

June 2010

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

Re: Departure of Karyn T. Lynch
Director, Department of Social Services

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 Department of Social Services' Administration Office. This audit was initiated due to the resignation of Karyn T. Lynch from the position of Director of the Department of Social Services, effective September 22, 2009.

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 Social Services were included in the scope of the County's annual financial audit, conducted by Thompson, Cobb, Bazilio & Associates, PC, independent auditors, for the fiscal year ended June 30, 2009, and no discrepancies or irregularities were disclosed. Therefore, we primarily directed our examination to include a review of Ms. Lynch's travel advances, expense reimbursements, fixed assets records, and selected expense accounts for the period July 1, 2008 through September 30, 2009.

FINDINGS, COMMENTS, AND RECOMMENDATIONS

Expenditures, Encumbrances and Commitments

A statement of expenditures, encumbrances and commitments compared with appropriations for the Department of Social Services, for the period July 1, 2009 through September 30, 2009, is presented in Schedule 1 of this report. As of September 30, 2009, total expenditures, encumbrances and commitments did not exceed total appropriations for the Department.

Travel Advances and Expense Reimbursements

We reviewed the travel advance records maintained by the Office of Finance, Accounting Division, for the period July 1, 2008 through September 30, 2009, and determined that Ms. Lynch did not have any unsettled travel advances at the time of her departure from the Department of Social Services. We also reviewed County expense reimbursement records and found there were no payments to Ms. Lynch for the period July 1, 2008 through September 30, 2009.

Leave Records and Final Pay

According to the Payroll Section of the Office of Finance, Ms. Lynch was considered a contract employee with Prince George's County and received a State salary and a County supplement. Therefore she was ineligible to earn sick or annual leave with the County and there was no leave payout from the County.

During our review of Ms. Lynch's County supplement computation, we discovered the County had over paid her for the period July 6, 2008 through September 22, 2009. This period represents 31 bi-weekly pay periods and 7 days for which she was over paid. Our computations show that Ms. Lynch's monthly County supplement was based on 24 monthly bi-weekly

payments, but should have been computed on 26 bi-weekly payments. This error resulted in an overpayment to Ms. Lynch of \$151.86 per pay period which ended September 22, 2009. The total over payment to Ms. Lynch for this time period was \$4,814.28.

We therefore recommend:

- 1. The Director of the Office of Finance take the appropriate action to recover the overpayment of \$4,814.28.**

Fixed Assets

The Fixed Assets Procedures Manual prepared by the Office of Finance requires that the Office of Central Services' General Services 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 General Services Division and personnel within the Department of Social Services and determined that no fixed assets were assigned to Ms. Lynch.

Our review also included the verification of County issued non-fixed asset items such as cell phone, personal digital assistant, County identification and security card, keys, laptop equipment, etc. We were able to determine that all County personal property issued to Ms. Lynch was collected and properly accounted for.

Financial Disclosure Requirement

Section 2-294(c) (1) of the Prince George's County Code requires the Director of the Department of Social Services to file a copy of the financial disclosure statement which that person filed with the State Ethics Commission for the calendar year immediately preceding each

such year in office. If the Director is not required to file a financial disclosure statement with the State, that official is required to file with the County's Board of Ethics as required in Section 2-294(c), (d) and (e). Council Bill 125-1984, effective March 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.”

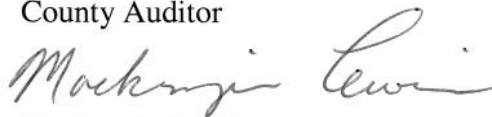
According to the County Code, Ms. Lynch was required to file a copy of her State financial disclosure statement or a County financial disclosure statement within sixty (60) days of leaving office with the County Board of Ethics. On April 19, 2010, Ms. Lynch filed a copy of her State financial disclosure statement with the Prince George's County Board of Ethics, for the period January 1, 2009 through December 31, 2009, but not within 60 days of leaving office as required.

We therefore recommend:

- 2. The Prince George's County Board of Ethics take the necessary action to ensure all financial disclosure statements are filed timely as required by the County Code.**



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



Mackenzie Lewis
Auditor-In-Charge

DEPARTMENT OF SOCIAL SERVICES
ADMINISTRATION OFFICE
STATEMENT OF EXPENDITURES, ENCUMBRANCES AND COMMITMENTS
COMPARED WITH APPROPRIATIONS FOR THE PERIOD
JULY 1, 2009 THROUGH SEPTEMBER 30, 2009

<u>Appropriations</u>	Compensation	Other Current Operating Expenses	Fringe Benefits	Expenditure Recoveries	Total
Current Year	\$ 625,000	\$ 254,700	\$ 155,300	\$ (69,000)	\$ 966,000
Prior Year	-	19,300	-	-	19,300
Total Appropriations	\$ 625,000	\$ 274,000	\$ 155,300	\$ (69,000)	\$ 985,300
<u>Expenditures and Encumbrances</u>					
Current Year:					
Compensation --					
Officials & Administration	\$ 97,715	\$ -	\$ -	\$ -	\$ 97,715
Professionals	57,837	-	-	-	57,837
Other Compensation	16,086	-	-	-	16,086
Telephone	-	530	-	-	530
Mileage Reimbursement	-	252	-	-	252
Other Operational Contract Services	-	223,400	-	-	223,400
General Office Supplies	-	52	-	-	52
Procurement Card Purchases	-	5,063	-	-	5,063
Other Miscellaneous	-	40	-	-	40
Group Health	-	-	8,735	-	8,735
Group Life	-	-	837	-	837
Employee Retirement	-	-	6,484	-	6,484
Supplemental Retirement	-	-	8,970	-	8,970
Employer FICA	-	-	12,933	-	12,933
Sub-total	\$ 171,638	\$ 229,337	\$ 37,959	\$ -	\$ 438,934
Prior Year Cost:					
Other Operational Contract Services	\$ -	\$ 19,300	\$ -	\$ -	\$ 19,300
Sub-total	\$ -	\$ 19,300	\$ -	\$ -	\$ 19,300
Total Expenditures and Encumbrances	\$ 171,638	\$ 248,637	\$ 37,959	\$ -	\$ 458,234
Unencumbered Balance September 30, 2009	\$ 453,362	\$ 25,363	\$ 117,341	\$ (69,000)	\$ 527,066