

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

**Prince George's County Department of Parks and Recreation**

**Internal Control Review  
Report Number: PG-001-2015-B**

**August 21, 2014**

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**Prince George's County Department of Parks and Recreation**



**Internal Control Review**

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[REDACTED]  
Limited Review

**A. Background**

[REDACTED] or the Center) is located [REDACTED]  
[REDACTED]  
[REDACTED] During the week, the Center is open until 9:00 p.m., with extended hours on Friday and Saturday evenings for Xtreme Teens. During the summer, the Center is open until midnight on Tuesdays and Thursdays for the Safe Summer Night program.

[REDACTED] is managed within Prince George's County Department of Parks and Recreation Area Operations. A Facility Director is responsible for the day to day management of the Center, and reports to the Southern Area Operations Chief.

**B. Audit Scope, Objectives, and Methodology**

**Objective:** In conjunction with a fraud, waste, and abuse review completed by the Office of Internal Audit (OIA), the OIA identified opportunities to strengthen internal controls over the physical access of the Center.

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

- Interviewing ██████ personnel to gain a better understanding of the Center’s policies and practices for opening and closing the facility.
- Obtaining and reviewing “All Events Summary Reports” for the period of May 1, 2013 – April 30, 2014, which shows when the ██████ facility was opened and closed (i.e. alarm activated and deactivated).
- Obtaining and reviewing ██████ employee time cards (for the period of May 1, 2013 – April 30, 2014).

The audit period covered the period from May 1, 2013 – July 1, 2014.

**C. Overall Conclusions**

This audit was conducted in accordance with *Generally Accepted Government Auditing Standards*, except for requirements set forth in section 3.96<sup>1</sup>. The results of our evaluation and testing procedures indicate deficiencies in the design or operation of the physical access controls for the facility.

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 Southern Area Operations management and staff for the cooperation and courtesies extended during the course of our review.



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

August 21, 2014

**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.

<sup>1</sup> Government Auditing Standards, Section 3.96 – External Peer Review states “the audit organization should obtain an external peer review at least once every 3 years ...” The Office of Internal Audit’s last peer review was completed on July 1, 2010 and covered the period March 31, 2009 – April 1, 2010. Due to a change in OIA management, the next peer review will not be completed until summer of 2014 and will cover a period of July 1, 2013 – June 30, 2014.

## **D. Detailed Commentary and Recommendations**

### **1. Update User Codes for the Alarm System**

**Issue:** The All Events Summary Report provides detailed information for when the Center's alarm is activated and deactivated. Each employee has a unique pass code that they enter when setting the alarm. The All Events Summary Report captures the employees name and date and time of their actions.

There appears to be errors in the assignment of user codes. The OIA identified two user codes that did not depict the correct user. For example, all the opening and closing actions of the Facility Director are reported under a different person's name. The Facility Director did not share her user code and was able to confirm that actions she personally completed were incorrectly reflected on the report.

**Risk/Criteria:** The All Events Summary Report is an important tool for management as it provides detailed information as to when the facility was open and who activated or deactivated the building's alarm. This is especially true for possible fraud, waste, and abuse concerns. Center management must be able to rely on the report and have confidence that the information being reflected is accurate.

**Recommendation:** We recommend ██████████ management review the user information on the All Events Summary Report and work with Prince George's County Park Police to correct any discrepancies.

**Risk:** Medium

**Management Response:** Concur. Management has already worked with Park Police and updated the list of authorized staff and their individual alarm code. Management has reviewed related policies and procedures with staff and will continue to on a quarterly basis.

**Expected Completion Date:** Completed

**Follow Up Date:** October 2014

[REDACTED]  
Limited Review

## **2. Implement Review Procedures for the All Events Summary Report**

**Issue:** Current procedures do not require periodic review of the All Events Summary Report. Currently, it is only requested when facility access issues are brought to management's attention.

**Risk/Criteria:** The All Events Summary Report is an important tool for management as it provides detailed information as to when the facility was open and who activated or deactivated the building's alarm. The report will identify trends (i.e. facility routinely closes early) as well as possible irregularities.

**Recommendation:** We recommend Prince George's County Department of Parks and Recreation management implement procedures that require periodic (e.g. monthly/quarterly) review of the All Event Summary Report. If limited resources prohibit review of daily reports, procedures should at least require a sampling of All Event Summary Report's throughout the year.

**Risk:** Medium

**Management Response:** Concur. Management has obtained the All Events Summary Report and is in the process of reviewing it for any discrepancies. If discrepancies are discovered, management will work with Park Police to correct.

[REDACTED]

**Expected Completion Date:** August 2014

**Follow Up Date:** October 2014

### **3. Identify Off-Site Events on Time Cards**

**Issue:** Current procedures do not require employees to identify on their time cards off-site events where employees perform work duties at a location other than their assigned work site.

**Risk/Criteria:** There is currently no documentation on time cards to justify time charges of employees who legitimately work at an off-site event when their assigned work site may be closed.

**Recommendation:** We recommend Prince George's County Department of Parks and Recreation management implement procedures that require employees to identify on their time cards the specific off-site event they have charged time to.

**Risk:** Medium

**Management Response:** Concur. Management will explore a viable way to make note of off-site events that may alter the work schedule of staff. The current time card does not allow for comments or notes to be made on it to indicate off-site events.

**Expected Completion Date:** October 2014

**Follow Up Date:** October 2014

████████████████████  
Limited Review

#### **4. Strengthen Management Oversight**

**Issue:** Current managerial oversight at the Center is not sufficient. Based on findings in the concurrent fraud, waste, and abuse review, the facility is being kept open (unauthorized) after hours and employee's time cards do not correspond with the All Events Summary Report.

**Criteria/Risk:** Failure to provide adequate managerial oversight increases the risk of fraud, waste, and abuse. Managerial oversight is a strong, preventive internal control.

**Recommendation:** We recommend Prince George's Department of Parks and Recreation management implement procedures to strengthen managerial oversight at ██████████. Additional procedures may include:

- Mandatory staff training to increase awareness. Employees should be reminded of the Commission's policies and practices regarding the use of Commission facilities, recording time worked, and ethics.
- Periodic, unannounced visits or calls to the facility at time of closing.
- Providing a confidential, safe environment for ██████████ employees to advise management of possible concerns regarding Center operations.

**Risk:** Medium

**Management Response:** Concur. Management has increased oversight of the facility by being present periodically at closing time and will make periodic, unscheduled visits and phone calls to the facility at opening and closing times. Management has and will continue to review the related policies and procedures with staff on a quarterly basis. All facility staff will receive refresher training in the fall of 2014 and spring of 2015.

**Expected Completion Date:** December 2014

**Follow Up Date:** April 2015