

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

**Prince George's County Department of Parks and Recreation
Maryland-National Park Police
Prince George's County Division**

Audit Report Number: PG-020-2015

June 29, 2015

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**Prince George's County Department of Parks and Recreation
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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Maryland-National Capital Park Police (Park Police) was founded in 1953 by the Maryland-National Capital Park and Planning Commission (M-NCPPC). It has grown into a diverse police department with 149 positions - 121 sworn and 28 civilian personnel. Park Police ensure the safety of Prince George's County park patrons and facilities 24-hours a day through crime prevention, apprehension, enforcement of criminal and motor vehicle laws, and enforcement of park rules and regulations. Policing is community-based, with officers at all levels involved in problem solving on behalf of county residents. The Division is comprised of the following units: Field Operations, Support Operations, Investigative Operations, and the Office of the Division Chief. Park Police Headquarters is located in Riverdale.

There is currently a petty cash custodian within the Park Police who maintains a [REDACTED] petty cash fund and a [REDACTED] checking account at the Riverdale Headquarters location. There is also a petty cash custodian at the Dyson Pistol Range who maintains a [REDACTED] petty cash fund.

The Park Police has nine (9) purchase card holders and processed 386 purchase card transactions totaling [REDACTED] for the six month period, October 1, 2014 – March 31, 2015.

B. Audit Scope, Objectives, and Methodology

The purpose of the audit was to evaluate the system of internal controls for the Maryland-National Capital Park Police, Prince George's County Division's purchase card program. The scope of our audit included, but was not limited to the following audit procedures:

- Identified a judgmental sample of purchase card transactions for review. The sample consisted of 77 transactions or 20% of the population. The sample included transactions from all purchase card holders.
- Reviewed purchase card transactions for compliance with Commission policies and procedures.
- Performed an unannounced cash count of the petty cash funds and reviewed the checking account.

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 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 objectives.

The period covered in this review was October 2014 to May 2015.

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C. Major Audit Concerns

The results of our evaluation and testing procedures indicate 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 over the purchase card and petty cash programs for the Maryland-National Capital Park Police, Prince George's County Division. 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 Maryland-National Capital Park Police Department'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

June 29, 2015

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. Provide Additional Training for Purchase Card Holders and Approvers

Issue: Based on our interviews with the various purchase card holders and analysis of the 77 judgmentally selected transactions, it appears that the use of purchase cards within the Police Department were executed and approved in good faith. However, we identified 19 exceptions, totaling ██████████ that were either un-allowable per Commission Practices or that could have benefited from additional documentation.

The exceptions included:

- Use of purchase card for a software support maintenance agreement.
- Use of purchase card for gift cards to be distributed at an employee holiday party.
- Use of purchase card for catering services.
- Failure to document waiver of sales tax exemption.
- Use of purchase card for non-Commission business (e.g. – birthday cake, flowers, etc.)

Criteria/Risk: The Commission's Purchase Card Program Policy and Procedure Manual (Manual) outlines purchases which are specifically non-allowable using the purchase card. Examples include:

- Catering – Purchases for food that is prepared from a business that does not have a retail storefront, and is prepared specifically for our function is considered non-allowable. Exceptions are allowed if the catering service has an approved contract with the Commission. However, documentation supporting the use of these caterers should be noted on the purchase card documentation.
- Gift Cards – Gift cards, purchased on a purchase card are only allowed for employees, and the amount must be ██████████ or greater. The transaction must also adhere to Commission employee recognition requirements. (Note: petty cash should be used for employee gift cards under ██████████).
- Professional Service Contracts - One of the transactions reviewed was for payment of a yearly software support maintenance agreement. This is a professional services contract which is defined in the purchase card manual as being non-allowable. A field purchase order should have been utilized to pay for this expense.

The Manual also states that all goods and services procured must be required for official business. The Department of Finance has defined purchases of flowers,

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birthday/anniversary cards for Commission employees and/or their family members as non-reimbursable. Note: If the purchase card is used for these types of purchases, the expense must be coded to the private purpose employee fund.

When purchasing food for employee staff meetings and/or celebrations, the Finance Department recommends including names of attendees and purpose of the meeting when practical.

It is the cardholders responsibility to ensure that the purchase card is used within the stated guidelines of the Manual and other Commission polices, practices and best practice recommendations. Failing to provide the proper oversight over purchase card transactions increases the Commission's risk of fraud, waste and abuse.

Recommendation: We recommend Park Police management provide additional training to all purchase card holders and approvers. The training should cover all Commission Practices and Procedures related to the use of Commission purchase cards, as well as discussions on appropriate documentation and allowable purchases.

Note: Park Police management may want to consider soliciting the Department of Finance to assist in the training.

Issue Risk: Medium

Management Response: The cardholders and approvers will undergo additional training.

Expected Completion Date: October 1, 2015

Follow-Up Date: November 2015