



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Office of the Inspector General • 7833 Walker Drive, Suite 425 • Greenbelt, Maryland 20770

June 21, 2018

To: Darin Conforti, Acting Director  
Prince George's County Department of Parks and Recreation

Debbie Tyner, Deputy Director  
Area Operations

Wanda Ramos, Division Chief  
Central Area Operations

From: Renee Kenney, CPA, CIG, CISA, CIA  
Inspector General

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Assistant Inspector General

Subject: PGC-013-2018 – South Bowie Petty Cash Management Advisory

## Background

On May 1, 2018, Ms. Wanda Ramos, Division Chief, Central Area Operations, contacted the Office of the Inspector General (OIG) to report a possible issue with petty cash at South Bowie Community Center (Center). [REDACTED]

[REDACTED] the Central Area Program Superintendent stopped by the Center to complete a petty cash reconciliation. When the safe was opened, the petty cash box was missing. It was later determined that [REDACTED] took the box home to complete the reconciliation. Per the [REDACTED], only the petty cash receipts ([REDACTED]) were removed from the facility, the petty cash balance of \$ [REDACTED] was in the safe. As the petty cash box, with the receipts, was returned to the Center, the OIG did not open a fraud, waste, and abuse investigation.

Subsequently, on May 9, 2018, Ms. Ramos contacted the OIG to request an audit of the Center's petty cash account after it was discovered that the petty cash reconciliation and replenishment request had not been prepared timely. Ms. Ramos also expressed concern that the supporting documentation for the petty cash transactions appeared insufficient. The OIG agreed to audit the Center's petty cash account.

## **Audit Scope**

The scope of the review for South Bowie Community Center petty cash fund included, but was not limited to, the following audit procedures:

- counting the petty cash fund;
- reviewing “Received of Petty Cash” forms;
- reviewing cash transactions and vendor receipts; and
- interviewing the petty cash custodian.

The audit period covered transactions between September 29, 2017 and March 9, 2018.

## **Detailed Commentary, Findings and Recommendations**

The OIG conducted an independent review of the 77 petty cash transactions for the period September 29, 2017 through March 9, 2018. While the OIG did not detect any misappropriation of the petty cash fund, several areas of improvement were noted.

### **1. Strengthen Administrative Oversight of Petty Cash Replenishments**

**Issue:** The South Bowie Community Center maintains an onsite petty cash fund of [REDACTED]. During the review, the OIG examined the timeliness of the Center's most recent petty cash fund replenishment request and determined that request amount was [REDACTED], leaving the Center with an onsite petty cash balance of [REDACTED] (98.7% depleted).

**Criteria/Risk:** Per Commission Practice No. 3-11, *Administration of Cash Funds*, the petty cash fund should be replenished at appropriate intervals for efficient administration. The OIG recommends that petty cash funds be replenished once cash on hand has been depleted by 50%.

Compliance with this practice ensures that petty cash funds will be available when needed, and helps support efficient facility operations.

**Recommendation:** We recommend the Center's petty cash custodian forward all petty cash fund reimbursement requests to the Department of Finance for processing at the depletion of 50% of the fund. We also recommend that the Regional Manager take steps to ensure that petty cash replenishment requests are prepared and submitted timely.

**Issue Risk:** High

**Management Response:** Management concurs with recommendation. Program Superintendent will conduct a meeting with Facility Director and Regional Manager to address procedures and timely requests for replenishment. Regional Manager should be submitting monthly reports to Division Chief.

**Expected Completion Date:** July 2, 2018

**Follow-Up Date:** August 2018

## **2. Strengthen Managerial Oversight for Programs and Activities**

**Issue:** As a component of the Kids Care Program, the South Bowie Community Center was facilitating a children's cooking class. Children who were participants in the class were taught how to prepare various meal items such as pizza bagels, grilled salmon, apple pie, etc.

However, during the course of the review, it was discovered that the facilitator of the cooking class did not have a current Safe Serve food handling certification. In addition, both the facility and regional management were unaware of this deficiency.

**Criteria/Risk:** As mandated by the Code of Maryland Regulation's Food Service Facility policy, (Chapter 10.13.03-Food Service Facilities) all food service facilities that prepare and serve food must have certified food handler present during these activities.

Failure to maintain the required certification is a violation of the Code of Maryland Regulation's policy on Food Service Facilities. In addition, lack of managerial oversight could allow for undue injury of Center patrons and expose the Commission to unnecessary legal action and possible reputational damage.

**Recommendation:** We recommend the Central Area Management strengthen its internal procedures regarding program/activity approvals and monitoring. These procedures should indicate the required method of approval and should also identify all required certifications necessary for program facilitation.

**Issue Risk:** High

**Management Response:** Management concurs. Regional Manager will monitor classes and programs requiring licensing. Division will investigate requirements for cooking classes and programs and will establish divisional guidelines for facilities offering cooking classes. Guidelines will be presented to all Regional Managers on June 26, 2018.

**Expected Completion Date:** July 2, 2018

**Follow-Up Date:** August 2018

### **3. Strengthen Administrative Oversight of Petty Reconciliations**

**Issue:** The OIG reviewed the appropriateness of the 77 petty cash reimbursements. 55 transactions, or 71%, lacked sufficient supporting documentation. Most of the exceptions were due to lack of program attendee lists. We did note, however, that all items purchased were allowable Commission expenses.

**Criteria/Risk:** Per Commission Practice No. 3-11, *Administration of Cash Funds*, requests for reimbursement from petty cash funds must be substantiated, as appropriate, by original receipts or other acceptable documentation.

Commission Practice No. 3-10, *Authorized Business Expenses*, provides guidance on the reimbursement of meal expenditures. Expense reports must identify employees and other people in attendance for meal reimbursements. This requirement is a best practice for petty cash reimbursements.

Failure to provide the necessary oversight and controls over the Center's petty cash funds may increase the risk of potential fraud waste and abuse of those funds.

**Recommendation:** We recommend the Center's Cash Custodian retain and attach all required transaction support documentation, including program attendee lists, to the petty cash reconciliation sheet and replenishment forms.

**Issue Risk:** Medium

**Management Response:** Management concurs. Center's cash custodian [REDACTED] should attach support documentation to each petty cash receipt. At the meeting with Center Director, Regional Manager and Program Superintendent, a list of required documents will be discussed.

**Expected Completion Date:** July 2, 2018

**Follow-Up Date:** August 2018

## **Conclusion**

We believe all weaknesses identified and communicated are correctable and that management's responses to the recommendation 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 Prince George's County Parks and Recreation Central Area Operations Division's management and staff for the cooperation and courtesies extended during the course of our review.

cc:

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