

MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

**Montgomery County Department of Parks
Enterprise Division
Audit of Black Hill and Lake Needwood Boat Houses**

Report Number: MC-002-2017

August 31, 2016

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Audit of Black Hill and Lake Needwood Boat Houses

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I. EXECUTIVE SUMMARY

A. Background

Black Hill Boat House is located in Black Hill Regional Park on the 505 acre Little Seneca Lake in Boyds, Maryland. Lake Needwood Boat House is located in Rock Creek Regional Park on the 75 acre Lake Needwood in Rockville, Maryland. They are managed by the Enterprise Division under the Deputy Director of Operations within the Montgomery County Department of Parks. Both boat houses have kayaks, canoes, rowboats and pedal boats available for rent, along with a pontoon boat for tours. Fishing is also allowed at each lake.

B. Scope, Objective, and Methodology of the Audit

Objective: The purpose of this audit was to perform a review of both Black Hill and Lake Needwood Boat Houses to evaluate and assess the adequacy of the design and operational effectiveness of their 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 facility manager;
- Reviewed applicable Commission practices, policies and procedures;
- Performed surprise cash count of change fund and conducted a cash reconciliation;
- 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.

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 no major weakness in the design or operation of internal control procedures for the Black Hill and Lake Needwood Boat Houses. On an overall basis, we consider the controls to be satisfactory, see definition below.

We wish to express our appreciation to the Montgomery County Department of Parks, Enterprise Division management and staff for their cooperation and courtesies extended during the course of our review.



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Senior Auditor



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

August 31, 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

None