

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

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

**Internal Control Review  
Report Number: PG-012-2015-B**

**January 30, 2015**

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

**Internal Control Review**

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**A. Background**

████████████████████ (Center) is managed within Prince George's County Department of Parks and Recreation. A Facility Director is responsible for the day to day management of the Center, and reports to the ██████████  
████████████████████ The Center features a gymnasium, pre-school room, lounge area, multi-purpose room, dance room, fitness room, pantry, photography dark room, office, and front lobby.

The Office of Internal Audit completed a limited review over the issuance of a specific Master Agreement for Services Schedule as part of a fraud, waste, and abuse review. During our review, we identified opportunities to strengthen internal controls at the Center.



**C. Overall Conclusions**

This audit was conducted in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. The results of our evaluation and testing procedures indicate deficiencies in the design or operation of internal controls for the [REDACTED] Center.

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 [REDACTED] and the Purchasing Division's management and staff for the cooperation and courtesies extended during the course of our review.



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

January 30, 2015

**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.

**D. Detailed Commentary and Recommendations**

**1. Increase Employee Training and Awareness**

**Issue:** An employee at ██████████ Center signed a Master Agreement for Services Schedule as witness, even though he/she did not witness the vendor execute the form. The employee signed the form at the request of his/her supervisor.

**Risk/Criteria:** The Master Agreement for Services Schedule is a legal document that details a vendors specific requirements for teaching a class at a specified Commission facility (e.g. dates and times of courses, payment details, etc.) Obtaining a witness/attest signature protects the Maryland-National Park and Planning Commission (Commission) from possible claims by vendors doing business with the Commission. Misrepresenting a signature increases the possibility of claims against the Commission.

**Recommendation:** We recommend ██████████ management increase employee training and awareness for all employees responsible for executing legal documents. Possible topics for training may include:

- ethics and abuse of power;
- reporting fraud, waste, and abuse; and
- the Commission’s Purchasing Policy.

The Office of Internal Audit is available to assist in employee training and awareness.

**Risk:** High

**Management Response:** Management concurs. ██████████ ██████████ ██████████ management conducted a refresher training for all career staff who are responsible for executing legal documents. The Office of Internal Audit and the Purchasing Division assisted in the training. The topics covered included:

- |                                  |                            |
|----------------------------------|----------------------------|
| • Fraud, Waste, and Abuse        | • Ethics & Abuse of Power  |
| • Commission’s Purchasing Policy | • Contracts                |
| • Master Agreements (MAIS)       | • Petty Cash               |
| • Time Card Procedures           | • Cash Handling Procedures |

**Expected Completion Date:** Completed January 13, 2015

**Follow Up Date:** April 2015

## **2. Ensure Timely Payments to Vendors**

**Issue:** A vendor was allowed to teach a recurring dance course at the Center from January 2014 through October 2014 without the proper forms in place to ensure payment. Invoices were sent to the Center in March, June, and July of 2014 and were not properly acted upon.

**Risk/Criteria:** Allowing a vendor to teach at a Commission facility, without executing the required contract documentation and subsequently holding vendor invoices may result in financial and reputational damage to the Commission.

**Recommendation:** [REDACTED] Center management should strengthen oversight and monitoring of fiscal activities. Past due invoices should be thoroughly investigated to identify possible administrative oversights. Budgets and monthly expenses should be reviewed for missing payments.

**Risk:** Medium

**Management Response:** Management concurs. Internal procedures will be put in place where Regional Managers will be required to check quarterly that all contractors or employees teaching classes have been paid. This will assure that payments are being made timely, regularly and everyone teaching is a Commission employee or a Commission contractor.

**Expected Completion Date:** January 2015

**Follow Up Date:** April 2015