operational Contract Svc.	-	-	112,461	-	112,461	
Vehichle & Equipment Gas-Oil	-	-	44	-	44	
Office and Operating Supplies	-	-	5,700	-	5,700	
Real Prop Acqusition	-	-	(225)	-	(225)	
Miscelleneous	-	-	10,068	-	10,068	
Fringe Benefits	-	174,843	-	-	174,843	
Expenditure Recoveries	-	-	-	(801,373)	(801,373)	
Total Expenditures and Encumbrances	\$ 806,332	\$ 174,843	\$ 261,596	\$ (801,373)	\$ 441,398	
Unencumbered Balance September 30, 2000	<u><u>\$ 31,268</u></u>	<u><u>\$ 12,757</u></u>	<u><u>\$ (92,496)</u></u>	<u><u>\$ (42,027)</u></u>	<u><u>\$ (90,498)</u></u>	

