

**MARYLAND-NATIONAL CAPITAL PARK & PLANNING
COMMISSION**

**Montgomery County Department of Parks
Athletic Fields Audit
Report Number: MC-001-2015**

September 25, 2014

Distribution:

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Office of Internal Audit

Renee Kenney
Samuel J. Raines, Sr.

Maryland-National Capital Park and Planning Commission
Office of Internal Audit
6611 Kenilworth Ave., Suite 403
Riverdale, MD 20737

**Montgomery County Department of Parks
Athletic Fields Audit
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I. EXECUTIVE SUMMARY

A. Background

The Maryland-National Capital Park and Planning Commission (Commission) maintains approximately 300 Commission athletic fields, including 68 school fields within Montgomery County.

The Commission has a Memorandum of Understanding (MOU), with Montgomery County (County) for the administration of all recreational facilities and athletic fields dated February 7, 2012. The MOU has an auto renewal clause. Per the MOU, the County is responsible for athletic field permitting under the auspices of the Office of Community Use of Public Facilities (CUPF), managing a single-entry registration system, and operation of certain classes, camps and trips. The County transfers all earned revenue, on a monthly basis, to the Commission via an ACH payment.

To offset some of the maintenance, field improvement and development costs, the Commission has entered into eight agreements/contracts with various organizations that utilize the athletic fields. The agreements may cover more than one field. The agreements are classified as either a(n):

- License Agreement;
- Development & License Agreement; or
- Adopt a Field (AAF) Agreement.

The agreements detail the roles and responsibilities of the Commission and the organizations for the maintenance, use, and development of the athletic fields and improvements (i.e. dug-outs, seating, concession stands, etc.) **Exhibit A** contains a summary of agreements by organization.

Five of the eight agreements are AAF agreements. Typically with the AAF agreements, the organization agrees to provide the maintenance and renovation of the fields at no cost to the Commission in exchange for exclusive use of the fields and improvements during agreed upon dates and times.

Under a license agreement, the organization obtains a license to use the field(s) during agreed upon dates and times for a fee. Under a development agreement, the organization agrees to construct improvements that transfer to the Commission upon completion for exclusive use of the fields and improvements during agreed upon dates and times, in addition to a license agreement.

The Commission has other auxiliary contracts and purchase orders with Ruppert Landscaping, Mid-Atlantic Turf and Long Fence to assist in the maintenance of the athletic fields.

B. Audit Scope, Objectives, and Methodology

Objective: Ensure legal instruments (i.e. MOU's, purchase orders, contracts, and agreements) were initiated and are being managed per Commission policies and procedures.

Scope: The scope of our audit included but was not limited to the following audit procedures:

General Controls

- Interviewing Commission employees responsible for athletic field maintenance, fiscal administration, and permit issuance to gain a better understanding of the Commission's inherent risks and mitigating controls supporting the use and administration of the athletic fields.

Purchasing/Procurement

- Reviewing the two active purchase orders (Mid-Atlantic Turf and Long Fence). Ensure issuance and renewal of purchase orders comply with all requirements detailed in the Commission's Purchasing Manual.

Contracts

- Obtaining and reviewing the MOU with Montgomery County.
- Obtaining and reviewing the contract with Ruppert Landscaping.
- Obtaining and reviewing the AAF contracts, license agreements and development agreements and assessing whether terms and conditions of the various agreements are being adhered to.
- Ensuring the MOU, contracts, and the agreements contain the required language as recommended by the Office of the General Counsel.

Permits

- Reviewing a sample of reports detailing permit receipts and trace back to Commission's financial reports to ensure complete recording of revenues.
- Reviewing the three GL account codes that track earned revenue collected for athletic fields.

The audit covered the period of May 1, 2014 through July 31, 2014. Note: Agreements are dated 1998 – 2014.

C. Major Audit Concerns

The results of our evaluation and testing procedures indicate that on an overall basis the control environment for Montgomery County Department of Parks Athletic Fields is satisfactory and no major concerns were noted.

D. Overall Conclusions

This audit was conducted in accordance with U. S. *Generally Accepted Government Auditing Standards*. The results of our evaluation and testing procedures indicate no major weaknesses in the design or operation of internal controls for Montgomery County Athletic Fields. 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 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 Montgomery County Department of Parks management and staff for the cooperation and courtesies extended during the course of our review.



Renee M. Kenney, CPA, CIA, CISA
Chief Internal Auditor

September 25, 2014

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. Ensure Maintenance Reports are Submitted as Required by the Adopt a Field Agreement

Issue: Commission Adopt a Field Agreements contain standard terms and conditions approved by the Office of the General Counsel. The AAF agreements state the organization or their licensed contractor must submit monthly and quarterly reports to the Park Manager detailing field maintenance activities. The AAF agreements also contain templates to be used for the required reporting.

Montgomery County Parks management does not require the organizations to submit monthly or quarterly reports as specified in the agreement. Reporting is being completed informally, via e-mail communications. In addition, the frequency of the e-mail communications appear to be ad-hoc, with no established due dates.

It should be noted that management is satisfied with the current level of maintenance provided by the organizations and the fields covered under the AAF program are available for use as planned.

Criteria/Risk: There are limited public funds for the maintenance and improvement of athletic fields. The AAF program provides non-publically funded maintenance and improvements to athletic fields in consideration for the use of the fields.

Receipt of monthly and quarterly reports help ensure the quality of the fields are maintained. Failure to obtain the reports may result in deterioration of a field and may possibly limit the use of the field.

Recommendation: We recommend management request, receive and review monthly and quarterly maintenance reports as required by the AAF agreement.

Issue Risk: Medium

Management Response: Effective immediately management will request and ensure receipt of monthly and quarterly maintenance reports as required by the agreements and will withhold issuance of permits in the case of noncompliance.

Expected Completion Date: Monthly: Beginning September 30, 2014.
Quarterly: Beginning December 31, 2014.

Follow-Up Date: February 2015

EXHIBIT A – SUMMARY OF AGREEMENTS

| Organization | Agreement Type | Ball Field | Term of Agreement |
|--|---------------------------------|---|--------------------------|
| Georgetown University | License Agreement | Povich Field – Cabin John Regional Park | 6/12/2000 – 6/12/2020 |
| Bethesda Community Base Ball Club | Development & License Agreement | Shirley Povich Field – Cabin John Regional Park | 12/21/1998 – 12/21/2023 |
| Maryland Community Baseball | License Agreement | Montgomery Blair High School | 5/20/2002 – 5/20/2022 |
| UMAC Baseball | AAF | Field #1, Owens Local Park | 11/15/2012 – 11/15/2017 |
| Bethesda Little League, Inc. | AAF | North Chevy Chase | 4/16/2012 – 4/16/2015 |
| Bethesda Chevy Chase Baseball Club, Inc. | AAF | Field #1 – Lynnbrook Local Park | 3/19/2013 – 3/19/2016 |
| Bethesda Chevy Chase Baseball Club, Inc. | AAF | Field #1 - Falls Road Local Park | 8/24/2012 – 8/24/2017 |
| Burtonsville Athletic Association | AAF | Fields #1,2,3,4 – Columbia Local Park | 11/22/2013 – 12/31/2014 |