



**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

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

January 12, 2022

To: Mike Riley  
Director, Montgomery County Department of Parks

John Nissel  
Deputy Director, Operations

Christy Turnbull, Enterprise Division Chief

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

*Renee M Kenney*

Wanda King  
Assistant Inspector General

*Wanda King*

Subject: Follow-up Review for Rockwood Manor Audit Report, MC-001-2020

We have completed the follow-up review for the Rockwood Manor Audit Report, No. MC-001-2020, dated April 27, 2020. The following is the result of the review:

Rec. #	Issue/ Recommendation	Issue/ Risk	Expected Completion Date	Completion Date	Status
1	Ensure Compliance with Permit Policies and Procedures	Medium	August 2020	May 2021	Resolved
2	Strengthen Procedures for Controlled Asset Inventory	Medium	August 2020	May 2021	Resolved

Management provided sufficient information and clarification for us to conclude all audit recommendations have been satisfactorily addressed and implemented.

The following details the status of the resolved recommendations:

**Recommendation #1: Ensure Compliance with Permit Policies and Procedures**

**Status:** Resolved

**Background and Discussion:** Original audit testing disclosed discrepancies which resulted from testing a sample of 10 rental permits processed by Rockwood Manor:

- Four of 10 (40%) rental permits were not signed by the customer in compliance with management's policies and procedures.
- Six of 10 (60%) rental permits were not signed by the Facility Manager in compliance with management's policies and procedures.
- For one of 10 rental permits (10%), the customer was undercharged for a two-day business retreat.

The Office of the Inspector General (OIG) recommended the Regional Operations Manager implement additional oversight and periodically review permit processing documentation to ensure compliance with established policies and procedures.

Management concurred with the recommendation and responded:

- Procedures already in place: Reservations staff place all new and updated permits in a labeled folder for review and signature by the Facility Manager, weekly. At this time, the Facility Manager would ensure proper rates have been charged in the permits. The Facility Manager then submits a list of signed permits to the Regional Operations Manager.
- Line items will be added to the permit checklist/cover page to include "Signed by Client" and "Signed by Facility Manager."
- The Facility Manager will review the master permit binder bi-weekly to ensure all permits have been created using the correct rates and following the required procedures.
- The Regional Operations Manager will perform periodic spot checks of the master permit binder to further ensure all permits have been created using the correct rates and following the required procedures.

**Follow up Review:** In response to the follow up review, management implemented additional policies and procedures to ensure staff compliance for rental permit processing:

- Reservations staff place all new and updated permits in a labeled folder weekly for the Facility Manager to review and countersign. At this time, the Facility Manager would ensure proper rates have been charged in the permits. The Facility Manager then submits a list of signed permits to the Regional Operations Manager.
- Line items are noted on the permit checklist/cover page to include “Signed by Client” and “Signed by Facility Manager.” A copy of the permit—signed by both the client and Facility Manager—will be sent to the client for their records. Any change or update to a client’s permit will be initialed by both the client and Facility Manager.
- The Facility Manager reviews the master permit binder to ensure all permits have been created using the correct rates and following the required procedures. A physical copy of each permit is kept in the master permit binder and a digital copy is also kept on file to ensure that both the Facility Manager and Regional Operations Manager can access permits off-site if needed.
- The Regional Operations Manager performs periodic spot checks of the master permit binder to further ensure all permits have been created using the correct rates and following the required procedures.

OIG concludes that management’s response appears reasonable to ensure staff compliance for rental permit processing.

**Recommendation #2: Strengthen Procedures for Controlled Asset Inventory**

**Status:** Resolved

**Background and Discussion:** Original audit testing disclosed discrepancies with the controlled assets inventory report:

- OIG judgmentally selected 30 of 86 (34.9%) samples from the controlled assets inventory report provided by the Facility Manager, to locate and verify the existence of assets at Rockwood Manor. OIG verified the existence of 26 of the 30 selected samples, without exception. However, OIG and the Facility Manager could not locate two (2) heavy duty vacuum cleaners and two (2) chairs listed on the inventory report. Note the two chairs belong to a set of 150.
- OIG inquired if any new controlled assets were acquired during the prior fiscal year. The Facility Manager informed OIG about the purchase of one John Deere tractor in September 2019 via a purchase order processed by administrative staff at the Enterprise Division headquarters. However, the new asset was not added to the controlled assets inventory report.

- According to the Facility Manager, four (4) assets listed on the inventory report had been disposed; however, the facility had no available documentation (e.g., completed Form 164 or maintenance records) on file to support the disposals.

The Office of the Inspector General (OIG) recommended management (i.e., Regional Operations Manager and Facility Manager) develop and implement procedures to ensure all controlled assets are identified, tracked, and monitored.

Management concurred with the recommendation and responded:

- Procedures already in place: External asset purchases are discussed with the Facility Manager during budget meetings held throughout the year.
- Procedures already in place: Event chairs are numbered and will be counted following each event. Missing or broken chairs will be identified by number for reporting and disposal purposes.
- Procedures already in place: Annual inventory will be conducted and reported following commission policies and procedures.
- Inventory will be counted quarterly for internal monitoring.
- Updated controlled assets reports to include new, transferred, or discarded items will be submitted to the Regional Operations Manager quarterly.
- Regional Operations Manager will conduct random inventory checks.
- The Facility Manager will report any assets needing to be removed from service to the Regional Operations Manager. Also, management will complete Form 164 prior to disposing of assets.
- Management will request the assistance of maintenance as needed for the removal and disposal of facility assets. Management will request a copy of maintenance's work order to file with asset disposal documentation.

**Follow up Review:** In response to the follow up review, management implemented additional policies and procedures to ensure all controlled assets are identified, tracked and monitored:

- External asset purchases for the facility are discussed with the Facility Manager during budget meetings and regularly scheduled staff meetings held throughout the year.
- Event chairs are numbered and will be counted following each event. Missing or broken chairs will be identified by number for reporting and disposal purposes.

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- Annual inventory will be conducted and reported following commission policies and procedures.
- Inventory will be counted quarterly for internal monitoring.
- The Facility Manager creates and maintains a comprehensive controlled asset inventory master list. The Facility Manager, along with Rockwood seasonal and Divisional staff will go through all items on the list to ensure any changes and/or discrepancies are addressed and fixed promptly.
- Updated controlled assets reports to include new, transferred, or discarded items will be submitted to the Regional Operations Manager quarterly.
- The Regional Operations Manager along with select administrative staff from the division will conduct random inventory checks.
- The Facility Manager will report any assets needing to be removed from service to the Regional Operations Manager. Also, management will complete Form 164 prior to disposing of assets.
- Management will request the assistance of maintenance as needed for the removal and disposal of facility assets. Management will request a copy of maintenance's work order to file with asset disposal documentation.

OIG concludes that management's response appears reasonable to ensure controlled assets are identified, tracked and monitored.

A copy of the original audit report has been included for your convenience.

Note: Low risk audit recommendations do not require OIG follow-up.

cc: Executive Committee  
Casey Anderson  
Elizabeth Hewlett  
Asuntha Chiang-Smith

Audit Committee  
Dorothy Bailey  
Partap Verma  
Benjamin Williams

M-NCPPC  
Gavin Cohen  
Adrian Gardner