

MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

Montgomery County, Department of Parks

**Horticulture, Forestry & Environmental Education Division
Meadowside Nature Center**

MC-002-2021

April 5, 2021

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Montgomery County Department of Parks
Horticulture, Forestry & Environmental Education Division

Meadowside Nature Center
Audit Report

Table of Contents

I. EXECUTIVE SUMMARY

A.	Background.....	1
B.	Objective, Scope and Methodology of the Audit.....	2
C.	Major Audit Concerns.....	4
D.	Overall Conclusions.....	5

II. DETAILED COMMENTARY AND RECOMMENDATIONS

1.	Ensure Rental/Permit Agreements Contain an Acknowledgement of Waiver Conditions by Renter.....	6
2.	Complete Driving Requirements and Record Release Authorization Form.....	7
3.	Resolve Account Receivable Balances.....	8

III. EXHIBIT

A.	Driving Requirements and Record Release Authorization Form.....	9
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I. EXECUTIVE SUMMARY

A. Background

The Maryland-National Capital Park and Planning Commission (M-NCPPC or Commission) is a bi-county agency serving Montgomery County and Prince George's County in Maryland, providing quality parks, recreation facilities, programs and services for residents and visitors. The Montgomery County Department of Parks system consists of approximately 36,991 acres and includes attractions such as nature centers, public gardens, indoor tennis and ice rinks, miniature trains and event centers.

The audit focused on the Meadowside Nature Center (Center), located in Montgomery County at 5100 Meadowside Lane, Rockville, MD. within the 1,800-acre Rock Creek Regional Park. The Nature Center offers outdoor and environmental education programming for families, schools, and scouts. Visitors can spend time on eight miles of hiking trails and see habitats such as a meadow, pond or dense forest and explore unique features of the property that are both natural and historical. The Nature Center is home to permanently injured, non-releasable birds of prey, also known as raptors, such as hawks, falcons, owls and eagles.

The Center Manager, who has overall responsibility for the Center, reports directly to the Natural & Historical Resources Manager and Division Chief under the direction of the Deputy Director of Operations and Director of Montgomery County Department of Parks.

The Center's total overall budget for fiscal year 2021 is approximately \$649,282.00 with 89% (\$580,661.00) attributed to salaries and benefits. Total overall revenue for fiscal year 2021 is budgeted for \$20,100.00.

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.

In addition, the audit scope was designed to identify possible fraud, waste, or 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 procedures;
- Interviewed staff to obtain an understanding of operational procedures;
- Performed virtual cash counts of the change fund and petty cash fund;
- Reviewed petty cash reimbursements for appropriate approval and supporting documentation;
- Reviewed for accurate and timely bank deposits (i.e., checks);
- Selected a sample of purchase card transactions and verified for proper authorization and appropriate purchases;
- Obtained fixed/capital asset reports and verified completion of annual inventory;
- Obtained controlled asset report and verified completion of annual inventory;
- Reviewed Commission vehicle log for completeness and verified all drivers met risk management requirements;
- Reviewed timekeeping procedures;
- Reviewed accounts receivable for payment of outstanding balances; and
- Reviewed rental contracts/permits in the ActiveMONTGOMERY system.

The audit covered the period from January 1, 2020 through December 31, 2020.

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

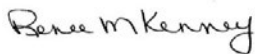
The results of our evaluation and testing procedures indicate deficiencies in the design or operation of internal controls as noted in this report.

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 Montgomery County Department of Parks, Operations, Horticulture, Forestry & Environmental Education Division and Meadowside Nature Center's management and staff for their cooperation and courtesies extended during the course of our review.



Robert Feeley, CFE, CAA, CGFM, CICA
Assistant Inspector General



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

April 5, 2021

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. Ensure Rental/Permit Agreements Contain an Acknowledgement of Waiver Conditions by Renter

Issue: None of the rentals processed (31 in total) between January 1, 2020 through December 31, 2020 contained an acknowledgement (i.e. waiver) by the renter stating they agreed and understood the rules and regulations pertaining to that specific rental. Rentals/Permits are processed via ActiveMONTGOMERY (aM).

Waivers are obtained electronically with an “agreed to waiver” box checked off. Per the Center Manager, all rental/permits are processed either by the renter online or online by the Commission employee while having the renter on the phone. The rental/agreements without a waiver checked off were processed at the Center by a Commission employee on-line through aM, while being on the phone (not in person) with the renter. The Commission employee stated [REDACTED] was not aware that [REDACTED] was supposed to check off the agree to waiver box. The aM system administrator stated that a Commission employee typically obtains a verbal confirmation from the renter, acknowledging they have read and understand the rules and regulations for that specific rental. After receiving the verbal confirmation, the Commission employee checks the box.

The OIG cannot determine if the renters were advised of the requirements and/or they agreed to the requirements.

Criteria/Risk: Verbal attestation by a renter of reading and understanding the rules and regulations for a specific rental should be documented with the waiver box being checked off. Failing to have a record of this confirmation may pose a potential liability to the Commission.

Recommendation: We recommend Center management strengthen internal control procedures to ensure Commission employees at the Center check the waiver box off in rental/permits after receiving a verbal affirmation from the renter.

Issue Risk: Medium

Management Response: Meadowside Nature Center employees will make sure to check off the waiver box after reading it to the customer if processing a booking/reservation over the phone. Additionally, the ActiveMontgomery software currently used will be switching to a new vendor, VSI, in the Fall and we are trying to see if all reservations can only be confirmed once the renter checks the waiver box.

Expected Completion Date: March 2021

Follow-Up Date: June 2021

2. Complete Driving Requirements and Record Release Authorization Form

Issue: An employee of the center drove a Commission vehicle without providing the required documentation to the Department of Human Resources and Management, Corporate Policy and Management, Risk Management and Safety Office (RM&S). In response to our request, the Facility Manager provided a list of eight employees who were allowed to drive Commission vehicles at the Center. Although the eight employees had completed the required Defensive Driving Course, one of the employees was not eligible to drive a Commission vehicle because he/she had not provided RM&S the Driving Requirements and Record Release Authorization Form (Record Authorization Form) (please see **Exhibit A**).

Criteria/Risk: Per Commission Practice 6-10, *M-NCPPC Vehicle Use Program*, each Department shall ensure employees complete the Record Authorization Form prior to operating a Commission vehicle. By signing the Record Authorization Form, employees acknowledge they will:

- follow all M-NCPPC policies pertaining to vehicle use;
- maintain a valid driver's license at all times;
- be enrolled in the Driver's License Monitoring Program;
- complete the Commission's driver safety training program; and
- notify the Commission of changes to his/her driver's license, including changes in driving record/citations/violations.

Allowing an employee to drive a Commission vehicle prior to submission of the Record Authorization Form prevents RM&S from reviewing an employee's driving record for violations, suspensions, revocations, and accidents. This places the Commission in an elevated risk of liability if an employee has a number of driving infractions.

Recommendation: Management should ensure all employees that complete the Commission's Defensive Driving Course also complete and submit to RM&S the Record Authorization Form prior to driving a Commission vehicle.

Issue Risk: Medium

Management Response: The employee who was missing the RM&S form completed the Record Authorization form to remedy the situation on March 2, 2021. Going forward all employees will send their completed Record Authorization Form at the completion of the Defensive Driving course to the Manager at Meadowside Nature Center who will forward to Risk Management.

Expected Completion Date: March 2021

Follow-Up Date: June 2021

3. Resolve Account Receivable Balances

Issue: The Center's Account Receivables Aging Report included an outstanding balance of \$120.00 for an event that occurred over 12 months ago (January 3, 2020).

Criteria/Risk: Ensuring that balances due the Commission for programs/events provided by the Center are paid in a timely manner is an essential function for maintaining a beneficial cash flow.

Recommendation: Montgomery County Department of Parks management should review the Center's account receivable balances on a regular schedule and update/adjust accordingly.

Issue Risk: Low

Management Response: Accounts receivables will be reviewed on monthly basis. Accounts with outstanding balances will be contacted twice (with documentation of these attempted contacts) for remittance fees. If fees are not received within 10 days of last notice, Finance Department will be notified and the account will be frozen until payment is received.

Expected Completion Date: Ongoing. On a monthly basis; starting March 2021

Follow-Up Date: June 2021

