



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Office of the Inspector General

May 13, 2025

To: Gavin Cohen, Secretary-Treasurer, Department of Finance

Stacey Pearson, Director, Corporate Procurement Services

Richard Colbert, Administrator, Corporate Procurement Services

From: Renee Kenney, Inspector General *Renee Kenney*

Modupe Ogunduyile, Deputy Inspector General *Modupe Ogunduyile*

Wanda King, Assistant Inspector General *Wanda King*

Subject: Follow-up Review for the Commission-Wide Purchase Card Program (Audit Report No. CW-004-2024)

We have completed the follow-up review for the Commission-Wide Purchase Card Program Audit Report dated May 23, 2024, for the two recommendations. The following is the result of the follow-up review:

<u>Rec. #</u>	<u>Recommendation</u>	<u>Issue Risk</u>	<u>Status</u>
1	Ensure Monthly Purchase Card Transactions are Closed Out Timely	High	Partially Resolved
2	Ensure Compliance with Purchase Card Policies and Procedures	Medium	Partially Resolved

Management provided sufficient additional information and clarification for us to conclude that both audit recommendations are partially resolved. Some degree of progress has been made but are not yet complete.

The following details the status of the partially resolved recommendations.

Recommendation #1: Ensure Monthly Purchase Card Transactions are Closed Out Timely

Background and Discussion: During initial audit fieldwork, the OIG determined monthly purchase card transactions were not closed on a timely basis as required by Commission policies and procedures. As of January 8, 2024, \$362,448 in purchase card transactions were not closed/approved by the approving officials.

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The OIG performed follow-up audit testing of purchase card transactions. As of March 18, 2025, \$297,197 of purchase card transactions were not closed by the approving official (**See Exhibit A**). This equates to an overall improvement of 22% when compared to January 2024. As some improvements have been made to close out transactions, the OIG has reflected this recommendation as partially resolved. However, additional improvements at the department level is encouraged.

Current Status: Partially Resolved

Management Response: Corporate Procurement suspends the purchase card privileges of cardholders who do not close out their transactions within a specified time frame. Monthly reminders are sent via email to all cardholders, approving officials, and Department Heads before any suspension occurs. These emails emphasize the importance of the transaction closeout process and its implications for the Department/Division's budget planning. Furthermore, Corporate Procurement cannot enforce any disciplinary actions against cardholders or approving officials beyond the suspension of the purchase card.

New Expected Completion Date: We will not perform additional follow-up on this recommendation. Future audits of this risk area may include a review of this finding to determine if it has been fully resolved.

Recommendation #2: Ensure Compliance with Purchase Card Policies and Procedures

Background and Discussion: During initial audit fieldwork, the OIG determined purchase cardholders did not follow the Commission's purchase card policies and procedures. Examples of policy violations included:

- failure to sign and date monthly purchase card transaction logs
- payment of Maryland sale tax; and
- procurement of non-allowable items.

The OIG performed follow-up audit testing of purchase card transactions. Results disclosed, 11 of 20 (55%) cardholders and their approving officials either did not sign and date the transaction logs or did not sign and date them timely. No exceptions were identified in the payment of sales tax or procurement of non-allowable items.

Current Status: Partially Resolved

Management Response: To improve efficiency, Corporate Procurement has established an online portal for cardholders to submit their completed and signed transaction logs instead of sending them via email to the Purchase Card Administrator. This portal will help Corporate Procurement monitor compliance with transaction log submissions, and re-training will be required for cardholders who show significant non-compliance.

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Furthermore, Corporate Procurement has requested a full-time position for a Purchase Card Administrator which will enhance compliance monitoring of the Purchase Card policies and procedures.

In addition, Corporate Procurement has completed the distribution of the sales tax on the Purchase Card Form to cardholders. This form should be used if a cardholder is charged state sales tax and is unable to obtain a refund or credit for the erroneous charge. Also, a Quick Reference Guide has been developed and distributed to both cardholders and approving officials. This guide highlights the differences between commonly purchased products and services and provides helpful tips based on frequently asked questions from cardholders.

New Expected Completion Date: We will not perform additional follow-up on this recommendation. Future audits of this risk area may include a review of this finding to determine if it has been fully resolved.

We have included a copy of the original audit report 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: Audit Committee
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Exhibit A

Open Purchase Card Transactions

Department	Dollar Value of Open Purchase Card Transactions as of 1/08/2024	Dollar Value of Open Purchase Card Transactions as of 3/18/2025
Prince George's County Department of Parks and Recreation	\$282,536	\$256,757
Mongomery County Department of Parks	41,134	4,318
Central Administrative Services	26,595	23,421
Montgomery County Planning	6,460	0
Prince George's Planning	5,723	12,701
Total	\$362,448	\$297,197

