

**Maryland-National Capital Park and Planning Commission
Office of the Inspector General**

**Prince George's County Department of Parks and Recreation
Parks and Facilities Management**

**Controlled Assets in Northern and Southern Region Park Division
Maintenance Facilities
Report Number: PGC-004-2024**

August 17, 2023

Audit Report

Distribution:

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**Controlled Assets in Northern and Southern Region Park Division
Maintenance Facilities
Table of Contents**

- I. EXECUTIVE SUMMARY**
- A. Overall Perspective..... 1
- B. Audit Objective, Scope, and Methodology..... 3
- C. Major Audit Concerns..... 4
- D. Overall Conclusions..... 5

- II. DETAILED COMMENTARY AND RECOMMENDATIONS**
- None..... 6

I. EXECUTIVE SUMMARY

A. Overall Perspective

The Maryland-National Capital Park and Planning Commission (M-NCPPC or Commission) is a bi-county agency serving Prince George's County and Montgomery County. The Prince George's County Department of Parks and Recreation (DPR or Department) provides quality recreation programs, facilities, and services for residents and visitors. DPR manages a comprehensive park and recreation system that presently includes close to 11% of the County's total land area. DPR has several services and divisions, and their leadership structure includes a Director of Parks and Recreation, three Deputy Directors, including the Deputy Director of Parks and Facilities Management who is responsible for the Northern and Southern Region Park Divisions.

The Northern Region Park Division (NRPD) and Southern Region Park Division (SRPD) support, provide, maintain, and preserve a comprehensive park system of park facilities and grounds. This includes general grounds maintenance of parks, courts, shelters, mowing of grounds as well as snow and ice control services for the Department's parking lots and sidewalks. Playgrounds, trails, and athletic fields are also inspected and maintained. The following maintenance facilities perform those services within the county:

NRPD

- Polk Street Maintenance Facility
- Fairland Regional Park Maintenance Facility

SRPD

- Cosca Regional Park Maintenance Facility
- Watkins Regional Park Maintenance Facility
- Bock Road Maintenance Facility

Commission Administrative Procedure 04-01, *Capital Asset Procedure Manual*, defines **controlled assets** as personal property items with a purchase price less than \$10,000 that should be monitored due to their sensitive, portable, or theft prone nature.

Departments are required to secure and track controlled assets. In addition, the Manual states an inventory system for controlled assets will be developed and maintained by each department, independent of the Capital Asset Management System and that controlled assets should be inventoried annually by December 31.

On May 31, 2023, the Executive Director approved amendments to Administrative Procedure 04-01, *Capital and Controlled Asset Procedures*

Manual, with corresponding updates to Practice 3-14, *Capital and Controlled Asset Policy: Accounting for M-NCPPC Real and Personal Property*. The amendments provide additional guidance to Departments and clarify requirements for internal control over controlled assets. Specifically,

- Controlled assets must be tagged.
- A controlled asset inventory must be maintained on a current basis, containing:
 - Description of the item.
 - Acquisition date.
 - Cost of item.
 - Make, model and serial number.
 - Item location.
- An annual inventory must be completed by at least two employees, one of whom must be a supervisor.
- At the completion of the inventory, employees must approve (document) the inventory.

DPR issued the Department Directive (DPR-4-01-22), *Facility Internal Controls*, dated April 1, 2022, which provides guidance, training, and support to employees responsible for managing M-NCPPC facilities, equipment, assets, and finances; including but not limited to cash funds, payroll purchasing processes and point-of-sale transactions. Specifically, the Directive also provides guidance to facilities for the management of controlled assets.

On July 14, 2022, the Office of Inspector General (OIG), initiated an audit of Prince George's County Maintenance Yards – Controlled Assets. However, due to the implementation of the Synergy Project¹ the OIG adjusted the audit scope and removed NRPD and SRPD from the scope. The initial audit only included Park and Facility Management's controlled assets within two divisions – Natural and Historic Resources Division and Park and Facility Services Division. The final audit report entitled Prince George's County Maintenance Yards – Controlled Assets (Audit No. PGC-004-2023) was issued on February 15, 2023, and included five recommendations to strengthen controls over controlled assets.

¹ DPR initiated the Synergy Project to reflect industry best practices; improve operations for efficiency; properly align functions to modernize; eliminate redundancy; create new strategies to maintain, improve, and maximize business processes and connectivity to customers and partners to provide greater access to and for our workforce; better exchange information; improve rapidly evolving day-to-day operations; grow opportunities and seek ways to achieve a healthier work-life balance.

B. Audit Objective, Scope, and Methodology

Audit Objective

The objective of this audit was to identify opportunities to strengthen internal controls, improve operational efficiencies and help ensure compliance with Commission Policies and Procedures involving the administration (e.g., tracking and reporting) of controlled assets (e.g., assets valued over \$500 but less than \$10,000) at each maintenance facility.

Scope

The scope for the Controlled Assets in Northern and Southern Region Park Division Maintenance Facilities audit included, but was not limited to, the following audit procedures:

- Reviewed guidance (e.g., applicable Commission Policies, Procedures, Practices and Department Facility Internal Controls) over the administration of Controlled Assets.
- Interviewed management and staff to obtain an understanding of operational procedures and processes for controlled assets.
- Assessed the accuracy of the facilities' current controlled asset listings.
- Obtained documentation (164 forms) to support controlled asset disposals and transfers.
- Obtained and reviewed purchase card transaction logs to determine inventory completeness and inclusiveness.
- Ensured controlled assets had affixed inventory tags and were secure.
- Reviewed and verified completion of annual inventories.

In addition, the audit scope was designed to identify possible fraud, waste, or abuse within the processes being audited. The period covered in this review was January 1, 2022 - July 24, 2023.

Methodology

During the audit, the auditor conducted on-site field visits to each maintenance facility to perform testing of current controlled asset listings, to determine accuracy, by physically tracking controlled assets from the facility floor to the listings and from the listings to the facility floor. This involved examining various warehouses, garages, sheds, and storage rooms.

This audit was conducted in accordance with *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 our findings and conclusions based on our 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 no major weaknesses in the design or operation of internal controls for controlled assets in maintenance facilities. On an overall basis, we consider the controls to be satisfactory.

We wish to express our appreciation to the Prince George's County Department of Parks and Recreation, Park and Facility Management and staff for the cooperation and courtesies extended during the course of our review.



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August 17, 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

None.