

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

**The Lodge at Little Seneca Creek  
Report Number: MC-002-2024**

**June 14, 2024**

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## **I. EXECUTIVE SUMMARY**

### **A. Overall Perspective**

The Maryland-National Park and Planning Commission (Commission) is a bi-county agency serving Montgomery and Prince George's Counties in Maryland. The Commission provides quality parks, recreation facilities, programs and services for residents and visitors. The system includes individual attractions such as event and nature centers, public gardens, indoor tennis and ice rinks, and miniature trains.

The audit focused on The Lodge at Little Seneca Creek (Seneca Lodge), one of the three Montgomery County Department of Parks event centers, located at 14500-A Clopper Road in Boyds, Maryland. Seneca Lodge can be rented for weddings, various social gatherings, conferences, and business meetings.

The Montgomery County Department of Parks Enterprise Division manages Seneca Lodge's rental operations. Staff use the Vermont Systems, Incorporated Rec Trac System, which supports operational processes such as customer facility rentals, event registrations, and classes. Event centers, including Seneca Lodge, are funded primarily through user fees and other non-tax revenue sources.

The Facility Manager I is responsible for daily operations. The Facility Manager II oversees the facility and career staff, and reports to the Area Recreation Program Manager who assists the Enterprise Division Chief with providing management oversight to the facility. The Enterprise Division Chief reports to the Deputy Director of Operations, under the leadership of the Director of the Montgomery County Department of Parks.

## **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., purchase card, cash receipts, controlled assets, etc.) at The Lodge at Little Seneca Creek. 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 to obtain an understanding of operations;
- Reviewed applicable Commission Practices and Procedures;
- Analyzed purchase card transactions for allowable purchases;
- Examined timecards to verify recorded hours were authorized;
- Reviewed capital and controlled assets annual inventory;
- Reviewed facility rental contracts for appropriate authorization;
- Analyzed cash receipts for timely and accurate bank deposits;
- Reviewed accounts receivable for payment of outstanding balances; and
- Verified all drivers met Risk Management requirements and completed vehicle mileage logs.

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 2, 2023, through January 31, 2024.

### Methodology

During the audit, the auditor-in-charge conducted interviews of facility management and staff, and reviewed relevant standard operating procedures, and Commission policies. 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 the effectiveness of internal controls over capital and controlled assets. The OIG did

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not conduct an onsite cash count because the facility did not have petty cash and a change fund.

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 objective.

**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 The Lodge at Little Seneca Creek. 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 Lodge at Little Seneca Creek management and staff for the cooperation and courtesies extended during the course of our review.

Wanda King  
Assistant Inspector General

Modupe Ogunduyile, CIG  
Deputy Inspector General

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

June 14, 2024

**Conclusion Definitions**

<b>Satisfactory</b>	No major weaknesses were identified in the design or operation of internal control procedures.
<b>Deficiency</b>	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.
<b>Significant Deficiency</b>	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.
<b>Material Weakness</b>	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. Ensure Cash Receipts Are Deposited Timely

**Issue:** Staff did not deposit cash receipts<sup>1</sup> at the bank in a timely manner. The Office of the Inspector General obtained Cash Reports from the Help Desk, dated April 1, 2023 through November 30, 2023. The time period is generally the facility's busiest for rental reservations. Most customers pay rental fees online with credit cards, and the facility generally receives only a few checks as payment.<sup>2</sup>

The Cash Report showed that customers paid rental fees with checks on six days within the eight-month audit test period. Furthermore, audit testing disclosed three of six days' checks were deposited late.

Payment Date	Amount	Deposit Date	# Days Late <sup>3</sup>
August 1, 2023		August 3, 2023	1
August 21, 2023		September 2, 2023	10
September 12, 2023		September 28, 2023	13

**Criteria:** The Facility Cash Handling Procedures state bank deposits will be made by a Facility Manager or approved designee on the same day or following day that a check payment has been received, excluding Sundays and holidays.

**Cause:** Staff at the Facility did not comply with the cash handling policies and procedures. Management provided staff the cash handling policies and procedures and provided training. Management discovered the late check deposits in October 2023 when reviewing the September 2023 deposit logs, and immediately addressed the situation with staff. However, management did not review deposit logs on a timely basis to prevent late deposit occurrences.

**Risk:** Failure to deposit cash receipts timely increases the risk of misappropriation of public funds, resulting in reputational damage to the Commission. Also, staff secured the checks in the onsite office safe.

**Recommendation:** Management should perform the following:

- Review Cash Reports daily to immediately identify check payments made to the facility.
- Review deposit logs more frequently to identify undeposited checks.

<sup>1</sup> Cash receipts also include checks.

<sup>2</sup> The Lodge at Little Seneca Creek does not have a cash register and keeps no cash onsite.

<sup>3</sup> Excludes Sundays and holidays.



**Issue Risk:** Medium

**Management Response:** We concur with the OIG's finding and recommendation. When this incident was discovered by management, additional safeguards were immediately implemented:

- The Facility Manager is to run a daily cash report for each day even if they think no check payments were processed.
- The Facility Manager is to open the safe daily to ensure the seasonal employee did not receive any checks.
- The Facility Manager's direct supervisor will regularly check on the safe, cash reports, and deposit logs to ensure nothing has been missed and all dollar amounts totals match.
- The Area Recreation Program Manager will perform unannounced checks of the safe and cash reports.

Note: Since these additional measures were implemented in October 2023, all deposits have been made in accordance with the facility's cash handling procedures.

In addition, we will continue to follow existing policies/procedures:

- Both seasonal and career staff are expected to follow the facility's formal cash handling procedures at all times. Failure to do so may result in disciplinary actions.
- The Area Recreation Program Manager will periodically check the facility's bank deposit receipts and deposit logs.
- The division's administrative staff will reconcile the facility's cash journal reports and bank deposit receipts against the facility's deposit logs, monthly.

**Expected Completion Date:** June 2024

**Follow-Up Date:** October 2024