



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
<p>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.</p>	<p><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></p>	<p>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. <i>Additional safeguards have been implemented to ensure staff are correctly reviewing and reconciling manual registries and Munis reports monthly.</i></p>
Observation #1	Internal Audit Recommendation	Management Response
<p>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.</p>	<p><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. Note: These checks were voided to reverse the account overage.</i></p>	<p>Concur: 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.</p>

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)	150	981				981
CHARLES CO SUMMERFEST DONATION - Briscoe Latasha		3,500				150
COMMUNITY SUPPORT FOR EL SALVADOR (GALLAZIOS AND TENT, etc)						3,500
GRACE BAPTIST CHURCH OF BRYANS ROAD				500		500
GREATER SPIRITUAL FELLOWSHIP COMMUNITY CHURCH	500			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, Shayanne 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.



Charles County Government
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About Charles County Government

The mission of Charles County Government is to provide our citizens the highest quality service possible in a timely, efficient and courteous manner. To achieve this goal, our government must be operated in an open and accessible atmosphere, be based on comprehensive long- and short-term planning and have an appropriate managerial organization tempered by fiscal responsibility. We support and encourage efforts to grow a diverse workplace. Charles County is a place where all people thrive and businesses grow and prosper; where the preservation of our heritage and environment is paramount; where government services to its citizens are provided at the highest level of excellence; and where the quality of life is the best in the nation.

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.