



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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

Renee M Kenney

Date: April 19, 2023

Subject: Management Advisory – South Germantown Driving Range
MC-002-2023

As a result of a 2022 investigation completed by the Maryland-National Capital Park Police, Montgomery County Division (Park Police), the Office of the Inspector General (OIG) agreed to complete a Management Advisory review into the cash receipt reconciliation processes at the South Germantown Driving Range (SGDR), managed by Montgomery County Department of Parks, Enterprise Division.

Background

On June 8, 2022, the Park Police opened an investigation into alleged theft at SGDR. The OIG agreed to provide administrative assistance to the Park Police that included the review of point-of-sale documents and various reconciliations.

Park Police concluded, a significant lack of oversight and internal controls existed at the SGDR, but there was no clear indication of a major theft. Their investigation revealed misdemeanor thefts by employees, but the available evidence was not compelling to pursue any charges.

One of the primary causes of the thefts was a lack of reconciliations between SGDR's point-of-sale application and Range Servant (RS), the golf ball dispensing system.

General Terms and Understandings

- Vermont Systems (VSI) provides the Maryland-National Capital Park and Planning Commission's (M-NCPPC) point-of-sale application. The point-of-sale application is referred to as Active Montgomery in Montgomery County and RecTrack in Prince George's County. All SGDR receipts (cash and credit card) are processed through Active Montgomery.

- RS is the software application used to dispense golf balls at SGDR. RS does not interface with Active Montgomery. Per Ms. Christy Turnbull, if they were to insist on developing an interface between Active Montgomery and RS, another third party (not Active Montgomery) would have to be utilized for point-of-sale services. This is not a viable option.
- Golfers can obtain golf balls 2 ways:
 - I. Use a range card in the RS machine. Range cards are purchased at SGDR's clubhouse. Most initial range card purchases are obtained using a credit card. Add-on's are a mix between cash and credit card.¹ As purchased range cards are used over an extended period of time for convenience, daily range card purchases cannot be reconciled to RS disbursements.
 - II. Pay for balls in the clubhouse and receive a "PIN". PINs (also referred as coupons) have a number that the customer inputs into the RS machine, which subsequently disburses the applicable amount of golf balls.

Initial SGDR Actions

As a result of the Park Police investigation, SGDR management hired and trained a new Facility Manager, [REDACTED] [REDACTED] implemented reconciliation procedures that required periodic/spot reconciliations between Active Montgomery and RS. [REDACTED] [REDACTED] also provided additional managerial oversight to include a strong fiduciary tone at the top to mitigate risks of misappropriation.

OIG Follow-Up Review

The OIG requested and received copies of the newly implemented reconciliation procedures from [REDACTED]. On March 29, 2023, the OIG reviewed the procedures with SGDR management; during the course of the review, additional controls were identified to strengthen the reconciliation process. The OIG recommended the following:

- Enhance Active Montgomery reporting to include detailed purchasing categories;
- Improve oversight and documentation for training PINs²;
- Completion of daily reconciliations (instead of periodic), with additional supervisory approval of reconciliations; and
- Document reconciliation procedures.

The OIG completed additional inquiry and testing on April 7, 2023 and confirmed the four recommendations detailed above were considered and implemented.

¹ Initial Range Card purchases are typically in the amounts of \$65, \$134, \$325, or \$500 (Tee Card, Par Card, Birdie Card, Eagle Card.) Subsequently, customers can add amounts to their card.

² PINs provided to the on-site Golf Pro to be used during scheduled lessons.

OIG Conclusion

The OIG reasonably concludes Enterprise Division management and staff took reasonable steps to reduce the risk of theft at SGDR. If the reconciliations are completed daily and reviewed by management on a monthly basis, as required in the new procedures, risk of theft at SGDR will be significantly reduced. In addition, new SGDR management appears to demonstrate a strong tone at the top, including improved oversight of seasonal/intermittent employees.

No additional OIG follow-up at SGDR is planned at this time. However, if Enterprise Division management has a future need for OIG advisory services, they should not hesitate to contact me.

Management Advisories are non-audit services and are not completed per generally accepted government auditing standards.

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