



THE MARYLAND-NATIONAL CAPITALPARK AND PLANNING COMMISSION

Office of the Inspector General

January 17, 2024

To: Bill Tyler, Director, Prince George's County Department of Parks and Recreation

Steve Carter, Deputy Director, Park and Facility Management

Andy Phillips, Chief, Park and Facility Services Division

From: Renee Kenney, Inspector General

Modupe Ogunduyile, Deputy Inspector General

Robert Feeley, Assistant Inspector General

Subject: Follow-up Review for the Internal Control Report of Allegations of Inaccurate Construction Billing in the Construction and Maintenance Section at the Park and Facility Services Division (Audit Report No. PGC-007-2023-B)

We have completed the follow-up review for the Internal Control Report of Allegations of Inaccurate Construction Billing at the Park and Facility Services Division, Audit Report dated February 15, 2023. The following is the result of the follow-up review:

<u>Rec. #</u>	<u>Issue/ Recommendation</u>	<u>Issue Risk</u>	<u>Status</u>
1	Establish Review Procedures for On-Call Proposals	High	Partially Resolved
2	Adhere to Corporate Procurement Procedures	High	Resolved
3	Document and Manage Potential Conflicts of Interest	High	Resolved
4	Strengthen Project Management Activities	High	Partially Resolved
5	Retain All Applicable Contract Supporting Documentation	High	Unresolved

Management provided sufficient additional information and clarification for us to conclude two of the five recommendations reviewed have been satisfactorily addressed and implemented. Two recommendations are partially resolved because some degree of progress has been made but they are not yet complete, and one is unresolved.

The following details the status of the unresolved and partially resolved recommendations:

Recommendation #1: Establish Review Procedures for On-Call Proposals

Background and Discussion: The Office of the Inspector General (OIG) determined on-call proposals (i.e., quotes) were not adequately reviewed before award. The OIG recommended proposed material and labor costs be itemized in the proposals. The OIG also recommended that all subcontractor costs include a detailed breakdown of material and labor costs. At the conclusion of the investigation, Corporate Procurement updated internal procedures for all Basic Ordering Agreements (BOA) to require labor and expense breakdowns for all contracts and subcontracts. However, after receiving additional feedback from various Commission divisions who utilize BOAs, Corporate Procurement's internal BOA procedures are under review.

During audit fieldwork and testing, the OIG determined management has implemented additional procedures to strengthen review of most on-call proposals, but after additional consideration, is not supportive of requiring this level of detail for subcontractor costs.

Current Status: Partially Resolved

Management Response: The Division Chief stated they will consider obtaining a detailed breakdown of all labor hours and rates along with materials and equipment costs for BOA subcontractors if the total subcontract costs exceed a certain percentage (to be determined) of the total contract cost.

OIG Comment: The OIG still maintains, obtaining a breakdown of labor and material costs for all subcontracts mitigates the risk of inflated quotes, but realizes the cost of implementing a control should not exceed the designed benefit of the control. If a reasonable percentage of total subcontractor cost is determined, and Corporate Procurement concurs, the OIG will resolve the recommendation upon verification of implementation.

New Expected Completion Date: July 2024

Follow Up Date: August 2024

Recommendation #4: Strengthen Project Management Activities

Background and Discussion: The OIG audit report expressed concerns about on-call invoices for payment not having a manager provide a secondary signature authorizing the payments. Our follow-up determined the Division Chief has created new internal procedures and is now providing an authorization for payment of on-call invoices (this portion of the recommendation is resolved).

The OIG report also expressed concerns as the assigned Project Managers were not consistently verifying the workers identified on the task order proposal were present on the job. As part of the OIG's follow-up activities, the OIG held a meeting with the Division Chief and Corporate Strategic Procurement Manager. The Division Chief explained it would not be feasible to have Park and Facility Management Project Managers document the number of workers on each job.

Current Status: Partially Resolved

Management Response: The Division Chief proposed an alternative control which would require the contractor to submit a periodic status report on the labor hours incurred instead of requiring the Project Managers to document and verify all the workers on a project.

OIG Comment: The OIG is satisfied with the proposed mitigating control and will resolve the recommendation upon verification of implementation.

New Expected Completion Date: July 2024

Follow Up Date: August 2024

Recommendation #5: Retain All Applicable Contract Supporting Documentation

Background and Discussion: The OIG audit report expressed concerns about a number of documents missing from their internal files.

Current Status: Unresolved

Management Response: The Division Chief is currently exploring the possibility of obtaining E-Builder for the Construction Management Section to retain all applicable files.

New Expected Completion Date: July 2024

Follow Up Date: August 2024

We have included a copy of the original audit report for your convenience. If we can be of assistance in the future, please do not hesitate to contact our office. Thank you for your assistance in this review.

Audit Committee
Dorothy Bailey
Mitra Pedoeem

Allegations of Inaccurate Construction Billing
Park and Facility Services Division
Follow-up Report
Page 4

Erin White
Benjamin Williams

M-NCPPC Administration

L. Todd Allen
Debra Borden
Asuntha Chiang-Smith
Gavin Cohen
Artie Harris
Tim Matthews
Andrew Phillips
Bradley Richmond
Ben Rupert
Peter Shapiro
William Spencer