

**MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION**

**Internal Control Report**

**Office of the Chief Information Officer**

**Term Contract Employee – Conflict of Interest  
Report Number: CW-008-2022-B**

**March 30, 2022**

**Distribution:**

Executive Committee

Casey Anderson  
Elizabeth Hewlett  
Asuntha Chiang-Smith

Audit Committee

Dorothy Bailey  
Partap Verma  
Erin White  
Benjamin Williams

Maryland-National Capital Park and Planning Commission

Debra Borden  
Gavin Cohen  
Adrian Gardner  
Stacey Pearson  
William Spencer

Office of the Inspector General

Natalie Beckwith  
Renee Kenney

Maryland-National Capital Park and Planning Commission  
Office of the Inspector General  
7833 Walker Drive, Suite 425  
Greenbelt, MD 20770

M-NCPPC Prince George's County Planning Department

Office of the Chief Information Officer  
Term Contract Employee – Conflict of Interest

Audit Report  
CW-008-2022-B

Table of Contents

**I. EXECUTIVE SUMMARY**

	<u>Page</u>
A. Overall Perspective.....	1
B. Audit Objective, Scope and Methodology.....	2
C. Major Audit Concerns.....	3
D. Findings and Overall Conclusions.....	4

**II. DETAILED COMMENTARY AND RECCOMENDATIONS**

1. Ensure Secondary Employment is Disclosed and Approved.....	5
2. Enhance Communication with Contract Vendors.....	7

**EXHIBITS**

A. Sample A-1 Form	8
--------------------	---

## **I. EXECUTIVE SUMMARY**

### **A. Overall Perspective**

On January 20, 2022, Mr. William Spencer, Chief, Corporate Human Resources contacted the Office of the Inspector General (OIG) to inform them of a possible conflict of interest involving a term contract employee working in the Office of the Chief Information Officer (OCIO). Per Commission Practice 3-31, *Fraud, Waste, and Abuse*, management is required to promptly report all allegations of fraud, waste, and abuse to the Office of the Inspector General.

Per the allegation, the employee was promoting work for his/her personal business through an approved Commission contractor.

The Office of the Inspector General has completed their Fraud, Waste, and Abuse investigation. A confidential Fraud, Waste, and Abuse Audit Report (CW-008-2022-A) has been issued in conjunction with this Internal Control report.

During the completion of the fraud, waste, and abuse investigation, the OIG identified opportunities to strengthen internal controls over procurement activities and secondary employment within the Office of the Chief Information Officer.

## **B. Audit Objective, Scope, and Methodology**

### **Audit Objective**

The purpose of this audit was to evaluate the system of internal controls regarding the OCIO's procurement activities.

In addition, the audit scope was designed to identify possible fraud, waste, or abuse, as defined by Commission Practice 3-31, Fraud, Waste, and Abuse within the process(es) being audited.

### **Scope**

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

- Reviewed applicable Commission Practices and Administrative Procedures.
- Interviewed personnel within the Office of the Chief Information Officer and the Corporate Purchasing Office to gain additional information on term contract employee duties and related procurement activities.
- Interviewed personnel within Corporate Human Resources to gain a better understanding of the Commission's onboarding processes.
- Obtained and reviewed related vendor procurement support data.

The audit covered the period from March 2017 – January 2022.

### **Methodology**

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

The audit was conducted in accordance with the generally accepted principles and quality standards, approved by the Association of Inspectors General.

**C. Major Audit Concerns**

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

**D. Findings and Overall Conclusions**

The results of our evaluation and testing procedures indicate deficiencies in the design or operation of internal controls for staff and vendor contract management within the Office of the Chief Information Officer.

We believe the findings 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 OCIO and Purchasing Office management and staff for their cooperation and courtesies extended during the course of our review.



Natalie M. Beckwith, CIG, CFE, CICA  
Assistant Inspector General



Renee Kenney, CPA, CIG, CIA, CISA  
Inspector General

March 30, 2022

**Conclusion Definitions**

<b>Satisfactory</b>	No major weaknesses were identified in the design or operation of internal control procedures.
<b>Deficiency</b>	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.
<b>Significant Deficiency</b>	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.
<b>Material Weakness</b>	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 RECCOMENDATIONS

### 1. Ensure Secondary Employment is Disclosed and Approved

**Issue:** There was no evidence of secondary employment approval for the employee in question. The Chief Information Officer was aware the employee had a consulting business but did not follow-up to ensure the required Form A-1 (**Exhibit A**) was completed and approved.

**Risk/Criteria:** At time of hire, the employee was provided Commission Administrative Procedures 03-05, *Non-Commission Employment and Non-Commission Business* and a Form A-1. The Commission requires all secondary employment to be disclosed and approved on the Form A-1.

Commission Practice 2-14, *Non-Commission Employment and Non-Commission Business* states the following:

- Non-Commission Employment is permitted only when participation is specifically approved in writing by the employee’s Department Head and all of the following conditions are met:
  - Engaging in non-Commission employment does not cause the existence of, potential for, or the appearance of a conflicts of interest with respect to Commission duties assigned to the employee, or with any Commission policy, procedures, activities, and actions.
  - Non-Commission employment does not result in the employee, appointed officer, or Department Head using the prestige of his/her Commission offices, official title or position for private gain or gain of another.
  - Confidential information gained through Commission employment is not used for financial gain or for any use other than Commission employment (Reference Commission Practice 5-80, “Public Information and Record Management”).

Failure to properly disclose secondary employment is a violation of Commission Practice 2-14. In addition, this type of violation increases the opportunities for fraud, waste, and abuse whereby misappropriation of contractor services could go undetected due to the lack of outside employment admission.

**Issue Risk:** High

**Recommendation:** OCIO management should ensure all secondary employment is documented and approved utilizing the Commission’s Form A-1. The requirement extends to Merit System and Contract employees.

Office of the Chief Information Officer  
Term Contract Employee – Conflict of Interest  
CW-008-2022-B

**Management Response:** In order to make all employees aware of policy Practice 2-14 and continue to comply with the policy, the Commission's Corporate Policy Office will need to enhance the current procedure to include all newly hired employees acknowledge receiving all relevant policies and procedure by signing the acknowledgement form.

However, additional steps are needed to ensure that employees disclose secondary employment beyond their initial hire/appointment. The Corporate Policy Office will modify Commission Procedure 99-06, *Employee Orientation* to include language that requires employees to respond to the question about second employment during employee's annual performance evaluation. The Corporate Policy Manager will present modified Practice 2-14, *Non-Commission Employment and Non-Commission Business* and Commission Procedure 99-06, *Employee Orientation* to Department Heads for their review and approval.

**Expected Completion Date:** November 2022

**Follow-Up Date:** December 2022



## **2. Enhance Communication to Contract Vendors**

**Issue:** U.S. General Services Administration Schedule 70 contract vendor services utilized by the Commission are not explicitly required to identify or disclose any possible conflicts of interest that may exist with a subcontractor.

**Risk/Criteria:** Failure of the prime (e.g., Administration Schedule 70 vendor) to disclose subcontractors assigned to complete Commission business may result in a conflict. The Purchasing Manual defines a conflict of interest as an actual or potential situation in which the personal interests of a Vendor are or appear to be in conflict with the best interests of the Commission.

Commission vendors are required to comply with the Commission's Purchasing Manual. In addition, the Purchasing Manual requires the Contract Manager (e.g., CIO) to review the list of subcontractors utilized and the percentage as contained in the Contractor's invoice.

**Recommendation:** Current contract templates require vendors to comply with the Commission's Purchasing Manual. We recommend additional, specific communication be provided to Commission contract vendors involving the disclosure of potential subcontractors.

**Issue Risk:** High

**Management Response:** The OCIO will work with the Corporate Procurement Office to coordinate adding the requirement for Schedule 70 contractors to disclose subcontractors as part of their proposals.

**Expected Completion Date:** November 2022

**Follow-Up Date:** December 2022

# EXHIBIT A

The Maryland-National Capital Park and Planning Commission

FORM A-1

## REQUEST TO PARTICIPATE IN NON-COMMISSION EMPLOYMENT

In compliance with Administrative Practice 2-14 Non-Commission Employment and Non-Commission Business, I am providing notification of my non-Commission (secondary) employment.  
(Type or Print)

---

### EMPLOYMENT STATUS:

- My current employment status with the Commission is:  
\_\_\_\_\_ Probationary Merit System \_\_\_\_\_ Career Merit System \_\_\_\_\_ Contract
- As a Career Merit System employee (if applicable), I am a member of the following:  
\_\_\_\_\_ Career (Non-Union) \_\_\_\_\_ Career MCGEO\* \_\_\_\_\_ Career FOP\*
- I am currently employed in the following type of position:  
\_\_\_\_\_ Full Time \_\_\_\_\_ Part Time
- Employee Name \_\_\_\_\_
- Position Title \_\_\_\_\_
- M-NCPPC work location \_\_\_\_\_
- Division \_\_\_\_\_ Department \_\_\_\_\_
- Supervisor's name \_\_\_\_\_
- Description of job duties \_\_\_\_\_  
\_\_\_\_\_
- Commission Work schedule Hours: \_\_\_\_\_ Days: \_\_\_\_\_

---

### NON-COMMISSION EMPLOYMENT INFORMATION:

- Name of Non-Commission Employer or self-employed business title:  
\_\_\_\_\_
  - Phone ( ) \_\_\_\_\_ Non-Commission Employment Commencement Date \_\_\_\_\_
  - Address \_\_\_\_\_
  - Work Schedule Hours: \_\_\_\_\_ Days: \_\_\_\_\_
  - Description of Non-Commission employment duties: \_\_\_\_\_  
\_\_\_\_\_
- (Use separate sheet if necessary)
- Does the secondary employer do business with the Commission or have input with respect to decision-making within the Commission? \_\_\_\_\_  
If so, please specify \_\_\_\_\_  
\_\_\_\_\_

# EXHIBIT A

The Maryland-National Capital Park and Planning Commission

## REQUEST TO PARTICIPATE IN NON-COMMISSION EMPLOYMENT

FORM A-1

### NON-COMMISSION EMPLOYMENT INFORMATION (Continued):

- Does the secondary employment involve use of Commission Equipment/Property (refer to Administrative Practice 2-15 Employee Use Of Commission Property)? \_\_\_\_\_  
If so, please list any Commission equipment/property, which will be needed in the course of secondary employment activities? \_\_\_\_\_  
\_\_\_\_\_

- Explain the reason(s) why this Practice will not be violated: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

**\*\*\*\*SUBMIT THIS FORM TO YOUR IMMEDIATE SUPERVISOR\*\*\*\***

Your supervisor may contact you for further information. Should your Non-Commission employment cease or change, you must update this form IMMEDIATELY.

\*Career MCGEO and FOP members should refer to Collective Bargaining Agreement for additional notification requirements

### SUPERVISOR/DIVISION CHIEF RECOMMENDATION

Date received: \_\_\_\_\_  
\_\_\_\_\_  
Recommend Approval  
\_\_\_\_\_  
Recommend Denial

Reason for recommending approval or denial:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Supervisor/Division Chief

**\*\*\*\*Supervisor/Division Chief should then forward to Department Head\*\*\*\***

\_\_\_\_\_  
Date

### DEPARTMENT HEAD

Date received: \_\_\_\_\_  
\_\_\_\_\_  
Approve  
\_\_\_\_\_  
Deny

Explanation of approval or denial:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Department Head

**\*\*\*\*Department Head should then forward to Executive Director\*\*\*\***

\_\_\_\_\_  
Date

A copy of the Department Head's decision with an explanation for approval or denial shall be forwarded to the Executive Director. An employee, who disagrees with the decision of his/her Department Head, may request review of the decision by the Executive Director by forwarding this form along with the Department Head's written decision. In all cases, the Executive Director's decision shall be final.