

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

**Columbia Park Community Center
Report Number: PGC-003-2025**

August 20, 2024

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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Columbia Park Community Center (Center) is located at 1901 Kent Village Drive, Landover, Maryland. The amenities offered at the Center include a bike rack and gymnasium. The Center offers programs for teens and children including an enrichment academy, soccer skills, chess and volleyball. The gymnasium is available to rent to the public and the Center hosts a summer day camp annually for children. The Center generated \$3,983 in revenue from classes in Fiscal Year 2024.

The Center is managed under the aegis of the Maryland-National Capital Park and Planning Commission's (Commission) Prince George's County Department of Parks and Recreation. ¹



¹ ██████████

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, cash collections, controlled assets, etc.) at Columbia Park Community Center. Properly implemented internal controls reduce financial, reputational, and operational risks within the Center.

Scope

The scope for the Columbia Park Community Center audit included, but was not limited to, the following audit procedures:

- Reviewed applicable Commission policies, procedures and notices;
- Interviewed Department management and Commission employees;
- Performed walkthroughs with staff to obtain an understanding of operations;
- Reviewed petty cash receipts and replenishments;
- Obtained and analyzed daily receipts and bank deposits for accuracy and timeliness;
- Reviewed timekeeping and payroll procedures to ensure the effectiveness of managerial oversight of the employee timecard process to ensure hours worked were accurately reported;
- Reviewed and tested controlled and capital assets to ensure compliance with Commission policies and procedures; and
- Assessed 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, 2022 through April 1, 2024.

Methodology

During the audit, the auditor-in-charge conducted interviews with Center management and staff, and 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 the effectiveness of internal controls over petty cash and 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 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 Conclusions

The results of our evaluation and testing procedures indicate no major weaknesses in the design or operation of internal controls for Columbia Park Community 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 Columbia Park Community Center 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

August 20, 2024

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. Evaluate the Need for a Change Fund

Issue: There is no change fund located at the Center even though cash transactions are exchanged.

Criteria: Department of Parks and Recreation Department Directive, *Facility Internal Controls*, states change funds are required at locations where cash is exchanged. It is recommended to maintain a change fund to provide sufficient funds for three days of operations without the ability to go to a bank.

Cause: The Facility Manager was not aware that a change fund was required according to Commission policy.

Risk: Failure to have a change fund increases the risk of misappropriation of funds.

Recommendation: Center management should evaluate whether it will continue to accept cash transactions. If the Center continues to accept cash, management should acquire a change fund and ensure it is used as needed for cash transactions and reviewed periodically.

Issue Risk: Medium

Management Response: After a thorough evaluation with facility management, it was determined Columbia Park Community Center does not have a need for a change fund. The only drop-in program at the Center is on Saturdays, and patrons typically come with exact change or pay with credit card. Facility management will provide proper oversight of funds to eliminate misappropriation of funds and fraud, waste, and abuse. The Center has approval from their Division Chief/Deputy Director to not have a change fund.

Expected Completion Date: Completed

Follow-Up Date: March 2025

2. Install Surveillance Camera [REDACTED]

Issue: During a site visit, the OIG determined there is no surveillance camera [REDACTED].

Criteria: Prince George's County Department of Parks and Recreation (DPR) Closed Circuit TV (CCTV) Surveillance and Monitoring Standards states DPR operates CCTV for the following purposes:

- to protect DPR premises and assets;
- to protect employee, contractors, visitors and public safety;
- to support the investigation of health, safety, environmental and security incidents;
- to support the investigation and defense of complaints, injury, damage and/or other legal claims;
- to deter and detect crime, including assisting with the identification, apprehension and prosecution of offenders; and
- [to monitor critical parts of the operation]

Cause: Center management was not aware of DPR's CCTV Surveillance and Monitoring Standards covering the operation of CCTV systems.

Risk: Failure to properly monitor [REDACTED] the likelihood of fraud, waste and abuse of Commission assets.

Recommendation: Center management should consult with Maryland-National Capital Park Police, Prince George's County Division to determine recommended surveillance monitoring [REDACTED].

Issue Risk: Medium

Management Response: Concur. The Maryland-National Capital Park Police and security services have been working on upgrading Columbia Park Community Center's security system. They have been notified that a surveillance camera needs to be installed [REDACTED].

Expected Completion Date: TBD²

Follow-Up Date: March 2025

² Completion date is pending from Maryland-National Capital Park Police.

3. Document Completion of the Annual Inventory of Controlled Assets

Issue: The controlled asset listing did not include signatures and dates and did not include documentation of any changes to the controlled assets during the period under review. In addition, the controlled asset inventory list did not include the updated status of disposed assets, as required.

Criteria: Commission Administrative Procedures No. 04-01, *Capital and Controlled Asset Procedures Manual*, states an inventory system for controlled assets must be current as assets are acquired and disposed of. The inventory system is maintained by each department, independent of the central Asset Management System. The system(s) may be established at the department, division, or facility level, and may range from a simple log to a more sophisticated software program. At a minimum, the controlled asset inventory must include:

- A description of the item, including model name and number (if available)
- Acquisition date
- The cost of the item, including shipping and handling, and installation fees
- Make
- Model
- Serial Number
- Property Tag number
- Item location
- Disposable method (if applicable)

In addition, the list of controlled assets must be inventoried annually, by December 31st. At least two employees, one of whom must be a supervisor, must approve the completion of the inventory. The approval for the inventory must document whether:

- No changes are needed to the controlled asset inventory;
- Changes are needed to the controlled asset inventory to document the disposal of theft of an item(s); or
- Changes are needed to the controlled asset inventory to document the purchase of transfer/receipt of an item(s).

Cause: There was no review process in place for the completion of the annual inventory for controlled assets.

Risk: Failure to conduct the required annual inventory of controlled assets with the proper documentation represents inadequate managerial oversight consistent with Commission Policy and increases risk of misappropriation of assets.

Recommendation: Center management should ensure the inventory of controlled assets is completed by including a signature and date on the inventory documentation. When completing annual inventories, Center management should ensure:

- Roles are properly segregated. The inventory process should involve at least two individuals. One individual should complete the inventory (i.e., asset verification) and a second individual should review.
- Evidence of completion should be obtained. All individuals involved in the inventory should sign and date the inventory record.
- Evidence of completion should be maintained for internal and/or external audit per Commission retention requirements.
- Documentation supporting asset disposal should also be maintained. Documentation should include disposition reason (e.g. transferred to another facility, disposed of, lost, etc.). Disposals should be approved by management.
- Center management should ensure lost assets are reported to senior management and when appropriate, reported to Park Police.

Issue Risk: Medium

Management Response: Concur. Facility management updated procedures and inventory of controlled assets are conducted on a yearly basis and submitted to the designated administrative personal in the Northern Recreation and Leisure Services Division to ensure proper and timely recordkeeping of these controlled assets.

Facility management will ensure an annual physical inventory of controlled assets is completed with reviewing signatures and dates in accordance with the Commission Administrative Procedures No. 04-01, *Capital and Controlled Asset Procedures Manual*.

Northern Recreation and Leisure Services Division will ensure all facilities are following this recommendation and the divisional office is tracking that controlled assets lists are completed and signed by two career staff.

Expected Completion Date: August 2024

Follow-Up Date: March 2025

4. Ensure Non-Commission Employment Request Forms are Approved

Issue: A seasonal employee submitted the required Request to Participate in Non-Commission Employment Form (Form A-1) disclosing secondary employment; however, management did not approve the request form.

Criteria: Commission Administrative Practice No. 2-24, *Code of Ethics*, states:

- All persons covered by this Practice must request and receive approval to participate in non-Commission employment activities prior to commencement of such activities. Approval of non-Commission employment must be obtained prior to commencing any outside employment or any self-employment.
- Employees must submit completed forms to their supervisor. Department Heads and appointed officers must forward completed forms to the Commission Chair and Vice-Chair.
- Supervisors shall review requests and provide the Department Head with recommendations for approval or denial of the request.

Cause: Center management did not perform periodic reviews of Form A-1.

Risk: Failure to obtain documented authorization for non-Commission employment and business activities may lead to potential fraud, waste and abuse due to conflicts of interest, which may also lead to violation of fiduciary duty to the Commission.

Recommendation: Upon receipt of an A-1 form, the employee's supervisor is required to review the request and provide the Division Chief with a recommendation of approval or denial. The Division Chief must forward the request to the Department Head. The Department Head's decision must be provided in writing. Subsequently, each year, the employee's supervisor is required to review non-Commission employment during the employee's performance review, to determine if the non-Commission employment has not diminished, interfered with, or detracted from the employee's job duties.

Issue Risk: Low

Management Response: Concur. Facility management will ensure Non-Commission Employment Requests are completed and approved with annual renewals for each staff member and submitted on a yearly basis to the designated administrative personal in the Northern Recreation and Leisure Services Division to ensure proper and timely recordkeeping of these documents. Northern Recreation and Leisure Services Division will ensure all facilities are following this recommendation and the divisional office is tracking Non-

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Commission Employment Requests and ensuring they are completed and approved.

Completion Date: August 2024