

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

**Show Place Arena and Equestrian Center
Report Number: PGC-004-2024**

October 4, 2023

Distribution:

Audit Committee

Dorothy Bailey
Mitra Pedoeem
Erin White
Benjamin Williams

Maryland-National Capital Park and Planning Commission

Bryan Anthony
Debra Borden
Steve Carter
Asuntha Chiang-Smith
Gavin Cohen
Artie Harris
Peter Shapiro
Bill Tyler
Katrina Williams

Office of the Inspector General

Renee Kenney
Modupe Ogunduyile
Aaron Smith

Show Place Arena and Equestrian Center
Table of Contents

I. EXECUTIVE SUMMARY

A. Overall Perspective.....	1
B. Audit Objective, Scope, and Methodology.....	2
C. Major Audit Concerns.....	4
D. Overall Conclusion.....	5

II. DETAILED COMMENTARY AND RECOMMENDATIONS

1. Ensure Vehicle Mileage Logs are Accurate.....	6
--	---

I. EXECUTIVE SUMMARY

A. Overall Perspective

The Show Place Arena and Equestrian Center (Facility) is an adaptable entertainment and sports facility located at 14900 Pennsylvania Avenue, Upper Marlboro, MD. Show Place Arena has the capacity to host large-scale attractions such as concerts, basketball tournaments, graduations, the Prince George's County Fair, rodeos and equestrian events. Show Place Arena has a box office on-site and provides maximum seating for 5,700 for its patrons. It also has three banquet rooms and several private suites of varying sizes available for rent for private events, meetings, training, and receptions.

The Equestrian Center holds competition events available for rent to accommodate local, regional, and national equestrian events year-round including breed show, carriage driving, mounted games, saddle seat and western shows. There are two regulation-sized show rings, one covered show ring, a show office with restrooms and seven permanent barns with stabling for up to 250 horses. Overnight camping for horse show participants is available for up to 25 campers. The Facility collected \$773,302 in rental fees in Fiscal Year 2022.

The Facility is managed under the aegis of the Maryland-National Capital Park and Planning Commission's (Commission) Prince George's County Department of Recreation (DPR) Arts and Cultural Heritage Division.



Audit Objective, Scope, and Methodology

Audit Objective

The objective of this audit was to identify opportunities to strengthen internal controls for key business operations (e.g., petty cash, purchase card, controlled assets, etc.) within the Facility. Properly implemented internal controls reduce financial, reputational, and operational risks within the facility.

Scope

The scope of the Facility 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 account reconciliation procedures for food and beverage receipts;
- 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 and safeguarding of controlled assets;
- Verified the existence of capital assets;
- Assessed the Facility'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 period covered in this review was from July 1, 2021 through June 30, 2022.

Methodology

During the audit, the auditor conducted interviews of Facility management and staff and obtained 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 the effectiveness of internal controls over petty cash, capital, and controlled assets.

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

Show Place Arena and Equestrian Center
Audit No. PGC-004-2024

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 objective.

B. Major Audit Concerns

The results of our evaluation and testing procedures indicated no major audit concerns.

C. Overall Conclusion

The results of our evaluation and testing procedures indicate no major weaknesses in the design or operation of internal controls at Show Place Arena and Equestrian 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 Show Place Arena and Equestrian Center’s management and staff for the cooperation and courtesies extended during the course of our review.



Aaron Smith
Staff Auditor



Modupe Ogunduyile, CIG
Deputy Inspector General



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

October 4, 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

I. Ensure Vehicle Mileage Logs are Accurate

Issue: Mileage logs for five Commission vehicles did not agree with the vehicle’s odometer reading. A summary of these occurrences is as follows:

TAG#	YR	DESCRIPTION	Odometer Reading	Vehicle Log Mileage Reading	Discrepancy in Mileage
T149	2008	FORD F250	48,501.00	48,295.00	206.00
T317	2022	FORD F250	4,800.00	4,794.00	6.00
T400	2017	FORD F350	8,671.00	8,644.00	27.00
T496	2008	FORD F250	30,437.00	30,429.00	8.00
T543	2012	FREIGHTLINER M2106	6,827.00	6,819.00	8.00

Criteria: Administrative Procedure No. 06-10, *M-NCPPC Vehicle Use Program*, states vehicle mileage logs must be maintained to track use of pool vehicles. Completed logs must be maintained by the Vehicle Administrator for three (3) years. In addition, the completion of vehicle logs provides important information to management in case of vehicle accidents and/or infractions. The logs also provide management with a tool to assess vehicle usage, maintenance requirements, and possible replacement.

Cause: There was no periodic inspection of vehicle mileage logs to ensure they were completed and maintained in accordance with Commission policy.

Risk: Vehicle mileage logs provide management with a tool to access vehicle usage and maintenance requirements. Failure to accurately complete vehicle logs could indicate improper use of vehicle and interfere with scheduled vehicle maintenance.

Recommendation: Facility management should ensure vehicle mileage logs are completed by performing periodic inspections of the logs.

Issue Risk: Medium

Management Response: Management concurs. Management reviewed Commission Practice 6-10 (Vehicle Use Program) and reiterated the need for staff to complete all vehicle log data accurately and at a time of the vehicle’s use during our weekly managers meeting on September 12, 2023. Management will readdress Commission Practice 6-10 (Vehicle Use Program) to reiterate the

Show Place Arena and Equestrian Center
Audit No. PGC-004-2024

need to complete all vehicle log data accurately and at the time of vehicle use during October's Work Leaders meeting.

Additionally, management will:

- Ensure current staff members that drive Commission vehicles understand Commission Practice No. 6-10, (Vehicle Use Program).
- As new staff members complete Defense Driving, their manager will review Commission Practice 6-10 (Vehicle Use Program) with them for compliance.
- Ensure that each vehicle has the necessary tools to complete vehicle milage logs.
- Vehicle milage logs will be collected and reviewed monthly by Management Staff to ensure proper use and accuracy.

Expected Completion Date: October 2023

Follow-up Date: January 2024