

**Maryland-National Capital Park and Planning Commission
Office of the Inspector General
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**Prince George's County Department of Parks and Recreation
Potomac Landing Community Center
Facility Audit
Report Number: PGC-010-2023
April 11, 2023**

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Prince George's County Department of Parks and Recreation
Potomac Landing Community Center
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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Potomac Landing Community Center (Center) is located at 2500 Fort Washington Rd, Fort Washington, MD 20744. The Center has several amenities, including a basketball court, gym, football field, and a playground. Fitness and Xtreme Teens Programs are offered at the Center.

Due to the Covid-19 Pandemic related shutdown, the Center recognized a modest rental revenue of \$1,880 for the period under review. Staffing at the Center includes one full-time Facility Director and two part-time Managers on Duty.

The Center is managed under the aegis of the Commission's Prince George's County Department of Parks and Recreation. The former Facility Director retired on October 1, 2022 and a Manager on Duty has been temporarily assigned as the Acting Facility Director.

B. Audit Objective, Scope, and Methodology

Audit Objective

The objective of this audit was to evaluate the system of internal controls for key business operations (e.g., petty cash, purchase card, controlled assets, etc.) at the Center. Properly implemented internal controls reduce financial, reputational, and operational risks within the facility.

Scope

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

- Interviewed staff and performed walkthroughs to obtain an understanding of operational procedures and processes;
- Reviewed petty cash receipts and replenishments for appropriate approval and supporting documentation;
- Reviewed timecards and time-keeping procedures. Interviewed supervisory employees to assess the effectiveness of managerial oversight of the employee timecard process to ensure the hours worked were correctly reported;
- Obtained capital asset reports (>\$10,000); verified the existence of capital assets;
- Obtained controlled asset reports (<\$10,000); verified the existence of controlled assets;
- Assured drivers are authorized to operate Commission vehicles;
- Reviewed employee travel related expenses;
- Reviewed facility rental contracts; and
- Reviewed Center security protocols.

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

The audit covered the period from July 1, 2019 through June 30, 2022.

Methodology

During the course of the audit, the auditor-in-charge conducted interviews of Center management and staff, and reviewed relevant standard operating procedures, Commission policies, and organizational charts. For our analysis, we obtained and reviewed financial reports, asset listings, payroll reports, and other relevant information that included a sample of supporting documentation to assess compliance with Commission Policies and Procedures. We also conducted site visits to test the effectiveness of internal controls over petty cash and capital and controlled assets.

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/or conclusions based on our audit objectives.

C. Major Audit Concerns

The results of our evaluation and testing procedures indicated no major audit concerns.

Additional information pertaining to this area can be found in the Detailed Commentary and Recommendation section of this report.

D. Overall Conclusions

The results of our evaluation and testing procedures indicate no major weaknesses in the design or operation of internal controls at the Potomac Landing Community Center. On an overall basis, we consider the controls to be satisfactory.

We believe the weaknesses identified and communicated are correctable and that management's responses to the recommendations satisfactorily address the concerns. 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. Southern Recreation and Leisure Services Division's management, and staff for the cooperation and courtesies extended during the course of our review.



Modupe Ogunduyile
Deputy Inspector General



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

April 11, 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. Maintain Accurate Controlled Asset Listing

Issue: During our review of controlled assets, we identified seven assets that were located onsite at the Center but were not listed on the Controlled Asset Register. These items included the following:

- Two Nintendo Wiis
- Two LG Televisions
- Junior Basketball Goal
- Boxing Bag Stand
- Freezer

Criteria: Controlled assets are those items purchased for more than \$200 (or \$500 for park facilities) and less than \$10,000.

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.

Department Directive No. DPR-4-01-22, *Facilities Internal Controls*, Inventory and Controlled Assets section, provides guidance for classifying, documenting, tracking and performing inventories of controlled assets. Specifically, all items designated as controlled assets should be tracked individually, are required to have an individual asset number assigned, and should have specific information maintained for each item.

Risk: Failure to track controlled assets may impact the Commission's ability to properly record, categorize, track and dispose of those items. Failure to comply with policies and procedures may also lead to potential fraud, waste and abuse.

Recommendation: Center management should ensure all assets located at the Center are recorded on the Controlled Asset Register and all assets are included in the annual inventory.

Issue Risk: Medium

Management Response: Management concurred. After the audit findings were noted, 164 asset tag requests were requested and assigned for all items listed above. Moving forward, Controlled Asset tag requests will be initiated at the time of purchase in addition to adding items to the Facility Inventory Control list to ensure all items are accounted for and reported. Site managers will perform

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quarterly audits to keep the Center in compliance. Regional Managers will also perform quarterly audits in addition to random audits.

Expected Completion Date: April 2023

Follow-Up Date: May 2023