

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

**Huntington Community Center
Facility Audit
Report Number: PGC-010-2021
June 28, 2021**

Distribution:

Executive Committee

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Office of the Inspector General

Natalie M. Beckwith
Renee Kenney

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

Huntington Community Center
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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Huntington Community Center (Center or HCC) is located at 13022 8th Street Bowie, MD 20720. The Center has several amenities, including an art gallery, basketball court, crafts room, dance room, fitness room, kitchen, meeting rooms, multipurpose room, playground, stage and yoga room. The Center also has a new gaming room available for gaming tournaments. Programs offered at the Center include the following; Afterschool Programs, Art Programs, Home School Programs, Polar Bear Flag Football Programs, Seniors Programs, Theater Programs and Xtreme Teens Programs.

The Center is managed under the aegis of the Commission's Prince George's County Department of Parks and Recreation, Northern Area Operations.

In FY 2020 the Center recognized \$20,936.07 in registration revenue for activities such as dance and theater camp, yoga, summer playgrounds, etc. The Center also recognized an additional \$672.00 and \$8,805.00 in ticketed sales and rental revenue, respectively.

B. Audit Objectives, Scope, and Methodology

Objective

The purpose of this audit was to evaluate the system of internal controls supporting operations at the Center, improve operational efficiencies and help ensure compliance with Commission policies and procedures.

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

Scope

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

- Reviewed petty cash receipts and replenishments for appropriate approval and supporting documentation.
- Tested controls over daily receipts and bank deposits.
- Reviewed timecards and time keeping procedures.
- Verified the existence of capital assets;
- Verified the existence of controlled assets;
- Assured that drivers have attained proper operating documentation;
- Assessed timeliness Center receivables;
- Reviewed contracts for the rental of the facility to ensure they were properly executed; and
- Conducted surveillance camera survey.

The audit covered the period from July 1, 2019 through June 30, 2020.

Methodology

Inquiry, observation, data analysis, and tests of imposed actions to complete the objectives of this audit will be performed.

The audit was conducted in accordance with *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 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.

C. Major Audit Concerns

The results of our evaluation and testing procedures did not indicate any major audit concerns.

D. Overall Conclusions

The results of our evaluation and testing procedures indicate deficiencies in the design or operation of internal controls at the Huntington Community Center, see definition below.

We believe the findings identified and communicated are correctable and that management's responses to all recommendations satisfactorily address the concerns. We have included an additional auditor's comment regarding the expected completion date of audit recommendation #1, Increase Surveillance Camera Presence.

It is the responsibility of management to weigh possible additional cost 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's Department of Parks and Recreation and the Northern Area Operations Division's management and staff for the cooperation and courtesies extended during the course of our review.



Natalie M. Beckwith, MPA, CFE, CICA
Assistant Inspector General



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

June 28, 2021

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. Increase Surveillance Camera Presence

Issue: Currently the surveillance cameras at the Center do not provide adequate security coverage with regard to the safeguarding of cash and Center patrons.

The OIG conducted a security survey of the Huntington Community Center and management identified the following concerns:

- Outdated cameras
- Inoperable motion sensors
- Rooms that lack camera coverage
- Required repositioning of existing cameras

In addition, Center management also disclosed that they had previously discussed their concerns and the budgetary requirements for new equipment with Park Police in December 2019. To date the camera security concerns, remain unchanged.

Criteria/Risk: Commission Practice 3-11, *Administration of Cash Funds*, addresses required security provisions for safekeeping cash. Failure to adequately secure cash increases the risk of theft.

Commission Practice 2-11, *Risk Management* state the following:

- Department Heads shall help ensure safe facilities and programs through the implementation of, and compliance with, the Commission's safety regulations and procedures. Specific activities include, but are not limited to, the following:
 - Providing oversight of the Commission's Risk Management and Safety Programs. Maintaining safe environments for employees and patrons; requesting assistance from Risk Management and Safety for specialized needs (e.g., industrial hygiene evaluations), when necessary; and insuring that service, supplies, and equipment meet the standards of federal and state safety compliance agencies such as Occupational Safety and Health Administration (OSHA) Maryland Occupational and Safety and Health (MOSH), Department of Transportation (DOT), Environmental Protection Agency (EPA), and other appropriate agencies.

Recommendation: We recommend that Northern Area management, with the assistance of Park Police, assess the surveillance needs required at the Huntington Community Center for safeguarding Commission assets and patrons and update the cameras and positioning accordingly.

Issue Risk: Medium

Management Response: We concur with the findings. A request to Park Police was sent for a full review of HCC surveillance cameras. Per our Security and Public safety system Program Manager, in order to address the requirements listed in the audit recommendation, Park Police will aim to make camera system install for the community center a priority for FY22 by placing it on the Project SAFETI Budget.

Expected Completion Date: December 2022

Follow-Up Date: January 2023

Additional Auditor Comment: The OIG accepts an expected completion date of December 2022. However, given the inherent security risks of failed camera's, the OIG urges management to consider expediting the agreed upon resolution.

2. Strengthen Managerial Oversight of Capital and Controlled Asset Activities

Issue: Northern Area Office and HCC management are responsible for ensuring daily operational activities are performed with accuracy and in accordance with Commission policies and procedures. Our review included an assessment of controls over capital assets (i.e. assets costing >\$10,000), and controlled assets (i.e. assets costing <\$10,000). Details of our testing can be found in **Exhibit A**.

Audit testing included the following procedures:

- Verifying the existence of required documentation for capital assets
- Verifying the existence of required documentation for controlled

During the audit testing, the OIG determined:

- Capital asset tags and purchasing data were not retained.
- Several controlled asset items were missing asset tags.

Criteria/Risk:

- Capital Assets:
 - Per *M-NCPPC Practice No. 3-14, Fixed Asset Policy*, the Commission's fixed asset policy has two major objectives:
 - To safeguard its fixed assets from loss or theft.
 - To accurately account for and report fixed assets in its financial reports issued to the Planning Boards and County Councils, external reporting agencies, granting agencies and the public.
 - In addition, *Administrative Procedure 04-01, Fixed Asset Manual* states:
 - Upon receipt of the fixed asset property identification tag, staff at the asset location should affix the label to the asset. If affixing a property tag is not practical, as in the case of playground equipment or software for example, then the tag should be filed with a copy of the purchase order and retained for inventory purposes.
 - Failure to provide the necessary oversight and controls over the Commission's capital assets may impact Commission's ability to meet identified objectives. As well, improperly recorded asset values could have a negative impact on the Commission's financial statements.
- Controlled Assets:
 - The M-NCPPC Department of Parks and Recreation - Inventory Control Guidelines (Controlled Assets) serve to provide accountability and support with regard to the administration of the

Commission's controlled assets. The inherent objective of these guidelines is:

- to provide procedures for safeguarding, accounting for and reporting controlled assets.
- Failure to provide the necessary oversight and controls over the Commission's controlled assets may impact Commission's ability to meet identified objectives.

Recommendations:

- Capital Assets:
 - We recommend that HCC Management ensure that asset tags are affixed to capital assets where possible. If affixing a property tag is not practical then the tag should be maintained on site with a copy of the purchase order.
- Controlled Assets:
 - We recommend that HCC Management ensure that all control asset items have an affixed asset tag where possible.

Issue Risk: Medium

Management Response: We concur with all findings. We will ensure all assets have tags, or maintain a copy of the purchase order for items where tag is not on asset. When items are brought from other divisions (M&D, ITC) we will inquire about all purchasing documentation.

Expected Completion Date: September 2021

Follow-Up Date: November 2021

Exhibit A
Capital and Controlled Asset Exceptions

Capital Asset Exceptions

| Asset Type | Asset Tag Number | Acquisition Date | Cost | Exception Description |
|---------------------------|-------------------------|-------------------------|-------------|--|
| Video Surveillance System | 20618 | 07/29/2005 | \$21,499.70 | Asset tag and purchasing data not retained |
| Double Face 19mm Sign | 22758 | 12/16/2013 | \$35,102.60 | Asset tag and purchasing data not retained |

Controlled Asset Exceptions

| Asset Type | Asset Tag Number | Acquisition Date | Cost | Exception Description |
|----------------------------------|-------------------------|-------------------------|-------------|--|
| Huntington CC: Laptop Locker | 005456 | 6/9/2006 | \$218.00 | No asset tag - Form 164 submitted in lieu of asset tag |
| Huntington CC: Laptop Locker | 005459 | 6/9/2006 | \$218.00 | No asset tag - Form 164 submitted in lieu of asset tag |
| Huntington CC: Laptop Locker | 005458 | 6/9/2006 | \$218.00 | No asset tag |
| Huntington CC: Series Power Rack | 024734 | 6/30/2015 | \$1,299.00 | No asset tag |