

MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

Internal Control Report

**Prince George's County
Department of Parks and Recreation
Youth and Countywide Sports Division
Sports Programming
PGC-003-2022-B**

April 15, 2022

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Maryland-National Capital Park and Planning Commission
Office of the Inspector General
6611 Kenilworth Ave.
Riverdale, MD 20737

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A. Overall Perspective

On November 22, 2021, the Office of the Inspector General (OIG) received a complaint via the Maryland-National Capital Park and Planning Commission (the Commission) Fraud, Waste, and Abuse Hotline (Hotline). The complaint alleged that an employee in the Youth Countywide Sports Division (YCSD) committed various irregularities when organizing a soccer tournament held on [REDACTED]

As a result, the OIG initiated a fraud, waste, and abuse investigation. However, before the investigation was finalized, the OIG received a second allegation on the hotline on February 15, 2022 alleging similar concerns with the field booking and permitting process.

The OIG has completed their investigation of both Hotline submissions. Details of the investigation was provided to Department of Parks and Recreation management in a confidential Fraud, Waste and Abuse Audit Report (PGC-003-2022-A). **During the investigation, the OIG identified opportunities to strengthen internal controls over policies and procedures.**

B. Audit Objective, Scope, and Methodology

Audit Objective

The purpose of this audit was to evaluate the system of internal controls over YCSD Sports Programming operations.

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 YCSD staff and management to obtain an understanding of operational and administrative processes; and
- Obtained Rec Trac system documentation and analyzed team registration data and payment receipts.

The audit covered the period between November 2, 2021 – February 28, 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

C. Findings and Recommendations

1. Document and Distribute Policies and Procedures

Issue: Management relies on verbal policies and procedures for governing operational processing. The current lack of documented policies and procedures has contributed to misunderstandings among YCSD personnel involving booking internal holds, community partnerships, sponsorships, and cash prizes.

- Staff members are unsure about requirements (e.g., eligibility, allowability, process, etc.) for booking internal holds in the PARKS DIRECT Rec Trac System.
- Distinctions between establishing a formal partnership with community organizations versus having collaborative relationships with them is not understood within YCSD.
- Management should ensure staff, particularly Sports Programmers, are aware of policies and procedures pertaining to sponsorships and the awarding of cash prizes and trophies on M-NCPPC athletic fields.

Risk/Criteria: Operational best practices require management establish, document and distribute formal policies and procedures to staff, to help ensure a robust and effective internal control environment. Failure to do so may result in noncompliance and potentially create an environment for fraud, waste, and abuse.

Recommendation: The Office of the Inspector General recommends YCSD management consider the following:

- Develop new policies and procedures to enhance operational processing and knowledge transfer. Key points for additional clarification identified by OIG include:
 - Criteria for utilizing an internal hold
 - Required use of the Community Connect portal and subsequent discounts in fees
 - Allowability of cash prizes by YCSD and external organizations
- Assess additional gaps, not identified in this investigation, that would benefit from documented policies and procedures.
- Ensure policies and procedures are documented and distributed to staff.
- Increase dialog with YCSD personnel if they require additional clarification about any of the documented policies and procedures.

Issue Risk: High

Management Response:

- YCSD will review any existing YCSD (and former SHWD) Standard Operating Procedures (SOP's) on internal bookings, partners/sponsors, prizes, etc.

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- Upon review, YCSD will develop new SOPs to include clearly defined policies and procedures related to all YCSD programming and permitting to ensure compliance.
- Each SOP will be documented, shared with staff. This sharing will include trainings, and mandatory scheduled check-ins for clear understanding and guidance.

Expected Completion Date: June 2022

Follow-Up Date: July 2022

2. Document Policies and Procedures to Support Deviations from Standard Protocol

Issue: YCSD management has occasionally allowed Sports Programming staff to deviate from standard protocols to assist participating teams with registering for events held on Commission athletic fields. Policies and procedures require teams to either register and pay through the Rec Trac system or come to Walker Drive's customer service desk to register and pay.

In an effort to provide increased customer service, some staff members have occasionally taken laptops to the athletic fields and registered teams onsite. When registering teams onsite, staff are not allowed to accept payment at the fields. After registration, representatives are informed payments can be made online with a credit card or if paying by cash, they must go to the Walker Drive office in Greenbelt, Maryland.

Risk/Criteria: Operational best practices require staff to comply with established policies and procedures to help ensure a robust and effective internal control environment. Failure to do so may result in noncompliance and potentially create an environment for fraud, waste, and abuse.

Recommendation: The Office of the Inspector General supports Sports Programming's efforts to actively engage communities to help citizens participate in Commission events. However, to ensure that deviations from established policies and procedures do not contribute to weakening the internal control environment, we recommend that management document supplemental policies and procedures to mitigate the risk of creating conditions that may foster fraud, waste, and abuse.

For example, management may develop policies and procedures to ensure Sports Programmers are accompanied by a second staff person onto the fields, when community teams need help with registration. The additional staff person's presence promotes segregation of duties and accountability. This arrangement may also assist with protecting staff from unwarranted accusations. In addition, management should also consider developing policies and procedures to support when operations require temporary adjustments due to unforeseen issues (e.g., COVUD-19 pandemic).¹

Issue Risk: Medium

Management Response: Internal procedures will be strengthened to include:

- Sports Programming Staff will identify programs (leagues, courses, clinics, tournaments) in which alternative registration processes are needed:

¹ Management can include these additional updates in the documented policies and procedures recommended in audit issue #1.

- a. Sports Programming Staff will include alternative registration process request within in their program delivery drafts at least 45 days prior to the start of a program.
 - b. Request will be submitted to the Assistant Division Chief in writing and receive final approval by the Assistant Division Chief and/or Division Chief
- Alternative registration options will include:
 - a. On-site registration utilizing Commission issued laptops/tablets via Parks Direct
 - Participants will be enrolled into a program on-site and a balance will be placed on the participants' Parks Direct account for future payment. *(Preferred)*
 - b. Accept cash/check payments on-site
 - Required: (2) two YCSD/Department Staff be present
 - Required: Park Police member on-site, with appropriate advance notification to Park Police for support
 - Cash/Checks must be deposited by (2) two YCSD/Department Staff into the YCSD - Walker Drive Office safe on the same day of receipt

(Option b, "cash/check payment on-site" is a secondary one; preference is to utilize option a., "Parks Direct balance"; Option b. also requires advance approval by YCSD Assistant Division Chief and/Division Chief)

Expected Completion Date: May 2022

Follow-Up Date: July 2022

3. Ensure Management is Informed Timely of Organized Events

Issue: YCSD management was not informed timely about the organization of the [REDACTED] soccer tournament, scheduled for [REDACTED]. Management only became aware of the event approximately one week before the tournament from external sources during a staff meeting.

The employee who organized the tournament informed the OIG he/she was very busy finalizing the first-time community event. YCSD was experiencing staff shortages during this period, and the [REDACTED] was the only [REDACTED].

Current policies and procedures require [REDACTED] to discuss proposed events with management for review, input and approval before finalization. Although the employee later shared the tournament's budget, event details and his/her decision making, the employee should have engaged management sooner. However, note that after reviewing and discussing the budget details with the employee, management agreed with the employee's decisions.

Risk/Criteria: Operational best practices require staff to comply with established policies and procedures to help ensure a robust and effective internal control environment. Failure to do so may result in noncompliance and potentially create an environment for fraud, waste, and abuse.

Recommendation: We recommend that management strengthen current policies and procedures to ensure Sports Programmers comply with the requirement to discuss proposed events with management for review, input and approval before finalization. Management should update current policies and procedures to identify a reasonable stage in the event planning process when Sports Programmers are expected to inform management, discuss details of planned events, and review their proposed budgets.

Issue Risk: Medium

Management Response: Internal procedures will be strengthened to include:

- Sports Programming Staff required to submit program (leagues, clinics, and courses) plans to Assistant Division Chief at least 60 days prior to program start date for approval.
- Any program plans not submitted by the 60-day prior deadline, Sports Programming Staff must receive written special approval by Assistant Division Chief and/or Division Chief.

Expected Completion Date: May 2022

Follow-Up Date: July 2022

D. Conclusion

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 Prince George's County Planning Department for the cooperation and courtesies extended during the course of our review.



Wanda King
Assistant Inspector General



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

April 15, 2022