

MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

**Prince George's County Department of Parks and Recreation
Audit of Prince George's County Child Care Center - Upper Marlboro
Report Number: PGC-05B-2023**

January 6, 2023

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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 County and Prince George's County in Maryland. M-NCPPC provides quality parks, recreation facilities, programs and services for residents and visitors.

M-NCPPC operates two employer sponsored child care centers in Prince George's County (PGC). Both are licensed by the Maryland State Department of Education Office of Child Care. The child care centers are governed by Title 13A State Board of Education under the Code of Maryland Regulations.

The report focuses on the PGC Child Care Center (Center) - Upper Marlboro, located at 5310 Judge's Drive in Upper Marlboro, Maryland. The Center provides care to children ranging from ages 8 weeks old to pre-kindergarten. The Center operates Monday through Friday during the hours of 7:30a.m – 5:30pm.

Participation in the program is limited to families employed by:

- PGC public school system
- PGC government
- Maryland State employees who work within PGC
- M-NCPPC

The Child Care Center Program Director manages daily operations to ensure compliance with M-NCPPC Administrative Practices and Procedures. The Special Programs Division Chief has overall responsibility and reports to the Deputy Director of Recreation & Leisure Services, under the leadership of the Director of Parks and Recreation.

B. Audit Objective, Scope and Methodology

Audit Objective

The primary objective of the audit was to verify compliance with M-NCPPC Practices and Procedures and with Maryland State Department of Regulations Office of Child Care. Additional objectives included identifying opportunities to strengthen internal controls and improve operational efficiencies.

In addition, the audit scope was designed to identify possible fraud, waste, or abuse within the process(es) being audited.

Scope

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

- Interviewed and performed walkthroughs with staff to obtain an understanding of operations;
- Reviewed applicable M-NCPPC Practices and Procedures;
- Reviewed results of annual inspections conducted by the State of Maryland;
- Verified personnel background checks were conducted;
- Reviewed bank receipts for timely and accurate deposits;
- Verified existence of controlled assets and completion of periodic inventory;
- Reviewed payroll timekeeping procedures;
- Reviewed accounts receivable for outstanding balances; and
- Accessed security protocols.

The audit covered the period from July 1, 2021 through June 30, 2022.

Methodology

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

The audit was conducted in accordance with the *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 Conclusion

The results of our evaluation and testing procedures indicate no major weaknesses in the design or operation of internal controls for the administration of PGC Child Care Centers - Upper Marlboro. 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 PGC Child Care Centers - Upper Marlboro management and staff for their cooperation and courtesies extended during the course of our review.

Wanda King
 Assistant Inspector General

Modupe Ogunduyile
 Deputy Inspector General

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

January 6, 2023

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. Ensure Compliance with Controlled Assets Policies and Procedures

Issue: The Office of the Inspector General's (OIG) review of controlled assets disclosed the following discrepancies:

- Management provided the controlled assets list which included 38 assets. OIG reviewed 21 of 38 assets for the verification of existence audit testing. The remaining 17 assets primarily consisted of those reviewed by the Information Technology and Communications Division (e.g., computers, printers, monitors).

The list did not include key data, such as purchase prices and purchase dates. Purchase data is essential for determining whether or not an item should be classified as a controlled asset.

- OIG identified and verified the existence of the 21 assets, without exception. OIG observed that five of 21 assets had affixed asset tags, but 16 assets did not have tags. All items designated as controlled assets require tracking and should be assigned individual asset tag numbers.
- Staff did not perform an inventory of controlled assets within the past 12 months.

Cause: Center management and staff did not comply with established policies and procedures.

Criteria/Risk: Practice No. 3-14, Capital Asset Policy: Accounting for M-NCPPC Real and Personal Property, Responsibilities section, states Department Heads, Division Chiefs, or Designees are responsible for, on a departmental or divisional level, maintaining inventories of controlled assets, and conducting annual inventories of same.

The Facilities Internal Control Standards, Inventory and Controlled Assets section, provide guidance for classifying, documenting, tracking and performing inventories of controlled assets.

Failure to comply with policies and procedures contributes to errors and inconsistencies, which may increase operational risk. Failure to comply with policies and procedures may also lead to potential fraud, waste and abuse.

Issue Risk: Medium

Recommendation: Management should ensure staff are aware of the Facility Internal Controls requirements and mandate compliance. Management should also ensure staff perform the following:

- Revise the layout of the controlled assets list and include columns to show purchase prices, purchase dates, room locations and asset tag numbers.
- Ensure that all controlled assets are assigned individual asset tag numbers for tracking purposes.
- Use Form 164 to document the purchase, transfer, donation and disposal of controlled assets.
- Conduct periodic controlled assets inventory reviews.

Management Response: Concur with recommendation. Special Programs Division Management will ensure that all OIG recommendations be followed and implemented including revising the layout of controlled asset list, ensuring all controlled assets are individually assigned, form 164 will be utilized and bi-yearly controlled asset reviews are conducted. Additional training of staff as needed.

Expected Completion Date: Listing of controlled assets will be updated by 12/1/22. Reviews conducted on 1/23 and 6/23, and ongoing monitoring of controlled assets.

Follow-up Date: June 2023

2. Maintain Legible and Accurate Vehicle Mileage Log Data

Issue: The Center has one assigned vehicle, #184. OIG requested the vehicle mileage log data for trips driven from July 1, 2021 through June 30, 2022. Drivers are required to complete specific data for each trip, including the date, driver's name, time, destination, purpose, and the starting and ending mileage. The audit review identified the following discrepancies:

- One of the log's three pages was faded and unreadable, so OIG could not perform audit testing. The Program Director explained the vehicle was in the maintenance shop from approximately April 2021 through July 2021. Because the log had not been removed from the vehicle during maintenance, the sun faded the pages.
- Drivers are required to document specific data on the log for each trip. The log showed two separate instances where the starting and ending mileage data were different. The ending mileage data for the last trip, and the beginning mileage data for the immediate next trip, should always be the same. Differences between mileage data may indicate that some drivers are not documenting their trips as required. See the below chart illustrating the discrepancies:

Date	Driver	Start Mileage	End Mileage
12/7/21	Driver A	48,680	48,697
12/15/21	Driver B	48,736 ¹	48,190
8/23/22	Driver A	50,008	50,044
8/24/22	Driver B	50,047 ²	50,083

Cause: Center management and staff did not comply with the Commission Administrative Practice.

Criteria/Risk: Administrative Practice No. 6-10, M-NCPPC Vehicle Use Program, Part IV, Section B, *Required Use of Vehicle Use Mileage Logs* states mileage logs must be maintained by drivers of all M-NCPPC vehicles. The Practice lists the information required for completing mileage logs, including beginning and ending mileage. Section B also states Department Heads shall ensure that vehicle logs are completed by all operators of M-NCPPC vehicles.

¹ Start mileage should be 48,697.

² Start mileage should be 50,044.

Failure to periodically review logs may result in drivers not recording required data completely, accurately and timely. Failure to review logs may also create opportunities for potential fraud, waste, and abuse of M-NCPPC vehicle usage.

Issue Risk: Medium

Recommendation: Management should ensure all drivers are aware of the Administrative Practice. Management should also discuss drivers' responsibilities for completing the log, provide training to employees as needed, and periodically review logs for completeness, accuracy and timeliness.

Management Response: Special Programs Division management will ensure that all recommendations are utilized including retraining staff and periodic checks of drivers logs.

Expected Completion Date: Training by 01/30/23 and periodic checks ongoing.

Follow-up Date: June 2023

3. Ensure Employees Approve Bi-weekly Time Cards

Issue: Seasonal employees use a Kronos clock which has biometric technology to create a unique finger scan template. Management is required to enroll employees at the Kronos clock by scanning two fingers, one primary and one secondary, to enable biometric access. Once they are enrolled, employees can sign in and out with their finger. Employees also have the ability to approve their time cards by using the icon labeled, "Approve Timecard."

The OIG reviewed 12 career and seasonal employees bi-weekly time cards for pay periods in July 2022. Of the employees reviewed, five career employees signed and approved their time cards as required for the pay period beginning July 10, 2022 and ending July 23, 2022. However, of the seven seasonal employees reviewed for the pay period beginning July 17, 2022 and ending July 30, 2022, one employee did not sign and approve their time card and another employee's time card was not signed and approved by the Program Director.

Cause: Center management did not provide sufficient oversight to ensure the staff complies with Commission Administrative Procedures.

Criteria/Risk: Administrative Procedures No. 19-02, Section II, *Completing and Approving Time Cards*: Part A. Merit System (Represented and Non-Represented) and Contract Employees, No. 4, states an employee will approve his/her completed time card prior to supervisor approval.

Management's failure to ensure employees approve time cards for hours worked may result in timekeeping errors and disputes. This may also create opportunities for potential fraud, waste, and abuse.

Issue Risk: Low

Recommendation: Management should ensure all employees are aware of the Administrative Procedures pertaining to timekeeping and time card approvals. Management should also verify that they, as well as all employees, sign time cards to confirm approval of hours worked.

Management Response: Special Programs Division management will ensure that all recommendations are followed up on and completed, including providing training to staff and periodic reviews of timecards including signatures.

Expected Completion Date: Training for staff by 12/30/22 and periodic reviews ongoing.

Follow up Date: June 2023