



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 2, 2018

MEMORANDUM

TO: Derrick L. Davis, Chair
Public Safety and Fiscal Management Committee (PSFM)

THRU: David H. Van Dyke, County Auditor *DHV*

FROM: Nana Boadu, Staff Auditor *NB*

RE: Office of Ethics and Accountability
Fiscal Year 2019 Budget Review

Budget Overview

The FY 2019 Proposed Budget for the Office of Ethics and Accountability is \$854,000. This is an increase of \$104,800, or 14.0%, above the FY 2018 Approved Budget. The increase is largely due to an increase in compensation for anticipated cost-of-living adjustments and merit increases, and an increase in fringe benefit costs.

Budget Comparison - General Fund

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	% Change - Est vs App	FY 2019 Proposed	\$ Change	% Change
Compensation	\$ 417,520	\$ 554,700	\$ 525,000	-5.4%	\$ 592,700	\$ 38,000	6.9%
Fringe Benefits	119,031	136,400	149,100	9.3%	168,900	32,500	23.8%
Operating Expenses	50,249	58,100	74,400	28.1%	92,400	34,300	59.0%
Total	\$ 586,800	\$ 749,200	\$ 748,500	-0.1%	\$ 854,000	\$ 104,800	14.0%

Authorized Staffing Count - General Fund

	FY 2018 Approved	FY 2019 Proposed	Change Amount	Percentage Change
Full-Time	6	6	0	0.0%
Total	6	6	0	0.0%

Staffing Changes and Compensation

- General Funds are provided for six (6) full-time positions – an Executive Director, Attorney, Investigator, Administrative Aide, and two (2) Administrative Specialists. FY 2019 Proposed Staffing remains unchanged compared to FY 2018. Funding is also provided for anticipated merit increases and cost-of-living adjustments in FY 2019.
- As of March 20, 2018, the office reported that all of its positions were filled.

Fringe Benefits

- FY 2019 Fringe benefit expenditures are proposed to increase by \$32,500, or 23.8%, as a result of an increase in compensation and a change in the fringe benefit rate.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Proposed
Fringe Benefit Expenditures	\$ 107,980	\$ 95,224	\$ 119,031	\$ 149,100	\$ 168,900
As a % of Compensation	27.4%	23.3%	28.5%	28.4%	28.5%
Annual % Change		-11.8%	25.0%	25.3%	13.3%

Operating Expenses

- FY 2019 operating expenses are proposed at \$92,400 and are comprised of the following major items:
 - General and Administrative Contracts \$44,900
 - Office Automation 18,700
 - Training 10,000
 - Operating and Office Supplies 8,000
 - Local Transportation 4,100
- Overall, operating expenses are increasing by approximately \$34,300, or 59.0%, above the approved FY 2018 level. The accompanying table compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures. In six (6) of the categories, the FY 2019 Proposed Budget increases planned spending over the FY 2018 level. In one (1) of the categories, the FY 2019 Proposed Budget reduces planned spending from the FY 2018 budget. In three (3) of the categories, the FY 2019 Proposed Budget level remains unchanged compared to the FY 2018 budget.

Operating Objects	FY 2018 Budget	FY 2019 Proposed	FY 2018 - FY 2019	
			\$ Change	% Change
Office Automation	\$ 4,100	\$ 18,700	\$ 14,600	356.1%
General & Administrative Contracts	32,300	44,900	12,600	39.0%
Training	4,400	10,000	5,600	127.3%
General Office Supplies	7,000	8,000	1,000	14.3%
Membership Fees	1,000	1,500	500	50.0%
Telephone	3,300	3,500	200	6.1%
Mileage Reimbursement	4,100	4,100	-	0.0%
Advertising	200	200	-	0.0%
Printing	1,300	1,300	-	0.0%
Postage	400	200	(200)	-50.0%
TOTAL	\$ 58,100	\$ 92,400	\$ 34,300	59.0%

- The most significant increases between the FY 2019 Proposed Budget and the FY 2018 Approved Budget are in Office Automation (\$14,600 increase) due to a change in methodology, and General and Administrative Contracts (\$12,600 increase) and Training (\$5,600 increase) to reflect anticipated costs.

Highlights

- The Office of Ethics and Accountability provides enforcement of the Prince George's County Code of Ethics, to ensure the ethical conduct of individuals who serve in County Government.
- Core services of the Office include administering public ethics laws, providing ethics training and advice to County employees, reviewing financial disclosure and lobbying records, investigating alleged ethical violations, providing administrative support to the County's Board of Ethics, and providing analysis and recommendations to Executive and Legislative branches.
- The Office conducted in-person ethics training sessions, reaching over 770 employees. This represents approximately 15% of the County employees and officials subject to the County Ethics Code.
- The Board of Ethics is a five-member board established to administer the County's Code of Ethics. Members of the Board are appointed by the County Executive and confirmed by the Council. There is currently one vacancy on the Board. The current Board members are as follows:
 - Honorable Covette Rooney, Board Chair
 - Cassandra Burckhalter, Member
 - Sharon I. Theodore-Lewis, Esq., Member
 - Curtis Eugene, Member

- The Office of Ethics and Accountability reported that recommendations made to executive management in prior fiscal years are being implemented, resulting in process improvements that assist in promoting efficiency, accountability and integrity in County government.
- The Office reported the following key accomplishments for FY 2018:
 - Developed compliance reporting and procedures for the County's mandated ethics training.
 - Processed over 250 requests for ethics advice, inquiries and complaints filed mainly through the web-portal.
 - Provided guidance regarding the County's newly implemented fundraising policies to ensure solicitations aligned with best practices and ensured a public benefit; and assisted agencies in the evaluation of secondary employment requests to ensure employees' secondary interests do not pose a conflict of interest under the County's Ethics Code.
- The Office reports its top priority for FY 2019 is to continue to sustain and effectively administer the County's required financial disclosure statements, lobbyist registrations, annual reports and investigators.
- Other goals for FY 2019, as reported by the Office, include:
 - To provide comprehensive services regarding allegations of waste, fraud, abuse, and illegal acts in County government and make necessary recommendations to executive and legislative officials.
 - To encourage employees and officials to disclose secondary employment; and
 - To ensure entities and individuals that interact with the County government through lobbying activities are registered and are reporting their lobbying activities in accordance with the County's Code of Ethics.