

Maryland-National Capital Park & Planning Commission

Office of the Inspector General Fiscal Year 2021 Annual Report

(July 1, 2020 – June 30, 2021)

Distribution:

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- Casey Anderson, Chair, Montgomery County Planning Board
- Asuntha Chiang-Smith, Executive Director

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Prepared by Renee M. Kenney, CPA, CIG, CIA, CISA
Inspector General
July 13, 2021

Office of the Inspector General
7833 Walker Drive, Suite 425
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Inspector General's Message to the Executive and Audit Committees

I am pleased to present the Maryland-National Capital Park and Planning Commission (Commission or M-NCPPC) Office of the Inspector General's (OIG) Annual Report on the activities and accomplishments of the OIG from July 1, 2020 through June 30, 2021 (FY21).

The OIG's work demonstrates our commitment to promoting accountability, efficiency, and effectiveness in Commission programs and operations and keeping Commission management fully informed about opportunities for improvement in Commission activities and corrective action responses.

The OIG's success would not be possible without the independent oversight from the Commission's Audit Committee. The Audit Committee assists the OIG by ensuring principles of independent review and public accountability of the audit process are maintained.

OIG personnel continued to telework throughout FY21 due to the COVID-19 pandemic. However, as Commission facilities began opening, we were able to enhance audit testing on site. As detailed in this Report, the OIG completed 14 performance audits and provided 39 recommendations to improve employee compliance with applicable laws, policy, and ethical standards of conduct.

Investigating fraud, waste, and abuse continues to be a critical mission of the OIG. Potential irregularities are communicated via an anonymous Ethics and Compliance Employee Hotline or by direct submission to the OIG. During FY21, the OIG received 7 hotline inquiries, 9 requests for investigation by Commission management and 3 inquiries from external stakeholders. All concerns were either investigated by the OIG or referred to an appropriate Department for follow-up.

Finally, I would like to thank Commission management and staff for their cooperation and courtesies extended during the course of our audits and investigations. I also wish to thank the OIG team for their dedication and support. I look forward to their continued cooperation as we work together to ensure the integrity and efficiency of M-NCPPC operations.



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

July 13, 2021

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Fiscal Year 2021 (FY21) Annual Report**

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Policy Compliance

According to Administrative Practice No. 1-31 – *Organization and Functions of the Audit Committee*, the Commission’s Audit Committee shall receive and review the following reports on departmental and operational audits:

1. Annual Summary of Significant Audit Findings: The Inspector General shall provide to the Audit Committee, a synopsis of all audits conducted during the 12-month fiscal cycle with an explanation of significant audit findings, recommendations, and corrective actions taken.

2. Reports on Internal Control Systems and Processes: The Inspector General shall report to the Audit Committee, as appropriate, on the effectiveness of M-NCPPC internal control systems and processes.

This Annual Report is being submitted to satisfy these requirements.

Office of the Inspector General

Office of the Inspector General Personnel

Renee M. Kenney, CPA, CIG, CIA, CISA, Inspector General
Natalie Beckwith, CFE, CICA, Assistant Inspector General
Robert Feeley, CGFM, CFE, CAA, CICA, Assistant Inspector General
Wanda King, Assistant Inspector General
Kim Williams, CPA, CISA, CITP, IT Audit Manager

Professional Credentials and Memberships

OIG personnel maintain relevant certifications and are members of many prestigious professional audit and accounting associations. Auditing certifications demonstrate a technical capability that is recognized internationally. The professional associations providing the certifications have rigorous standards and minimum requirements that include comprehensive written exams for technical knowledge and skills and verified education and experience requirements. The certifications also carry stringent ethical standards.

CERTIFICATIONS	
CPA	Certified Public Accountant
CIG	Certified Inspector General
CIA	Certified Internal Auditor
CISA	Certified Information System Auditor
CFE	Certified Fraud Examiner
CGFM	Certified Government Finance Manager

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CAA	Certified Acquisition Auditor
CICA	Certified Internal Control Auditor
CITP	Certified Information Technology Professional

MEMBERSHIPS	
	American Institute of Certified Public Accounts (AICPA)
	Institute Internal Auditors (IIA)
	Association of Inspectors General (AIG)
	Information Systems Audit Control Association (ISACA)
	Association of Certified Fraud Examiners (ACFE)
	Association of Local Government Auditors (ALGA)
	Maryland Government Finance Officers Association (MDGFOA)

ADVANCED EDUCATION	
Renee M. Kenney	Master of Science, Accounting
Natalie Beckwith	Master of Public Administration
Robert Feeley	Master of Business Administration
Wanda King	Master of Business Administration
Kim Williams	Master of Science, Cybersecurity

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Quality and Standards

Auditing Standards

The Office of the Inspector General is committed to producing high-quality audits and applies professional auditing standards to formal audits and applicable standards to all engagements. Professional audit standards provide a framework to promote quality audit work that is systematic, objective, and based on evidence. Adherence to these standards ensures that reviews and assessments of M-NCPPC operations are consistently informative, accurate, and objective. The Office of the Inspector General conforms to *Generally Accepted Government Auditing Standards* (GAGAS) or the “Yellow Book” for the completion of all performance audits. These professional standards are issued by the United States Government Accountability Office.

The OIG conforms to *Principles and Standards for Offices of Inspector General* for the completion of fraud, waste, and abuse investigations. These professional standards are issued by the Association of Inspectors General.

External Quality Assessment/Peer Review

Consistent with the Yellow Book, the OIG is required to obtain an independent external quality assessment at least once every three years by a professional, objective group. This assessment is commonly referred to as a peer review.

The Association of Local Government Auditors (ALGA) completed a peer review of the M-NCPPC Office of Internal Audit in September 2017 for fiscal years 2015-2017. The audit report concluded, “The Maryland-National Capital Park and Planning Commission Office of Internal Audit’s internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits during the period July 1, 2014-June 30, 2017.”

A review of FY18 – FY20 operations was cancelled due to the COVID-19 pandemic. With concurrence with ALGA, the OIG has received approval from the Audit Committee to waive peer review requirements for FY18 and FY19. The OIG is planning a review of FY20-FY22 in August 2022.

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Annual Risk Assessment

The Office of the Inspector General completed risk assessment interviews with Commission management in spring, 2020. The results of the interviews were used to develop the FY21 Audit Plan.

Annual Audit Plan

Identification of specific audits to be included in the fiscal Audit Plan depend on many factors, including results of risk assessment interviews, OIG resources, previous audits, on-going projects, and professional judgment. The Audit Plan is considered a living document and is subject to change throughout the fiscal year.

The FY21 Audit Plan included performance audits, hours for the completion of fraud, waste, and abuse investigations, management advisories, follow-up reviews, and Commission-wide trainings. The FY21 Audit Plan was formally approved by the Audit Committee on June 09, 2020. The Plan was adjusted throughout the fiscal year to account for the impact of the pandemic.

The following performance audits were included in the FY21 Audit Plan:

- Prince George's County Golf Courses
 - Enterprise Golf Course
 - Henson Creek Golf Course
 - Paint Branch Golf Complex
- COVID Compensation and Leave Programs
- CARES/FEMA Funding
- Prince George's County Park Police, Third Party Billings
- Montgomery County Lease Abatements
- IT Asset Inventory
- IT Security Follow-Up
- Prince George's County Facility Audits
- Montgomery County Facility Audits

The OIG completed all approved performance audits.

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FY21 Completed Audits, Investigations, and Advisories

CW - Commission Wide, MC – Montgomery County, PGC – Prince George’s County

Performance Audits

Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, and facilitate decision making.

The OIG completed 14 performance audits in FY21, including 6 facility audits (*). Facility audit programs are comprehensive and cover high-risk business processes such as petty cash, cash receipts, timekeeping, procurements, expense reimbursements, facility bookings, vehicle usage, fixed and controlled assets. **Appendix A** contains a summary of each performance audit.

Audit Number	Audit Name	Date Final Report Issued	Report Findings (risk level)		
			H	M	L
CW-001-2021	[REDACTED]	12/29/2020	2	0	0
CW-002-2021	[REDACTED]	04/20/2021	6	0	0
CW-004-2021	COVID Compensation and Leave Programs	06/30/2021	0	2	1
CW-006-2021	CARES/FEMA Funding	05/14/2021	0	0	0
MC-002-2021	Meadowside Nature Center (*)	04/21/2021	0	2	1
MC-003-2021	Lease Abatements	06/04/2021	1	0	2
PGC-001-2021	Addition/Renovation of Peppermill Community Center	01/19/2020	1	0	0
PGC-002-2021	Southern Regional Technical Recreation Center (*)	01/29/2021	1	2	0
PGC-003-2021	Park Police Third Party Billings	11/10/2020	2	1	1
PGC-004-2021	Westphalia Community Center (*)	05/21/2021	0	0	0
PGC-005-2021	Kentland Community Center (*)	11/16/2020	0	2	0
PGC-007-2021	Largo/Kettering/Perrywood Community Center (*)	01/26/2021	2	1	0
PGC-008-2021	Prince George’s County Golf Courses	05/14/2020	3	4	0
PGC-010-2021	Huntington Community Center (*)	06/28/2021	0	2	0
14 Completed Audits	Total Number of Findings	39	18	16	5

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Fraud, Waste and Abuse Investigations

The OIG ensures public accountability by preventing, investigating, and reporting instances of fraud, waste, and abuse of Commission property or funds. Cases are presented to the OIG through:

- the independent, anonymous Ethics and Compliance Employee Hotline;
- direct notification from Commission employees; and
- direct notification from Prince George’s County and Montgomery County constituents.

In cases where fraud, waste, or abuse is suspected, the Office of the Inspector General has responsibility to investigate the matter in accordance with Commission Practice 3-31, *Fraud, Waste, & Abuse*. The OIG completed one (1) fraud, waste, and abuse (FWA) investigation in FY21. FWA investigations are conducted in accordance with *Principles and Standards for Offices of Inspector General*.

At the conclusion of a FWA investigation, the OIG issues a formal FWA Report and a corresponding Internal Control Report (ICR). The FWA Report contains the OIG’s conclusion on the occurrence of fraud, waste, or abuse. If applicable, the OIG quantifies the amount of the misappropriation. The ICR identifies opportunities to strengthen internal controls related to the irregularity.

Audit Number	Audit Name	Report Date	ICR Recommendations		
			H	M	L
MC-001-2021	South Germantown Cricket Field	08/17/2020	1	0	0

A summary of the investigation is included in **Appendix A**.

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Limited Investigations

The OIG completed eight (8) limited investigations. Unlike FWA investigations, limited investigations are ad hoc and are not conducted in accordance with *Principles and Standards for Offices of Inspector General*.

Summary of Allegation	Resolution	Date Finalized	Source
Improper, personal use of Commission purchase cards involving Amazon Prime benefits	Issue resolved with Amazon. OIG issued communications to impacted employees and management.	9/14/2020	Commission Purchasing Office
Phishing of employee computer, possible breach of personal identifiable information	Vulnerabilities identified. Mitigating corrective actions taken by Prince George's County Department of Parks and Recreation (DPR).	09/29/2020	Commission Officers requested OIG review
Improper disposal of Commission owned spin bikes	Allegation was unsubstantiated	11/09/2020	DPR management requested OIG review
Conflict of Interest (COI) involving Commissioner	Allegation unsubstantiated	12/09/2020	Direct contact by County constituent
Member of interview panel had a relationship with applicant (COI)	Relationship was disclosed to Department HR prior to interviews. OIG determined recruitment was objective. No prejudice was applied.	12/27/2020	Hotline Submission
Missing controlled assets (Virtual Reality Headsets) identified in 2019. DPR management failed to take required action.	Allegation was confirmed. Limited Investigation Memorandum issued to DPR management.	05/26/2020	DPR management
DPR – Festival of Lights – theft of cash	Allegation unsubstantiated. Limited Investigation Memorandum issued to DPR management.	01/04/2021	Prince George's County constituent contacted DPR

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Use of Commission issued e-bike violates Commission Practices	Concerns were unsubstantiated. Limited Investigation Memo issued to Commission management.	06/23/2021	Anonymous Commission Employee
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Referrals

Ten (10) concerns/allegations were submitted to the OIG for investigation which resulted in referral. The OIG completed a preliminary review of each allegation to assess merit and if required, to determine the best available resources for future investigation.

Summary of Allegation	Referred To	Source	Resolution
Employee falsification of timecard	Referred to Montgomery County Department of Parks for investigation	Hotline submission	Department unable to substantiate due to flexible telework agreements initiated due to COVID-19. Management agreed to increase oversight.
Unauthorized, improper use of radio tower	DPR, Public Affairs and Community Partnerships	External constituent	Allegations unsubstantiated. Department responded to constituent.
██████████ Commission vendor portal	Component 1 - Financial - Referred to the Department of Finance Component 2 – ██████████ ██████████ ██████████	Office of Chief Information Officer	No financial loss confirmed. ██████████ ██████████ ██████████
Physical abuse of employees, physical abuse of animals	Referred to Corporate Human Resources and Park Police for investigation	Hotline submission	Allegations partially substantiated. Disciplinary action effected.
Illegal dumping on Commission property	Referred to Prince George’s County Park Police	Hotline submission	Unsubstantiated

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Falsification of timecard by Park Police officer	Referred to Park Police for investigation as OIG is restricted from investigation due to Law Enforcement Officer Bill of Rights (LEOBR)	Corporate Human Resources	Unsubstantiated
Commission contractor failure to pay minimum wage	Central Purchasing and Office of General Counsel	Montgomery County Commissioner	Substantiated. Irregularity corrected.
Timecard fraud. Additional complaint involving employee identified in prior hotline submission	Montgomery County Department of Parks management.	Hotline submission	Department unable to substantiate due to flexible telework agreements initiated due to COVID-19. Management agreed to increase oversight.
Conflict of Interest (COI) involving States Attorney Office. Inappropriate permitting for Youth Baseball	DPR Youth and Countywide Sports Division	Hotline submission	Unsubstantiated. Mitigated through Adopt-A-Park Agreement.
Conflict of Interest – Long Term lease of Park Building	DPR, Public Affairs and Community Partnerships	Hotline submission	Resolved. Documentation (e.g. lease and request for proposal (RFP) sent to complainant through a Departmental MPIO request

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Follow-Up Reviews

The OIG is responsible for completing follow-up reviews for all high and medium-risk audit recommendations. For FY21, the OIG completed 15 follow-up reviews, which included 63 audit recommendations.

F = Fully Resolved; PR = Partially Resolved; UR = Unresolved

Audit Number	Audit Name	Date of FUP Audit Report	Recommendations Status		
			F	PR	UR
PGC-008-2019	Trap and Skeet	11/30/2020	3	0	0
PGC-013-2019	Palmer Park Community Center	01/26/2021	1	2	0
PGC-015-2019	PGC Park Police Overtime	10/28/2020	6	1	4
PGC-002-2020	Planning Department, Theft of Cash	08/31/2020	3	0	0
PGC-005-2020	Trap and Skeet – ██████████ ██████████	11/30/2020	5	0	0
PGC-006-2020	Glenn Dale Community Center	10/29/2020	5	1	0
PGC-009-2020	Oxon Hill Manor	10/27/2020	1	0	0
PGC-010-2020	Payments to Vendors	10/21/2020	1	0	2
PGC-015-2020	Upper Marlboro Community Center	05/18/2021	8	0	0
MC-004-2019	MC Park Police Overtime	10/28/2020	5	0	2
MC-002-2020	Locust Grove	11/06/2020	3	0	0
MC-001-2021	South Germantown Cricket Field	04/21/2021	1	0	0
MC-002-2021	Meadowside Nature Center	04/16/2021	3	0	0
CW-010-2019	Treasury-Cash Management	12/17/2020	1	0	0
CW-001-2016	DHRM Personnel Action Forms	02/02/2021	4	1	0
15 Reviews			50	5	8

Internal Training

To increase accountability, the OIG completed several training sessions throughout FY21 to Commission employees.

Section/Department	Date	Training Topic
DPR - Southern Area Operations	01/07/2021	Common Audit Issues
DPR - Youth and County-wide Sports Division	03/26/2021	Fraud and Ethics Refresher
MC Planning Board	04/21/2021	Ethics Refresher
MC Department of Parks, Southern	05/27/2021	Common Audit Issues & Fraud and Ethics Refresher

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Summary of Major Audit Concerns

If the overall control environment for the unit or process being audited requires management's immediate attention, details of the deficiencies are included in the "Major Audit Concerns" section of the report. For FY21, four (4) out of 14 performance audits included major audit concerns.

- The OIG completed two IT Audits in FY20, [REDACTED] and [REDACTED]. The objective of these two audits was to assess the Commission's overall vulnerability management practices and to follow-up on recommendations included in prior external security assessments. Both audit reports contained major audit concerns.
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- The OIG completed a construction contract audit for the Peppermill Community Center (PGC-001-2021). The Peppermill renovation/construction Contract was bid as a Guaranteed Maximum Price (GMP) contract. Per the Design-Build Institute of America (DBIA), a GMP contract is a hybrid contract combining the cost reimbursement features of a cost-plus contract with the cost certainty of a lump sum (firm fixed-price) contract. GMP contracts require additional effort to manage as the parties (owner and Contractor) are required to keep track of all related expenses. For line items subject to cost-plus reimbursement, the contractor must provide the owner (e.g. Commission) with detailed invoices that validate the costs of the labor, equipment, subcontractors, and material. The OIG concluded, amounts paid to the Contractor for reimbursable costs (costs other than the fixed fee amounts) could not be verified to actual costs incurred by the Contractor.
- The OIG completed a comprehensive review of Prince George's County Department of Parks and Recreation's three golf courses (Paint Branch Golf Complex, Enterprise Golf Course, and Henson Creek Golf Course) (PGC-008-2021). 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. The OIG identified numerous opportunities to strengthen internal controls at all golf courses. When considered individually, the recommendations mitigate low, medium, and high operational risks. However, given the number of recommendations, and the limited improvement in managerial oversight, lack of managerial oversight was presented as a major audit concern.

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Summary of High-Risk Audit Findings

The OIG relies on the auditor’s professional judgment when assigning risk ratings (high, medium, or low) to individual audit findings. A high-risk rating indicates 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.

High-risk recommendations accounted for approximately 50% of total recommendations in FY21. The OIG identified 19 high-risk audit recommendations, out of 40 total recommendations.

The high-risk audit findings identified deficiencies in the following areas/programs. [REDACTED] there does not appear to be a concentration of recommendations in a single business process.

	BUSINESS PROCESSES							
	[REDACTED]	Management Oversight and Follow Through	Incomplete Procedures or Defined Processes	Petty Cash	Accounts Receivable	Controlled Assets	Customer Contracts	Purchase Card
[REDACTED]	1		1					
[REDACTED]	5		1					
MC-001-2021		1						
MC-003-2021		1						
PGC-001-2021			1					
PGC-002-2021				1				
PGC-003-2021					2			
PGC-007-2021						1	1	
PGC-008-2021		1		1				1
Total High-Risk Findings (19)	6	3	3	2	2	1	1	1

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Effectiveness of the Internal Control Systems and Processes

It is the opinion of the Inspector General that the internal control systems and processes for the Commission's fiscal and operational activities are adequate. As stated in this report, the OIG completed six (6) comprehensive facility audits of Community/Nature Centers within Prince George's and Montgomery Counties. Based on our audit testing, it is reasonable to conclude management and staff within these facilities have a strong understanding of internal controls and work diligently at reducing risk to the Commission. In addition, the OIG completed three special audits as a result of the COVID-19 pandemic. No major audit concerns were identified in these audits. One audit, CARES/FEMA Funding did not have any audit recommendations/findings. This supports the IG's conclusion that internal controls systems and processes for fiscal and operational activities are adequate. This statement is further supported by a declining trend of completed fraud, waste, and abuse investigations.

Although improvements continue to be made, information technology (IT) security risks remain a major concern for the Commission. Major audit concerns were identified in the development and implementation of comprehensive, Commission-wide security policies. As IT security threats increase in complexity and scope, Commission security protocols are defined, implemented, and monitored at a Department level, instead of a Commission-wide level, increasing the Commission's overall security risk. [REDACTED]

[REDACTED]

[REDACTED]

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SUMMARY OF COMPLETED AUDITS AND INVESTIGATIONS

Special Audits Due to the COVID-19 Pandemic

The OIG adjusted FY21's approved audit plan to address additional challenges imposed on the agency because of the pandemic. Three additional audits were approved by the Audit Committee:

- COVID-19 Leave and Compensation Programs
- CARES/FEMA Funding
- Montgomery County Lease Abatements

COVID-19 Leave and Compensation Programs - To address the challenges and risks of the pandemic, the Commission implemented a layered/phased approach to protect and compensate their employees. COVID-19 leave and compensation benefits included but were not limited to:

- Social Distancing Leave
- Social Distancing Pay
- Scheduled Rotations
- Compensatory Leave
- Paid Time Off
- Differential Pay
- Administrative/Sick Leave as defined within the Federal Families First Corona Response Act (FFCRA)

Given the complexity of the newly implemented leave and compensation programs, Commission's management did an exceptional job implementing the new benefit programs. No major audit concerns were identified during the review of the newly implemented programs. The Audit Report only contained three recommendations, (2 medium risk and 1 low risk). Only one recommendation had a fiscal impact to the Commission; minor oversights in coding front facing versus back facing premiums resulted in over payments to eleven (11) represented employees totaling \$259.37.

CARES/FEMA Funding - The Commission received \$2,038,476 in CARES funding from Prince George's and Montgomery Counties and they received \$1,515,125 in direct federal FEMA funding. The primary purpose of the audit was to ensure the Commission followed all internal and external guidelines for the use of these funds. The audit focused on the process used for preparing expense reimbursement documentation, to obtain reasonable assurance of compliance with MOU's with Prince George's and Montgomery Counties and governmental requirements. The OIG did not identify any irregularities. The Audit Report did not include any audit recommendations.

Montgomery County Lease Abatements - Eighteen tenants/partners received 12 rounds of lease abatements in the amount of \$271,370 as of March 12, 2021 as a result of the COVID-19 pandemic. The purpose of the audit was to determine if lease abatements were properly reviewed and approved by Parks management. In addition,

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SUMMARY OF COMPLETED AUDITS AND INVESTIGATIONS

audit testing was designed to help ensure all lease abatements complied with the terms of an executed forbearance agreement. The results of our evaluation and testing procedures indicated no major audit concerns. However, the OIG did determine that 14 of the 18 tenants/partners failed to provide the required documentation (e.g. evidence of business interruption insurance, disclosure of additional governmental assistance) as required by the forbearance agreement. Management is reviewing the OIG's recommendations, but stated, there was no precedent for handling a global pandemic; staff and management worked closely to efficiently administer the volume and variety of issues the Department faced.

Prince George's County Facility Audits

Prince George's County Department of Parks and Recreation has 45 Community Centers. During fiscal year 21, the OIG completed five (5) comprehensive reviews at judgmentally selected Community Centers (Southern Regional Technology Recreation Complex, Westphalia, Huntington, Kentland and Largo/Kettering/Perrywood.) The objective of the facility audits was to evaluate the system of internal controls supporting operations, improve operational efficiencies, and to help ensure compliance Commission policies and procedures. The OIG did not identify any major audit concerns during the completion of the five (5) facility audits; and only three high risk recommendations were communicated to management:

- Ensure Petty Cash Custodians are Authorized
- Maintain Documentation Supporting Rental Contracts
- Strengthen Disposal/Tracking Procedures for Controlled Assets (assets valued < \$10,000)

Department management concurred with all audit recommendations and provided responses to satisfactorily address the concerns.

The OIG also designed testing to identify possible fraud, waste, and abuse at the facilities. We did not identify any activities that would support these types of irregularities.

Montgomery County Facility Audit

The OIG completed a full review of operations at Meadowside Nature Center. 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. The results of our evaluation and testing procedures indicated no major audit concerns. The Audit Report did not contain any high-risk audit recommendations.

Information Technology Audits

The OIG completed two IT Audits in FY20, [REDACTED]
[REDACTED] [REDACTED] The objective of these two audits was to assess the Commission's overall vulnerability management practices and to follow-up on

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SUMMARY OF COMPLETED AUDITS AND INVESTIGATIONS

recommendations included in prior external security assessments. Both audit reports contained major audit concerns.

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

The Office of the Chief Information Officer (OCIO) concurred with the audit recommendations and findings. The OCIO is continuing to work with the Departmental IT Divisions in policy development and improved security controls.

Addition/Renovation of Peppermill Community Center

On May 17, 2016, a Contractor was awarded a Guaranteed Maximum Price (GMP) Contract to complete the design/build project at Peppermill Community Center. The GMP Contract was structured with a contract cost limit (CCL) of \$6,592,423. 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. Testing procedures were also developed to assess the accuracy and legitimacy of payments to the Contractor.

The OIG concluded amounts paid to the Contractor for reimbursable costs (costs other than the fixed fee amounts) could not be verified to actual costs incurred by the Contractor. Management agreed in theory with OIG's conclusions, but stated their approach to evaluating invoices associated with Design/Build projects followed industry standards. However, management did also state they always seek to improve its contract management processes and that the recommendations of the audit appear reasonable. Management agreed to implement OIG's recommendations on an up-coming project as a test case. The OIG accepted managements response.

Park Police Third Party Billings

The selection of third party billings for audit was primarily due to concerns raised in 2019 during the review of Park Police overtime. Park Police management expressed concerns that third party billings appeared low but were unable to provide any additional data to override the accounting records. Although there were no major audit concerns in the FY21 audit, the OIG was able to present management with four (4) recommendations. One of the recommendations, "Set Up Third Party Invoices in the Accounts Receivable Module" allows Corporate Accounting to offset receivables when the external customer pays the invoices, which in effect, monitors the receipt of payments. Park Police

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SUMMARY OF COMPLETED AUDITS AND INVESTIGATIONS

management, in conjunction with the Department of Finance, immediately implemented this recommendation.

Prince George's County Golf Courses

In the spring of 2021, the OIG completed a comprehensive review of all Prince George's County Department of Parks and Recreation (DPR) golf courses:

- Paint Branch Golf Complex
- Enterprise Golf Course
- Henson Creek Golf Course

The OIG initiated this audit as a result of irregularities identified in 2019 and subsequently referred out for external investigation. The FY21 Audit Report contained a major audit concern and recommendation to strengthen managerial oversight. This recommendation was originally presented to management in 2019. Although significant improvements in oversight have been made at all golf courses, additional areas for improvements were found. The OIG also identified additional areas that would benefit from improvements in internal controls, including petty cash, instructor payments, manual timecards, controlled assets, cash deposits, and vehicle mileage logs.

DPR management agreed with all audit recommendations and continue to make improvements to strengthen oversight and operations.

South Germantown Cricket Field (Fraud, Waste, and Abuse Investigation)

The OIG received a confidential complaint concerning the South Germantown Recreational Park (SGRP) Cricket Field, in Montgomery County. The complaint included three (3) allegations relating to a change order (CO) and subsequent approval of an application for payment to a contractor for construction of the SGRP Cricket Field. The OIG was unable to substantiate the allegations but was able to provide management with suggestions to strengthen change order supporting documentation.

Montgomery County Department of Parks management agreed with the audit recommendation. OIG resolved the recommendation during follow-up testing.