

**Maryland-National Capital Park and Planning Commission
Office of the Inspector General
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**Prince George's County Department of Parks and Recreation
Vansville Community Center
Facility Audit
Report Number: PGC-009-2023**

April 14, 2023

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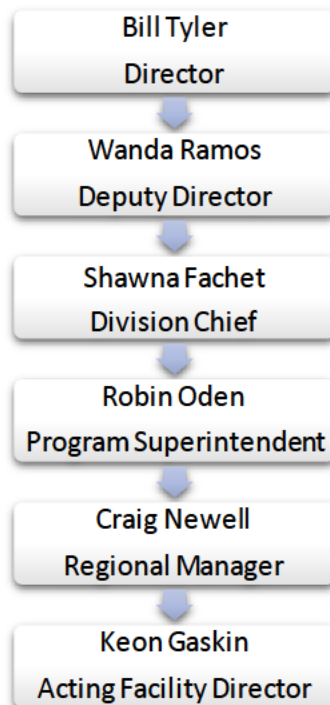
I. EXECUTIVE SUMMARY

A. Overall Perspective

The Vansville Community Center (Center) is located at 6813 Ammendale Road, Beltsville MD, 20705. The Center has several amenities, including a basketball court, fitness room, athletic field and tennis courts. The basketball court and fitness room are accessible to the public by purchase of a daily, three month or annual membership pass. The Center averaged \$421 in revenue per month for these services. The Center has a room available to host private events for a fee, but no rentals were made during the audit coverage period.

Programs offered at the Center include Kids Care, Morning Care, body sculp class, summer day camps, recreational leagues for basketball, softball and soccer. The Kids' Care and Morning Care programs generated \$71,725 in revenue during the 2022 fiscal year. The Center staffs full-time and seasonal employees, with staffing levels remaining consistent throughout the year. There are two electronic message boards located at both entry points on facility grounds, which are recorded as capital assets.

The Center is managed under the aegis of the Commission's Prince George's County Department of Parks and Recreation, Northern Recreation and Leisure Services.



B. Audit Objective, Scope and Methodology

Audit Objective

The objective of this audit was to evaluate the system of internal controls for key business operations (e.g., petty cash, purchase card, controlled assets, etc.) at the Center. Properly implemented internal controls reduce financial, reputational, and operational risks with the facility.

Scope

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

- Interviewed staff and performed walkthroughs to obtain an understanding of operational procedures and processes;
- Reviewed petty cash receipts and replenishments for the appropriate authorization and supporting documentation;
- Analyzed daily cash receipts and bank deposits for accuracy and timeliness;
- Reviewed timecards and timekeeping procedures. Interviewed supervisory employees to assess the effectiveness of managerial oversight of the employee timecards process to ensure the hours worked were accurately reported;
- Verified the existence of capital assets;
- Verified the existence and safeguarding of controlled assets;
- Assessed the Center's receivables process; and
- Accessed security protocols.

In addition, the audit scope was designed to identify possible fraud, waste, or abuse within the processes being audited.

The audit covered the period from July 1, 2021 through June 30, 2022.

Methodology

During the audit, the staff auditor conducted interviews of Center management and staff, and reviewed relevant standard operating procedures, Commission policies, and organizational charts. For our analysis, we obtained and reviewed financial

reports, asset listings, payroll reports, and other relevant information that included a sample of supporting documentation to assess compliance with Commission Policies and Procedures. We also conducted site visits to test areas of petty cash and capital and controlled assets in order to test the effectiveness of the internal controls.

The audit was conducted in accordance with the *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.

Additional information pertaining to this area can be found in the Detailed Commentary and Recommendations section of this report.

D. Overall Conclusion

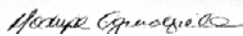
The results of our evaluation and testing procedures indicate no major weaknesses in the design or operation of internal controls at Vansville Community Center. On an overall basis, we consider the controls to be satisfactory.

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 Prince George's County's Department of Parks and Recreation, Northern Recreation and Leisure Services Division's management and staff for the cooperation and courtesies extended during the course of our review.



Aaron Smith
Staff Auditor



Modupe Ogunduyile, CIT
Deputy Inspector General



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

April 14, 2023

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. Conduct Annual Control Asset Inventory

Issue: Annual inventory of controlled assets was not conducted at the Center. In addition, we identified one controlled asset (*Weightlifting Machine*) in which the tag number did not match the tag number on the controlled asset list.

Criteria: M-NCPPC Administrative Procedures No. 04-01, *Capital Asset Procedure Manual*, controlled assets should be inventoried annually by December 31.

Cause: Center management failed to perform periodic inventories of controlled assets.

Risk: Failure to conduct the required annual inventory of controlled assets represents inadequate managerial oversight and significantly increases the risk of fraud, waste, and abuse of Commission assets.

Recommendation: Center management should ensure inventory of controlled assets are conducted on a yearly basis. When completing annual inventories, Center management should ensure:

- Roles are properly segregated. The inventory process should involve at least two individuals. One individual should complete the inventory (i.e., asset verification) and a second individual should review.
- Evidence of completion should be obtained. All individuals involved in the inventory should sign and date the inventory record.
- Evidence of completion should be maintained for internal and/or external audit per Commission retention requirements.
- Documentation supporting asset disposal should also be maintained. Documentation should include disposition reason (e.g., transferred to another facility, disposed of, lost, etc.). Disposals should be approved by management.

Issue Risk: Medium

Management Response: Management concurs. Management will ensure inventory of controlled assets are conducted on a yearly basis and submitted to the designed administrative personnel in the Northern Recreation and Leisure Services Division to ensure proper and timely recordkeeping of these controlled assets.

Expected Completion Date: April 2023

Follow-Up Date: May 2023

2. Ensure Bank Deposits are Timely

Issue: We identified five instances in which cash collected at the Center was not deposited on a weekly basis. As shown in the table below, three of the deposit dates occurred within a 10-day window or higher.

Date Collected	Cash Collected	Deposit Date	Days passed since collection
09/03/21		09/14/21	11
09/21/21		09/29/21	8
10/04/21		10/12/21	8
10/17/21		10/27/21	10
10/23/21		11/2/21	10

Criteria: M-NCPPC Administrative Procedures No. 01-01, *Cash Receipts and Related Cash Transactions*, states cash receipts and related transactions, bank deposits will be made whenever cash on hand exceeds \$1,000 or once per week, whichever comes first. In addition, Department Directive No. DPR-4-01-22, *Facility Internal Controls*, states staff authorized to make bank deposits should follow these steps to ensure safe, timely and accurate deposits and to complete a deposit whenever cash-on-hand exceeds \$1,000, or once per week, whichever comes first. For weekly deposit purposes, the deposit period is Friday-Thursday.

Cause: The Center management failed to ensure that cash collections were deposited on a timely basis as required.

Risk: As a result of the late deposits, the Center management had continual access to undeposited cash. When cash collected remain undeposited for more than one week, there is an increased risk of cash misappropriation.

Recommendation: Center management should strengthen oversight of facility cash to ensure bank deposits are made timely in compliance with Commission policies and procedures.

Issue Risk: Low

Management Response: Management concurs. Management understands the weekly bank deposits need to occur within a 10-day window and will continue to make timely deposits at the bank in compliance with Commission policies and procedures. There are instances where a Center has one full time staff member assigned and that could create hardship as the employee might be off on that Friday due to a leave status which would put them over the 10-day period.

Expected Completion Date: April 2023