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**Prince George's County Department of Parks and Recreation
Laurel Beltsville Senior Activity Center
Facility Audit
Report Number: PGC-003-2023**

March 23, 2023

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**Prince George’s County Department of Parks and Recreation
Laurel Beltsville Senior Activity Center**

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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Laurel Beltsville Senior Activity Center (Center) is located at 7120 Contee Road Laurel, MD 20707. Built on six acres, the Center is near the University of Maryland's Laurel Medical Center. Onsite amenities, include rooms for billiards, ceramics, computer lab, crafts, fitness, meetings and a senior's lounge. Programs offered at the Center include a senior nutrition program, exercise and arts classes, and tech talks workshops.

In fiscal year 2022 the Center realized approximately \$28,000 in revenue generated from activity registration for senior exercise classes, chair aerobics, yoga classes and line dancing. Staffing at the Center include four full-time and 32 intermittent staff members.

The Center is managed under the aegis of the Commission's Prince George's County Department of Parks and Recreation, Special Programs Division.

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 within 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 approval and supporting documentation;
- Reviewed timecards and time-keeping procedures. Interviewed supervisory employees to assess the effectiveness of managerial oversight of the employee timecard process to ensure the hours worked were accurately reported;
- Obtained capital asset reports (>\$10,000); verified the existence of capital assets;
- Obtained controlled asset reports (<\$10,000); verified the existence of controlled assets;
- Assured drivers are authorized to operate Commission vehicles; and
- Reviewed Center security protocols.

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 July 1, 2021 - June 30, 2022.

Methodology

During the course of the audit, the auditor-in-charge conducted interviews of Center management and staff. 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 *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/or 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 Conclusions

The results of our evaluation and testing procedures indicate no major weaknesses in the design or operation of internal controls at the Laurel Beltsville Senior Activity 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 the 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's Department of Parks and Recreation, Special Programs Division's management, and staff for the cooperation and courtesies extended during the course of our review.

Modupe Ogunduyile, CIG
Deputy Inspector General



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



March 23, 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. Strengthen Managerial Oversight of Controlled Assets

Issue: Center management is not providing adequate oversight of controlled assets. The OIG's review of controlled assets included verifying the existence of 35 randomly selected assets. We identified the following discrepancies (See *Exhibit A for testing exceptions*):

- Three controlled assets could not be located.
- 19 controlled assets were missing asset tags.
- There was no documented evidence that an annual inventory count had been conducted during the period under review.

Criteria: Practice No. 3-14, *Capital Asset Policy: Accounting for M-NCPPC Real and Personal Property*, Responsibilities section, states Department Heads, Division Chiefs, or Designees are responsible for, on a departmental or divisional level, maintaining inventories of controlled assets, and conducting annual inventories of same. In addition, Department Directive No. DPR-4-01-22, *Facilities Internal Controls*, Inventory and Controlled Assets section, provides guidance for classifying, documenting, tracking and performing inventories of controlled assets. Specifically, all items designated as controlled assets should be tracked individually, are required to have an individual asset number assigned, and should have specific information maintained for each item. Controlled assets are those items purchased for more than \$200 (or \$500 for park facilities) and less than \$10,000.

Risk: Failure to provide the necessary oversight and controls over designated controlled assets may impact the Commission's ability to properly record, categorize, track and dispose of those items. Failure to comply with policies and procedures may also lead to potential fraud, waste and abuse.

Cause: Facility management failed to perform periodic inventories of controlled assets which allowed for both missing asset tags and missing asset items to go undetected.

Recommendation: Center management needs to strengthen its managerial oversight of controlled assets. Center management is responsible for ensuring operational activities are performed in accordance with Commission policies and procedures. Management should ensure staff are aware of the *Facility Internal Controls* requirements and mandate compliance. Management should also ensure staff perform the following:

- Conduct periodic controlled assets inventory review.
- Ensure that all controlled assets are assigned individual asset tag numbers for tracking purposes.

- Any items on the controlled asset listing that are unable to be located at the Center due to an item transfer, disposal or shrinkage should be properly documented and that documentation should be forwarded to the Asset Coordinator.

Issue Risk: Medium

Management Response: Concur. Management will ensure the following actions are being undertaken:

- Periodic controlled assets inventory reviews have now been scheduled to be completed on a reoccurring basis.
- Asset forms are being completed to ensure that all controlled assets are assigned individual asset tag numbers for tracking purposes.
- Any items on the controlled asset listing that are unable to be located at the Center due to an item transfer, disposal or shrinkage will be properly documented and that documentation will be forwarded to the Asset Coordinator.
- Items that do not meet the requirements for a controlled asset will be moved to the inventory list for the facility. These items will be properly documented, and the documentation will be forwarded to the Asset Coordinator.

Expected Completion Date: April 2023

Follow-Up Date: May 2023

2. Strengthen Managerial Oversight of Employee Travel Activities

Issue: During the period of review, the OIG identified one employee that did not submit their travel expense report form to the Department of Finance within a timely manner. The travel expense report form was submitted 27 days after travel completion.

Criteria: Practice No. 3-10, *Authorized Business Expenses*, states that reimbursement of business expenses and/or settlement of travel advances are to be submitted to the Department of Finance using the Final Expense Report Form within 20 calendar days after return from travel.

Risk: Failure to provide the necessary oversight and controls over the administration of employee travel activities may impact the Commission's ability to properly approve, record, and reconcile travel related expenses. Noncompliance with policies and procedures may also lead to the potential fraud, waste or abuse of Commission resources.

Cause: Management did not provide adequate oversight to ensure employee adherence to Commission travel policies procedures.

Recommendations: Management must ensure all employees are familiarized and adhere to Practice No. 3-10, *Authorized Business Expenses* and that travel expense reports are forwarded to the Office of Finance within 20 days of the travel activity.

Issue Risk: Low

Management Response: Concur. Management will ensure the following actions are being undertaken:

- Divisional training coordinator has been designated and will develop tracking form to ensure all employees submit expense report within 20 days.
- Division chief to review expectations under Practice No. 3-10 with all staff.
- Calendar reminders will be sent to all conference attendees with the respective deadline (minus a week to ensure expense reports are processed in a timely fashion).

Exhibit A

Controlled Assets that Could Not Be Located

Item	Item Description	Item Verified	Asset Tag Affixed or Verified
1	Premier Mixer 14	No	No
2	Sharp 250 mini stereo system	No	No
3	Wii Mario Kart DVD	No	No

Controlled Assets Without an Asset Tag

Item	Description	Item Verified	Asset Tag Affixed or Verified
1	Wii Michael Jackson The Experience Dance Game DVD (Fitness Closet)	Yes	No
2	Wii Wireless Controller #1 (Fitness Closet)	Yes	No
3	Wii Wireless Controller #3 (Fitness Closet)	Yes	No
4	Aluminum 2-Shelf Cart #3 (Storage Area)	Yes	No
5	First Aid Kit #3	Yes	No
6	Hand truck Cart #1 (Storage Area)	Yes	No
7	Hand truck Cart #2 (Storage Area)	Yes	No
8	Plastic 2-Shelf Service Cart #3 - Gray (Storage Area)	Yes	No
9	Potters Wheel #1 (Ceramics Room)	Yes	No
10	Potters Wheel #3 (Ceramics Room)	Yes	No
11	Cash Register (Front Desk)	Yes	No
12	Electric Sharpener (Copy Room)	Yes	No
13	Paper Cutter (Copy Room)	Yes	No
14	Sentry Safe (Admin)	Yes	No
15	Pool Table #2 (Billiards Room)	Yes	No
16	Free Weights (10lb) (Qty 8) (Exercise Room)	Yes	No
17	Free Weights (6lb) (Qty 12) (Exercise Room)	Yes	No
18	Jump rope Rack (Exercise Room)	Yes	No
19	Ping Pong Balls (Qty 2) (Exercise Room)	Yes	No