



# Internal Audit Report Commissioner Expenses FY24

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# Agenda

- Background
- Audit Objectives
- Audit Issues and Recommendations

# Background

- ▶ County Commissioner Expense Policy (SOP #: CP.CC.01.002) provides a policy regarding County Commissioners' expenses associated with their official duties.
- ▶ Section 1.5.3 of the Commissioner Expense Policy states the requirement that an Internal Audit be conducted at the end of each fiscal year on the Commissioners' expenses.
- ▶ Annual funding is provided to the Individual Commissioner Expense Accounts below to be utilized in the fulfillment of his or her duties. Annual funding provided for FY2024:
  - Conferences and Meetings \$4,600 Per Commissioner
  - Mileage Reimbursement \$2,200 Per Commissioner
  - Commissioner Special Projects \$4,000 Per Commissioner

# Background

- ▶ Funds allocated to the Commissioners' expense accounts are public funds and thus require full reporting and transparency.
- ▶ Funds allocated to Commissioner Expense Accounts may only be used for Official Charles County Business
- ▶ Both Commissioners and their assistants are responsible for ensuring funds allocated to the commissioner expense accounts are used only for authorized purposes.
- ▶ A purchase card is provided to the Commissioner Office staff to be utilized for commissioner business related expenses.
- ▶ The Commissioner Expense Policy Standard Operating Procedure can be found on the Intranet (ICG) for questions or training purposes. The policy can also be found on ILegislate.

# Audit Objectives

- ▶ Reviewed all backup documentation for FY24 transactions including receipts, and associated SOP's, and interviewed staff based on the following Audit Objectives:
  - Determine procedures are in place to ensure public funds allocated to commissioner expense accounts are properly utilized.
  - SOPs include any recent changes to the business unit.
  - Determine how the department purchase card is utilized in payment of Individual Commissioner account transactions as well as payment processing.
  - Determine if any additional reports are generated in support of managing purchase card transactions
  - Assess effectiveness of Internal Controls and segregation of duties
  - Ensure backup documentation has proper authorization, review and approval and is included in the files
  - Determine if reconciliations are completed for individual commissioner accounts

# Issues and Recommendations

| Issue #1   | Internal Audit Recommendation  | Management Response   |
|--|--|---|
| Internal Audits Quarterly review of commissioner business accounts identified an overage in the special project's account. Payments issued as donations for community outreach caused the special projects account to exceed the budgeted fiscal year allotment. | <i>Staff has implemented the utilization of a monthly reconciliation to identify input errors and coding errors. IA recommends that department staff add an additional step of verification and signature by the Chief of Staff or designee to ensure reconciliation agrees to Munis account balances</i>  | Transactions were issued based on erroneous data. Input errors due to staff oversight and an incorrect formula on a spreadsheet caused staff to think the available balance to be greater than what was available. Additional safeguards have been implemented to ensure staff are correctly reviewing and reconciling manual registries and Munis reports monthly. |
| Observation #1   | Internal Audit Recommendation  | Management Response   |
| Check requests associated with the payments issued above specify that the checks be held and picked up by staff. Checks issued (2 on 06/20/2024) and (2 on 07/12/2024) remained in house when finding #1 was identified on 07/19/2024.                           | <i>IA recommends that in cases where checks are issued and provided to staff that controls be implemented. Outline the timeframe for checks to be forwarded to intended recipient, timeframe for voiding check and reissue and how the checks are secured while in the possession of department staff. <b>Note: These checks were voided to reverse the account overage.</b></i> | <b>Concur:</b> Situations often require checks to be included with correspondence from commissioners or staff. Discussions and rules will be implemented on how checks are managed and secured.   |

| FY24 COUNTY COMMISSIONER FUNDS DONATED FOR COMMUNITY OUTREACH      |         |         |           |        |         |        |
|--|---------|---------|-----------|--------|---------|--------|
| Payee  | Collins | Bowling | Patterson | Coates | Stewart | Total  |
| AFRICAN AMERICAN HERITAGE SOCIETY                                  |         |         |           | 333    |         | 333    |
| AMERICAN CHARITIES INC   |         |         | 1,000     |        |         | 1,000  |
| BACK TO SCHOOL FIESTA / BACKPACK GIVE AWAY (All payments combined) |         |         |           |        | 4,221   | 4,221  |
| BEL ALTON HS ALUMNI ASSOC  |         |         | 1,000     | 500    |         | 1,500  |
| CHARLES COUNTY 4-H LIVE STOCK AUCTION (FALL FOOD GIVEAWAY)         |         | 981     |           |        |         | 981    |
| CHARLES CO SUMMERFEST DONATION - Briscoe Latasha                   | 150     |         |           |        |         | 150    |
| COMMUNITY SUPPORT FOR EL SALVADOR (GALLAZIOS AND TENT, etc)        |         | 3,500   |           |        |         | 3,500  |
| GRACE BAPTIST CHURCH OF BRYANS ROAD                                |         |         |           | 500    |         | 500    |
| GREATER SPIRITUAL FELLOWSHIP COMMUNITY CHURCH                      |         |         |           | 500    |         | 500    |
| IMAGINATE, INC   | 500     |         |           |        |         | 500    |
| INDIAN HEAD WORSHIP CENTER CLGI                                    |         |         |           | 500    |         | 500    |
| JOLLY DREAM FOUNDATION   |         |         | 1,000     | 2,500  |         | 3,500  |
| SCHOLARSHIP DONATION - Kappa Youth Development Inc                 | 1,000   |         |           |        |         | 1,000  |
| LIFE JOURNEYS WRITERS GUILD INC                                    | 500     |         |           |        |         | 500    |
| MACEDONIA BAPTIST CHURCH   |         |         |           | 500    |         | 500    |
| MATTAWOMAN CREEK ART CENTER  | 100     |         |           |        |         | 100    |
| METROPOLITAN UNITED METHODIST CHURCH                               |         |         |           | 500    |         | 500    |
| MIDDLEVILLE FARM - FALL FOOD GIVE AWAY                             |         | 698     |           |        |         | 698    |
| NAACP  | 100     |         |           |        |         | 100    |
| NANJEMOY BAPTIST CHURCH  |         |         |           | 500    |         | 500    |
| NEW LIFE CHRISTIAN MINISTRIES INTERNATIONAL                        |         |         |           | 500    |         | 500    |
| OAK GROVE BAPTIST CHURCH   |         |         |           | 500    |         | 500    |
| PHENOMENAL YOUNG WOMAN INC   | 500     |         |           |        |         | 500    |
| PHOENIX INTERNATIONAL SCHOOL OF THE ARTS (PISOTA)                  | 550     |         | 1,023     |        |         | 1,573  |
| PLEASANT GROVE MISSIONARY BAPTIST CHURCH                           |         |         | 1,000     | 500    |         | 1,500  |
| POMONKEY ALUMNI ASSOC DONATION                                     |         |         | 1,000     |        |         | 1,000  |
| POTOMAC HEIGHTS BAPTIST CHURCH                                     |         |         |           | 500    |         | 500    |
| REAL CHURCH  | 1,250   |         |           |        |         | 1,250  |
| SHILOH UNITED METHODIST CHURCH OF BRYANS ROAD                      |         |         |           | 500    |         | 500    |
| MT. HOPE/NANJEMOY ELEM.(K,1ST - BLUE CRAB TICKETS                  |         | 750     |           |        |         | 750    |
| ST CHARLES BEARS (Donation for Homecoming Arch)                    | 250     |         |           |        |         | 250    |
| SQ GOOD FIGHT OF FAITH   | 25      |         |           |        |         | 25     |
| STAUFFER'S PRODUCE AND GREENHOUSE - FOOD BAG GIVE AWAY - CC CARES  |         | 1,900   |           |        |         | 1,900  |
| FALL FOOD GIVEAWAY LIVESTOCK P - VERDIGLIONE BELLA                 |         | 406     |           |        |         | 406    |
| FALL FOOD GIVEAWAY LIVESTOCK P - Stine, Shyanne R                  |         | 424     |           |        |         | 424    |
| THE CHARLES COUNTY JUNETEENTH FOUNDATION INC                       | 500     |         | 250       |        |         | 750    |
| XCELERATION NATION TRACK CLUB, INC. -Youth Athletic Org Donation   | 500     |         |           |        |         | 500    |
| YOUTH EMPOWERME FOUNDATION, INC - Youth Organization Donation      | 250     |         |           |        |         | 250    |
|  |         |         |           |        |         |        |
|  |         |         |           |        |         |        |
| Expenditure Totals   | 6,175   | 8,658   | 6,273     | 8,833  | 4,221   | 34,159 |

### Chart Notes:

- All funds expended thru the Projects Accounts.
- Purchases for event tickets and non-donation items charged to the Projects Account are not shown.
- Funds remaining in Conf/Mtgs and Mileage accounts at year-end were transferred to Projects Account. (This is allowed and stated in the Policy)

# Issues and Recommendations

| Observation #2  | Internal Audit Recommendation  | Management Response   |
|---|--|---|
| Internal Audit could not identify any specific requirements for recipients of community outreach. | <i>Include in procedures specific documents required for community outreach recipients. Include Diversity, Equity and Inclusion documentation, any requirements of being a not-for-profit organization, etc.</i> | We are currently not aware of any policy relating to requirements for recipients of community outreach. |

Documentations and Items Received and Reviewed by Internal Audit includes:

- FY2024 Commissioner office credit card receipts excel spreadsheet
- FY2024 Transaction register for each Commissioner
- Commissioner Purchase Card Receipt Submission Policy

The items listed above were provided by the staff of the Commissioner's office. These documents were initiated by staff to assist in reconciliation and ensure proper coding of transactions.

Except for the finding and observations stated above IA notes no transactions outside of policy and commends the departments staff for implementation of systems to counter risk to this business unit.





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It is the policy of Charles County to provide equal employment opportunity to all persons regardless of race, color, sex, age, national origin, religious or political affiliation or opinion, disability, marital status, sexual orientation, genetic information, gender identity or expression, or any other status protected by law.