

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

**Publick Playhouse
Report Number: PG-011-2017**

June 27, 2017

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Publick Playhouse
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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Publick Playhouse (Playhouse) is located at 5445 Landover Road in Cheverly, MD. The Playhouse is a 494 seat performing arts center. It offers a venue for musical and modern dance performances, musical theater, and historical drama. The Playhouse also offers educational programs and provides monthly events for seniors. The Playhouse is one of the two surviving Art Deco theaters in Prince George's County.

The Playhouse is managed under the aegis of the Commission's Prince George's County Department of Parks and Recreation.

B. Audit Scope, Objectives, and Methodology

The purpose of this audit was to evaluate the system of internal controls supporting operations at the Playhouse. The scope of our audit included, but was not limited to the following audit procedures:

- Performed an unannounced count of the petty cash and change funds.
- Reviewed petty cash receipts and replenishments.
- Tested controls over daily receipts and bank deposits.
- Reviewed time cards and time keeping procedures. Interviewed supervisory employees to assess the effectiveness of managerial oversight of the employee time card process to ensure the hours worked were correctly reported.
- Verified existence of fixed and controlled assets to source documentation.
- Obtained and reviewed Commission vehicle mileage logs.
- Reviewed payments to contract vendors.
- Reviewed room rental contract data.
- Assessing Complex receivables.

This 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 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.

The audit covered the period from July 1, 2015 through June 30, 2016.

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 at the Publick Playhouse. 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 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 Parks and Recreation Department's, Arts and Cultural Heritage Division's management and staff for the cooperation and courtesies extended during the course of our review.



Natalie M. Beckwith, MPA, CICA
Senior Auditor



Renee M. Kenney, CPA, CIA, CISA
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June 27, 2017

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. Strengthen Administrative Oversight of Petty Cash Reimbursements

Issue: The Playhouse maintains an onsite petty cash fund of [REDACTED]. During the course of the audit, the OIA reviewed the timeliness of petty cash fund reimbursement requests from the Playhouse to the Department of Finance for the time period 7/10/15 through 7/22/16. At that time, we identified three instances where the reimbursement request amount was in excess of [REDACTED] or 50% of the total petty cash fund.

Criteria/Risk: Per Commission Practice No. 3-11, *Administration of Cash Funds*:

- Replenish the fund at appropriate intervals for efficient administration.
 - The OIA recommends that petty cash funds be replenished once cash on hand has been depleted by 50%.

Compliance with this practices ensures that petty cash funds will be available when needed, and helps support efficient facility operations.

Recommendation: We recommend the Publick Playhouse Cash Custodian forward all petty cash fund reimbursement requests to the Department of Finance for processing prior to the depletion of 50% of the fund.

Issue Risk: Low

Management Response: We concur. The Playhouse Managing Director has reviewed the petty cash administration policies and procedures with the Petty Cash Fund Custodian. A petty cash reimbursement will be prepared as the fund is at 50%. Additionally, the Managing Director will regularly conduct and document random audits of the petty cash fund to ensure compliance with the 50% replenishment requirement.

Expected Completion Date: Completed

Follow-Up Date: N/A

2. Maintain Documentation for all Authorized Drivers

Issue: The Playhouse's departmental Vehicle Administrator does not maintain adequate records verifying authorized drivers. Neither the Office of Risk Management nor the departmental Vehicle Administrator had driver release forms for five Publick Playhouse Community Center drivers. Although the combined five drivers did complete the required defensive driving course, their information was not included in the Commission's License Monitoring System.

Criteria/Risk: Commission Practice No. 6-10, *M-NCPPC Vehicle Use Program* requires the department Vehicle Administrator to maintain a listing of all authorized drivers who meet driving eligibility requirements.

Failure to ensure all drivers complete the required training and are included in the Commission's License Monitoring system increases the Commission's exposure in case of an accident.

Recommendation: Publick Playhouse management should ensure that the departmental Vehicle Administrator obtains and maintains a copy of driver release forms for all drivers. As well, the Vehicle Administrator should forward the original release form to the Office of Risk Management. In addition, we recommend that the Vehicle Administrator coordinate with Risk Management to ensure receipt of all release forms.

Issue Risk: Low

Management Response: We concur. The Playhouse Managing Director is in the process of obtaining all necessary driver safety records from staff and maintaining an accurate record of them onsite at the facility. Additionally, the Managing Director will implement and document random audits of vehicle use logs to ensure that only authorized drivers are utilizing the Playhouse's assigned vehicle.

Expected Completion Date: June 12, 2017

Follow-Up Date: N/A