

MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

Montgomery County Department of Parks

Olney Manor Recreational Park

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I. EXECUTIVE SUMMARY

A. Background

The Maryland-National Capital Park and Planning Commission (M-NCPPC) is a bi-county agency empowered by the State of Maryland in 1927 to acquire, develop, maintain and administer a regional system of parks within Montgomery and Prince George's Counties, and to provide land use planning for the physical development of the counties.

The Montgomery County Department of Parks has stewardship over approximately 421 parks across 36,895 acres of land. The park system recognizes the importance of providing residents with safe and accessible places to gather, enjoy the outdoors, and participate in healthy, recreational activities.

The Olney Manor Recreational Park (OMRP) is in Montgomery County at 16601 Georgia Avenue in Olney, Maryland. OMRP consists of 61 acres and features several amenities, including a variety of ballfields; basketball, handball, and lighted tennis courts; a playground; a skate park for skateboarding and inline skating; a dog park; and an indoor swim center. The OMRP's park management and supervision function is responsible for the upkeep of 46 parks (includes three recreational parks), as well as ballfields and tennis courts.

A Senior Park Manager has overall responsibility for OMRP, reporting to the Regional Operations Manager, under the direction of the Chief of the Northern Division, the Deputy Director and Director of the Montgomery County Department of Parks.

B. Objective, Scope and Methodology of the Audit

Objective

The purpose of the audit was to identify opportunities to strengthen internal controls, improve operational efficiencies and help ensure compliance with Commission policies and procedures.

Scope

The scope of the audit included, but was not limited to, the following audit procedures:

- Reviewed applicable Commission practices and procedures;
- Interviewed managers and staff to obtain an understanding of operational procedures;
- Performed surprise cash counts of the petty cash fund;
- Reviewed petty cash and reimbursements for appropriate approval and supporting documentation;
- Selected a sample of purchase card transactions and verified for appropriate authorization and purchases;
- Reviewed the fixed and controlled asset reports, and verified completion of annual inventory;
- Reviewed Commission vehicle logs and verified all drivers meet risk management requirements; and
- Reviewed and assessed the location and functionality of security cameras currently installed at the maintenance yard.

The audit covered the period from 01/31/17 through 03/31/18.

Methodology of the Audit

Inquiry, observation, data analysis, and tests of transactions were performed to complete the audit objectives.

The audit was conducted in accordance with the *U.S. Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the established audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

C. Major Audit Concerns

The results of our evaluation and testing procedures indicated no major audit concerns.

D. Overall Conclusions

The results of our evaluation and testing procedures indicate no major weaknesses in the design or operation of internal controls for Olney Manor Recreational Park. On an overall basis, we consider the controls to be satisfactory.

We believe all weaknesses identified and communicated are correctable and that management's responses to all recommendations satisfactorily address the concerns. It is the responsibility of management to weigh possible additional costs of implementing our recommendations in terms of benefits to be derived and the relative risks involved.

We wish to express our appreciation to the Olney Manor Recreational Park management and staff for their cooperation and courtesies extended during the course of our review.



Wanda King, MBA
Assistant Inspector General



Renee M. Kenney, CPA, CIA, CISA
Inspector General

June 29, 2018

Conclusion Definitions

Satisfactory	No major weaknesses were identified in the design or operation of internal control procedures.
Deficiency	A deficiency in the design or operation of an internal control procedure(s) that could adversely affect an operating unit's ability to safeguard assets, comply with laws and regulations, and ensure transactions are properly executed and recorded on a timely basis.
Significant Deficiency	A deficiency in the design or operation of an internal control procedure(s) which adversely affects an operating unit's ability to safeguard assets, comply with laws and regulations, and ensure transactions are properly executed and reported. This deficiency is less severe than a material weakness, yet important enough to merit attention by management.
Material Weakness	A deficiency in the design or operation of an internal control procedure(s) which may result in a material misstatement of the Commission's financial statements or material impact to the Commission.

II. DETAILED COMMENTARY AND RECOMMENDATIONS

1. Install Camera for Cash Safe Security Coverage

Issue: The Office of the Inspector General (OIG) and facility staff assessed the location and functionality of security cameras currently installed at the Olney Manor Recreational Park. The review disclosed that the [REDACTED], does not have an installed camera to enhance security coverage [REDACTED], which contains [REDACTED].

Criteria/Risk: Commission Practice 3-13, *Cash Receipts and Related Cash Transactions*, refers to the establishment of internal controls over cash, including implementation of security measures. Failure to adhere to Commission practices for cash security may increase susceptibility to loss and theft.

Recommendation: Management should request the installation of a camera in [REDACTED] where the [REDACTED] is located to strengthen security coverage.

Issue Risk: Medium

Management Response: Management will submit a work order for Facilities to prepare a quote for the installation of a camera in [REDACTED]. Based on their findings and the cost for installation, management will communicate with the Division Chief to determine whether installation is cost effective and feasible. If so, management will ask Facilities to proceed with installation.

Expected Completion Date: August 1, 2018

Follow-Up Date: August 2018

2. Ensure Maintenance of Commission Vehicle Mileage Logs

Issue: The OIG’s review of Commission vehicle mileage logs (logs) disclosed the following:

- The facility does not comply with the Commission’s three-year retention policy for maintaining pooled vehicle logs. The facility was only able to provide logs for the 2018 calendar year. The current month’s logs are maintained in the vehicles as required.
- OIG reviewed the 2018 logs and observed that drivers do not always enter complete data for each trip. OIG noticed some omissions such as the time in, destination, purpose, and return/end mileage.
- For its detailed audit testing, OIG tested one of 11 pooled vehicles, because staff had already begun the work day and the vehicles were offsite. Testing resulted in an exception, as the vehicle’s ending odometer mileage of 76,337 was not recorded in the log. The driver stated he/she did not record the ending mileage in the log because he/she did not have a pen at the time. He/she had taken a picture of the odometer’s mileage and planned to enter the data later. See the below table:

Vehicle Number	Description	License Tag Number
242	2011 Ford F450	LG90507

Criteria/Risk: Commission Practice 6-10, M-NCPPC Vehicle Use Program, states that “*Vehicle mileage logs must be maintained to track use of pooled vehicles. Completed logs must be maintained by the Vehicle Administrator for three (3) years.*” Failure to maintain up to date logs increases the potential for fraud, waste and abuse of Commission vehicles. Failure to maintain logs for at least three years leads to noncompliance with Practice 6-10.

Recommendation: Management should ensure the facility complies with the Commission’s three-year retention policy and that staff complete all required log data accurately and timely.

Risk: Medium

Management Response: Management will comply with retaining vehicle logs for 3 years. Management addressed Commission Practice 6-10 with staff, reiterating the need for staff to complete all vehicle log data accurately and at the time of vehicle use while conducting a staff meeting held on June 19, 2018.

Expected Completion Date: Completed

Follow-Up Date: August 2018

3. Provide Documentation for Petty Cash Reimbursements

Issue: The OIG reviewed two check requests submitted to the Department of Finance (Finance) for petty cash reimbursement dated May 2017 and December 2017. The facility’s authorized petty cash fund was [REDACTED] but was reduced to [REDACTED] in January 2018 at management’s request. Note that the two check request samples selected for testing preceded the fund’s reduction to [REDACTED]

A. For both check reimbursement requests, test results show the fund’s cash depletion percentage exceeded OIG’s recommended depletion threshold of 40-50%. See the table below:

Check Request Date	Check Request Amount	Depletion %
May 2017	[REDACTED]	74.2% [REDACTED]
December 2017	[REDACTED]	75.5% [REDACTED]

B.OIG reviewed petty cash documentation for the five transactions submitted to Finance in the May 2017 check request. Two of five transactions did not include participants’ names who attended a managers’ meeting and work crew names who worked off hours due to a winter snowstorm. In both instances, food was purchased for the attendees. Although management approved the petty cash requests for the food purchases, the facility should provide documentation listing all names.

In addition, one of five transactions showed that staff did not obtain the Maryland sales tax exemption from the merchant and did not include an attached explanation for paying the sales tax. Furthermore, [REDACTED] reimbursed staff for the sales taxes paid. See the table below:

Vendor (s)	Petty Cash Form Date	Issue
Safeway/Dunkin Donuts	03/01/17	Missing Manager Names
Giant	03/13/17	Missing Work Crew Names
Woodfield Diner/Dunkin Donuts	03/06/17	Staff paid \$2.19 sales tax

C.OIG reviewed petty cash documentation for the 13 transactions submitted to Finance in the December 2017 check request. Two of 13 transactions did not include participants’ names who attended a managers’ meeting and names of participants on a Commission job interview panel. In both instances, food was purchased for the attendees. Although management approved the petty cash requests for the food purchases, the facility should provide documentation listing all names.

In addition, four of 13 transactions showed that staff did not obtain the Maryland sales tax exemption from the merchant and did not include an attached

explanation for paying the sales tax. Furthermore, [REDACTED] reimbursed staff for the sales taxes paid. See the table below:

Vendor (s)	Petty Cash Form Date	Issue
Safeway	07/12/17	Missing Manager Names
Café Rio Mexican Grill	08/24/17	Missing Job Interview Panel Names
Ana C	05/25/17	Staff paid \$2.38 sales tax
Café Rio Mexican Grill	08/24/17	Staff paid \$.42 sales tax
Home Depot	11/07/17	Staff paid \$.13 sales tax
NAPA Auto Parts	11/08/17	Staff paid \$.28 sales tax

Criteria/Risk: Commission Practice 3-11, *Administration of Cash Funds*, indicates that one of the duties of custodians is to replenish the fund at appropriate intervals for efficient administration. The Practice also refers to the need to provide appropriate supporting documentation for petty cash reimbursements. Failure to replenish funds at timely intervals may hamper the facility's administrative and operational efficiency. Failure to provide appropriate supporting documentation may lead to misappropriation of public funds.

Recommendation:

- Management should ensure that all petty cash reimbursements are supported with appropriate documentation.
- Management should ensure that petty cash funds are replenished at regular intervals. The OIG recommends replenishment when the cash balance on hand equals approximately 40-50% of the total authorized fund.

Risk: Medium

Management Response: Management will ensure all future petty cash reimbursements are supported with documentation. Furthermore, Management has communicated with [REDACTED] that reimbursements are to be accurately documented and that petty cash funds should be replenished prior to the balance of the fund reaching 40-50% of the total fund. This information was conveyed to the Petty Cash Custodian by management on June 19, 2018.

Expected Completion Date: Completed

Follow-Up Date: August 2018

4. Maintain Updated Controlled Assets Inventory List

Issue: During the onsite review of a selected sample of controlled assets, staff informed OIG that the inventory list had not been updated to include nine new assets (equipment). Staff provided OIG with an invoice copy, dated 05/11/18, which listed the new assets. Although the facility's annual inventory of controlled assets was completed as required, during the first quarter of 2018, recent staff turnover may potentially lead to the mismanagement of controlled assets inventory.

Criteria/Risk: The Commission's Administrative Procedures No. 04-01, *Fixed Assets Procedure Manual*, refer to controlled assets as personal property items whose purchase price is less than the capitalization price of \$10,000 but due to their sensitive, portable, theft prone nature, they are important to control. The Administrative Procedures require the development and maintenance of an inventory system for controlled assets at the local departmental level. They further state that once established, the list of controlled assets should be inventoried annually. Failure to appropriately manage and monitor controlled assets could lead to loss, theft, personal use and unauthorized disposal of Commission assets.

Recommendation: Considering recent staff turnover, management should assign an employee(s) with the responsibilities of maintaining controlled assets inventory. The employee(s) should track and monitor asset acquisitions and disposals and perform the required annual count to verify the inventory list is current.

Risk: Medium

Management Response: Management has assigned the responsibility of maintaining the controlled asset inventory to the Park Manager I. The Park Manager I will keep an accurate and current controlled asset inventory list and will track, monitor, and record all controlled asset acquisitions and disposals. This assignment was made and conveyed to the Park Manager I on June 19, 2018.

Expected Completion Date: Completed

Follow-Up Date: August 2018