

MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

**Montgomery County Department of Parks
Northern Parks Division
Black Hill Regional Park**

Report Number: MC-001-2017

October 4, 2016

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**Montgomery County Department of Parks
Northern Parks Division
Black Hill Regional Park**

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I. EXECUTIVE SUMMARY

A. Background

Black Hill Regional Park (Park) in Boyds, Maryland is located on over 2,000 acres. It offers a wide variety of outdoor activities such as playgrounds, volleyball courts, paved and natural surfaces along with beautiful scenic views of Little Seneca Lake. The Park has a maintenance facility with responsibility for various tasks including custodial services, trash removal, snow/ice removal, grass cutting and grounds maintenance. Park Managers provide direct support of the Park under the Chief of Northern Parks Division and Deputy Director of Operations within the Montgomery County Department of Parks.

Black Hill Boat House located within the Park on Little Seneca Lake, is managed by the Enterprise Division under the Deputy Director of Operations. A separate audit of the Boat House was completed in August 2016 (MC-002-2017).

In addition, a visitor's center contained in the park, managed by the Horticultural, Forestry & Environmental Education Division, is not being reviewed at this time.

B. Scope, Objective, and Methodology of the Audit

Objective: The purpose of this audit was to perform a limited review of Black Hill Regional Park and evaluate only those areas of the park managed by the Northern Parks Division to assess the adequacy of the design and operational effectiveness of internal controls and determine if Commission policies and procedures are being followed.

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

- Interviewed park managers and employees;
- Reviewed applicable Commission practices, policies and procedures;
- Performed surprise cash count of petty cash and conducted a cash reconciliation;
- Selected a judgmental sample of petty cash transactions for review;
- Selected a judgmental sample of purchase card transactions for review;
- Reviewed and verified the facility's fixed assets, controlled assets and information technology assets;
- Assessed physical security controls; and
- Obtained Commission vehicle logs and reviewed for reasonableness.

The audit was conducted in accordance with the *U.S. 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 audit covered the period from 01/02/16 through 07/31/16.

C. Major Audit Concerns

The results of our evaluation and testing procedures indicated no major audit concerns.

D. Overall Conclusions

The results of our evaluation and testing procedures indicate deficiencies in the design or operation of internal control procedures at Black Hill Regional Park, see the definition below.

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, Northern Parks Division management and staff for their cooperation and courtesies extended during the course of our review.



Robert Feeley, MBA, CFE, CGFM, CICA, CAA
Senior Auditor



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

October 4, 2016

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. Strengthen Purchase Card Procedures

Issue: The purchase card holder obtained catering services in the amount of \$845.00 for an event at Black Hill Regional Park, from a vendor by the name of [REDACTED]. The vendor does not have a retail storefront and does not have a contract with the Commission.

Criteria/Risk: The *Commission's Purchase Card Program Policy and Procedure Manual* (Manual) prohibits using the purchase card to obtain goods/services from a caterer that does not have a retail store front and does not have a contract with the Commission. The Manual categorizes this as a non-allowable purchase. The purchase increased the Commission's risk of liability as these types of vendors are not required to obtain licenses, permits and serv-safe certifications required for vendors having a retail store front establishment or a Commission contract.

Recommendation: Management should ensure proper oversight of the purchase card is provided to prevent non-allowable purchases from being made.

Risk: Medium

Management Response: In the future management will ensure that purchase card use follows the Commission policy. If this particular vendor is required in the future, we will ensure that they go through the Commission's contract procedure to obtain the required approval prior to using them.

Expected Completion Date: Completed

Follow-Up Date: November 2016

2. Ensure Commission Vehicle Logs are Maintained

Issue: The following two Commission vehicles assigned to Black Hill Regional Park did not have up to date logs that agreed with the vehicle odometers:

| Vehicle Number | Description | Tag Number |
|-----------------------|--------------------|-------------------|
| 484 | Ford F450 Truck | LG 87633 |
| 368 | Chevy 2500 Truck | LG 70043 |

Criteria/Risk: Commission Practice No. 6-10, *Commission Vehicle Use Program*, states “Vehicle mileage logs must be maintained in Commission pool and onsite assigned vehicles to track their use.” Failure to maintain up to date vehicle mileage logs significantly increases the potential for fraud, waste and abuse of the Commission’s vehicles.

Recommendation: Management should ensure all Commission pool and onsite assigned vehicles maintain current mileage logs as required by the Commission Practice.

Risk: Medium

Management Response: Management acknowledges that the logs mentioned were not completely accurate and up to date. In order to ensure compliance to this requirement we will require crew leaders to conduct regular checks of vehicle logs to verify accuracy.

Expected Completion Date: Completed

Follow-Up Date: November 2016

3. Ensure Employees Obtain Approval for Non-Commission Work

Issue: One seasonal employee who works at the Woodstock Equestrian Park under the supervision of the Park Managers at Black Hill Regional Park, has non-Commission employment but has not completed a Commission A-1 form to receive Commission approval.

Criteria/Risk: Commission Practice No. 2-14 and Administrative Procedure No. 03-05, *Non-Commission Employment and Non-Commission Business*, require covered employees to receive approval at least 14 calendar days before engaging in non-Commission employment.

Recommendation: We recommend management ensure all employees that have non-Commission employment complete form A-1 and obtain the required approval from the Department Head.

Risk: Low

Management Response: The Northern Parks Division was in the process of getting staff Non-Commission Employment forms updated over the past month. We will have the identified employee complete his form and submit for approval as soon as possible.

Expected Completion Date: Completed

Follow-Up Date: November 2016