



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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

December 11, 2018

To: Joseph Zimmerman, Secretary-Treasurer

Darin Conforti, Acting Director
Prince George's County Department of Parks and Recreation

Mike Riley, Director
Montgomery County Department of Parks

From: Renee Kenney, Inspector General

Subject: Follow-Up Review for the Asset Management Audit Report (CW-004-2017)

We have completed the follow-up review for the Asset Management Audit report dated June 16, 2017. The following is the result of our review:

<u>Rec. #</u>	<u>Issue/ Recommendation</u>	<u>Issue Risk</u>	<u>Original Follow-up Date</u>	<u>Revised Follow-up Date</u>	<u>Status</u>
1	Reconcile Commission Asset Applications	High	August 2018	June 2019	Partially Resolved
2	Identify and Manage Controlled Assets	High	August 2018	June 2019	Partially Resolved
3	Ensure Completion of Annual Inventory	Medium	August 2018	N/A	Resolved

Management provided sufficient additional information and clarification for us to conclude one (1) of the three (3) audit recommendations reviewed has been satisfactorily addressed and implemented. Two (2) are partially resolved because some degree of progress has been made but they are not yet complete.

The following details the status of the partially resolved recommendations.

Recommendation #1: Reconcile Commission Asset Applications

Background and Discussion: The Office of Internal Audit (OIA)¹ completed an analysis/comparison between the Commission's Capital Asset System (AM System) and the FASTER² system and identified several inconsistencies. The OIA recommended the completion of an annual reconciliation between the two systems. The OIA also provided additional

¹ Office of the Inspector General (OIG), November 1, 2017

² The Commission's fleet management system used to track vehicles and motorized equipment

recommendations to assist in identifying, managing, and synchronizing assets in the AM and FASTER systems.

Montgomery County Department of Parks and Prince George's County Department of Parks and Recreation both agreed to:

- Complete annual reconciliations between FASTER and AM;
- Strengthen communications between the field and fleet management; and
- Provide sublocations of all capital assets to the Department of Finance.

In response to the audit, the Secretary-Treasurer agreed that the AM system should be the primary source for tracking the purchase of all Commission assets and further recommended the development of automatic interfaces between other subsidiary systems (e.g. - FASTER, Enterprise Asset Management (EAM)) and AM.

Current Status: Partially Resolved

Management Response: Montgomery County Department of Parks provided sufficient documentation which allowed the Office of Inspector General (OIG) to resolve their recommendations.

Prince George's County Department of Parks and Recreation (DPR) has not completed the recommended reconciliation. Some process has been made to define the sublocations, however roles and responsibilities for completing the reconciliation have not been defined. In order to resolve this issue, additional communications between DPR and Department of Finance need to occur.

In addition, management agreed to update their internal processes for the synchronization of assets (i.e. to align with Montgomery County internal procedures) to allow for consistent processing procedures throughout the Commission. This action item is unresolved.

The Asset Management Project recommended by the Secretary-Treasurer has not yet been approved by IT Council as an official project. The Chief Information Officer requested an extension to 2021 to start the project, as time is needed to define project requirements.

The audit recommendation was assessed as high-risk. Failure to accurately track capital assets could result in inaccurate financial reporting as well as possible fraud, waste, and abuse.

Revised Expected Completion Date: tbd

Revised Follow-Up Date: June 2019 (two years from original Audit Report date)

Recommendation #2: Identify and Manage Controlled Assets

Background and Discussion: During initial fieldwork, the OIA concluded, there was a:

- lack of general understanding of what constituted a controlled asset;
- lack of consistency in how controlled assets were tracked; and
- failure to complete a controlled asset inventory upon appointment of a new custodian.

Montgomery County Department of Parks and Prince George's County Department of Parks and Recreation agreed to undertake a systemic effort to identify all controlled assets. They also agreed to define roles and responsibilities for the administration of controlled assets.

Current Status: Partially Resolved

Management Response: Montgomery County Department of Parks met on November 16, 2018 to discuss a plan to implement this recommendation. The committee has made progress (e.g. finalized definition of a controlled asset) but has identified additional action items to assist in the management of the Department's controlled assets.

During the OIG's completion of other Performance audits (since June 2017), the OIG has seen some improvement in the tracking of controlled assets within DPR, however consistent processes have not been promulgated and/or implemented. Also, in a response to a separate audit investigation, DPR, Southern Area Operations, is working to strengthen procedures for the completion of controlled asset inventories. Because of this progress, the OIG has reflected this recommendation as partially resolved.

Revised Expected Completion Date: tbd

Revised Follow-Up Date: June 2019 (two years from original Audit Report date)

I have attached the original Audit Report No. CW-004-2017 for your convenience. If we can be of assistance in the future, please do not hesitate to contact our office. Thank you for your assistance in this review.

cc: Executive Committee
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