

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

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

**College Park Community Center**

**Report Number: PG-008-2018**

**June 8, 2018**

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Office of the Inspector General

Renee Kenney  
Wanda King

Maryland-National Capital Park and Planning Commission  
Office of the Inspector General  
7833 Walker Drive, Suite 425  
Greenbelt, MD 20770

# College Park Community Center

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## **I. EXECUTIVE SUMMARY**

### **A. Background**

The Maryland-National Capital Park and Planning Commission (M-NCPPC) is a bi-county agency serving Montgomery and Prince George's Counties in Maryland. The Prince George's County Department of Parks and Recreation (DPR) provides quality recreation programs, facilities and services for residents and visitors.

The audit focused on the College Park Community Center (the Center) located in College Park, MD. The Center, built in 1995 across the street from the Paint Branch Elementary School, offers key amenities including dance, fitness, meeting and multipurpose rooms, soccer fields and a gymnasium. Many of these venues are available to the public for rental opportunities. In addition, the Center provides several community programs such as Early Bird Morning Care, Kids Care, Summer Day Camps, Senior Field Trips and the Xtreme Teens Program.

A Facility Director has overall responsibility for the Center and reports to a Regional Manager and Program Superintendent within Northern Area Operations, under the direction of the Northern Area Operations Chief and Deputy Director, Area Operations.

## **B. Objective, Scope and Methodology of the Audit**

### **Objective**

The purpose of the audit was to identify opportunities to strengthen internal controls, improve operational efficiencies and help ensure compliance with Commission policies and procedures.

### **Scope**

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

- Reviewed applicable Commission practices and procedures;
- Interviewed managers and staff to obtain an understanding of operational procedures;
- Performed surprise cash counts of the change fund and petty cash fund;
- Reviewed petty cash and reimbursements;
- Reviewed cash receipts for accurate and timely bank deposits;
- Reviewed the fixed and controlled asset reports, and verified completion of annual inventory;
- Reviewed time keeping and payroll procedures, including paper time cards;
- Verified drivers of Commission vehicles met risk management requirements;
- Reviewed and reconciled rental contracts data with corresponding SMARTlink report data; and
- Reviewed quarterly account receivables for outstanding payment balances.

The audit covered the period from 11/01/16 through 11/30/17.

### **Methodology of the Audit**

Inquiry, observation, data analysis, and tests of transactions were performed to complete the audit objectives.

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 a reasonable basis for the findings and conclusions based on the established audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**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 weaknesses in the design or operation of internal controls for the College Park Community Center. 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 College Park Community Center's management and staff for their cooperation and courtesies extended during the course of our review.



Wanda King, MBA  
Assistant Inspector General



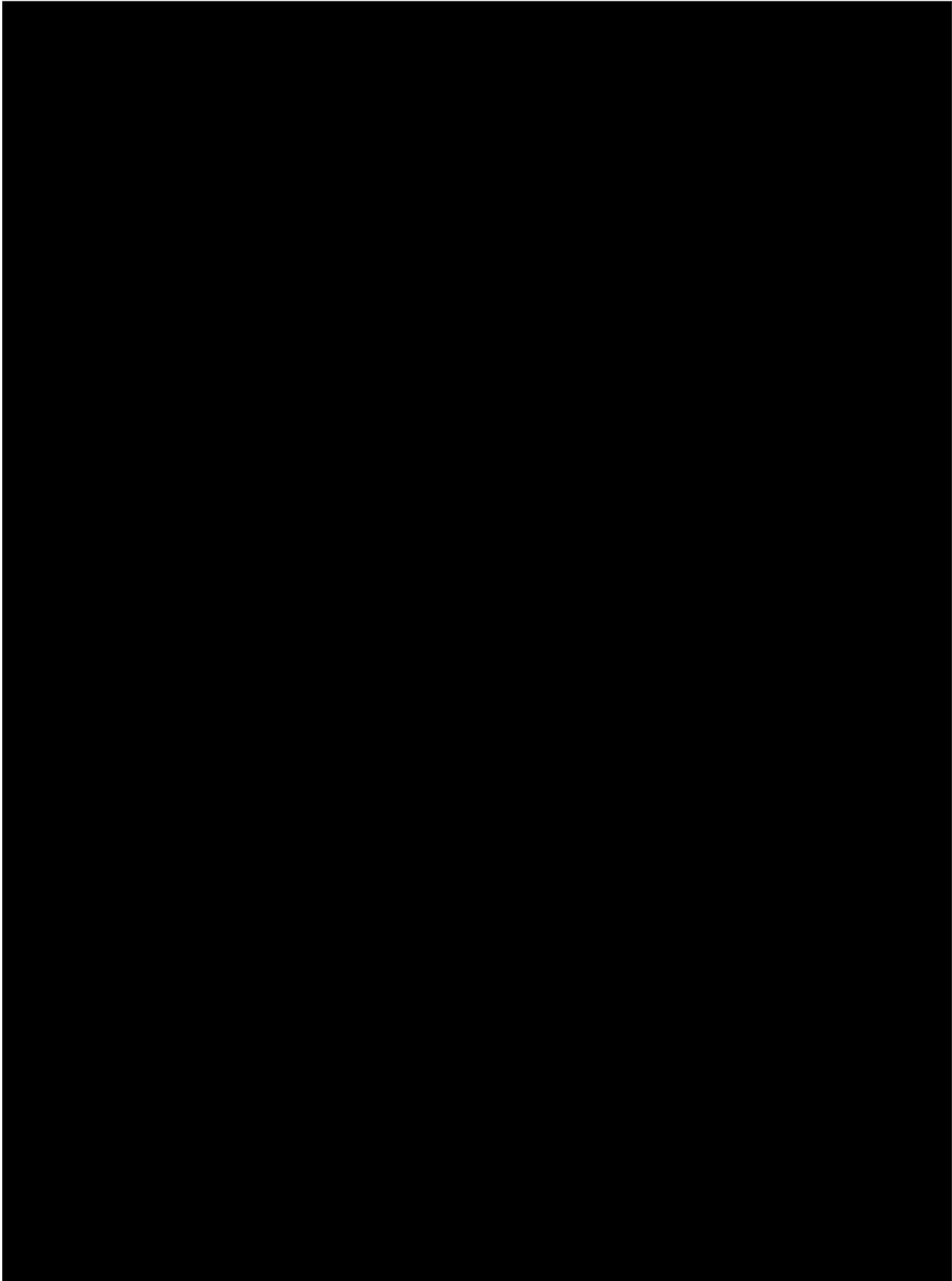
Renee M. Kenney, CPA, CIA, CISA  
Inspector General

June 8, 2018

**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.

**II. DETAILED COMMENTARY AND RECOMMENDATIONS**



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

## 2. Ensure Timely Bank Deposits

**Issue:** The OIG reviewed SMARTlink Daily Cash reports and bank deposit tickets for July 2017. Cash receipts were not deposited timely for four of five weeks during the month.

The following table displays cash receipts and bank deposit data for the four exceptions. For SMARTlink cash reporting purposes, the week begins on Friday and ends on Thursday.

Week Dates	Date Balance Exceeded [REDACTED]	Deposit Date	*Days Late	**Total Bank Deposit Amount
06/30/17 – 07/06/17	Did not exceed [REDACTED]	07/11/17	2	[REDACTED]
07/14/17 – 07/20/17	07/18/17	07/24/17	3	[REDACTED]
07/21/17 – 07/27/17	07/27/17	07/31/17	1	[REDACTED]
07/28/17 – 08/03/17	Did not exceed [REDACTED]	08/07/17	1	[REDACTED]

\* Note the “Days Late” count excludes weekends.

\*\*Overall risk was mitigated because two of four bank deposits did not exceed [REDACTED]

**Criteria/Risk:** Commission Administrative Procedure No. 01-01, *Cash Receipts and Related Cash Transactions*, states “Bank deposits will be made whenever cash on hand exceeds [REDACTED] or once per week, whichever comes first.” Failure to deposit daily cash receipts as required increases the risk of misappropriation.

**Recommendation:** Management should strengthen oversight to ensure bank deposits are made timely, in compliance with Commission Administrative Procedure No 01-01.

**Risk:** Medium

**Management Response:** Facility Director and Assistant Facility Director will ensure deposits are made in accordance to administrative procedures. In addition, management will add a verbal reminder for Fridays to guarantee deposits are made timely.

**Expected Completion Date:** Complete

**Follow-Up Date:** August 2018

### **3. Provide Documentation for Petty Cash Reimbursements**

**Issue:** The OIG reviewed two check requests submitted to the Department of Finance (Finance) for petty cash reimbursement dated November 2016 and September 2017.

The check request sent to Finance for petty cash reimbursement for invoice date of September 1, 2017 showed that two of 17 transactions (11.8%) did not include the list of program participants (i.e., one staff escort for a theme park field trip and participants for one movie field trip). See the below table:

<b>Petty Cash Form Date</b>	<b>Amount and Vendor</b>	<b>Purpose</b>
07/12/17	██████ - Six Flags	Additional staff ticket for field trip to Six Flags
08/02/17	██████ – Regal Crown	Movie theatre field trip

Although petty cash requests were appropriately approved by management, and Finance processed and reimbursed the petty cash, the facility should provide lists showing field trip escorts and program participants for all transactions with their documentation.

The Center maintains a ██████ petty cash fund. The review disclosed that the remaining petty cash on hand fell below OIG’s recommended threshold of 40-50% of the fund balance. The fund contained ██████ or 32.6% of total petty cash fund.

**Criteria/Risk:** Commission Practice 3-11, *Administration of Cash Funds*, refers to the need to provide appropriate supporting documentation for petty cash reimbursements. The Practice also indicates that one of the duties of custodians is to replenish the fund at appropriate intervals for efficient administration. Failure to provide appropriate supporting documentation may lead to misappropriation of public funds. Failure to replenish funds at timely intervals may hamper the facility’s administrative and operational efficiency.

#### **Recommendation:**

- Management should ensure that all petty cash reimbursements are supported with appropriate documentation.
- Management should ensure that petty cash funds are replenished at regular intervals. The OIG recommends replenishment when the cash balance on hand equals approximately 40-50% of the total authorized fund.

**Risk:** Medium

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**Management Response:** Management has educated staff on the needed documentation for ticket sales via petty cash. At time of petty cash submission, management will ensure appropriate documentation is present before approving reimbursement.

**Expected Completion Date:** Complete

**Follow-Up Date:** August 2018