

**The Maryland-National Capital Park and Planning Commission  
Office of the Inspector General**

**Wheaton Ice Arena  
Report Number: MC-007-2025**

**March 18, 2025**

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**Wheaton Ice Arena**  
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## **I. EXECUTIVE SUMMARY**

### **A. Overall Perspective**

The Maryland-National Capital Park and Planning Commission (Commission) is a bi-county agency serving Montgomery and Prince George's counties in Maryland. The Commission provides quality parks, athletic fields, recreation facilities, programs, and services for residents and visitors. The Commission also has nature centers, public gardens, miniature trains, indoor tennis, ice skating, and ice hockey facilities.

The Wheaton Ice Arena (Arena) is located at 11717 Orebaugh Avenue, Wheaton, Maryland. The Arena, which is open year-round, offers a wide range of ice skating and ice hockey classes for all ages and skill levels, ranging from beginners to more advanced students. Group lessons for skaters range from ages 3 and above. The Arena also employs coaches who offer private and semi-private lessons.

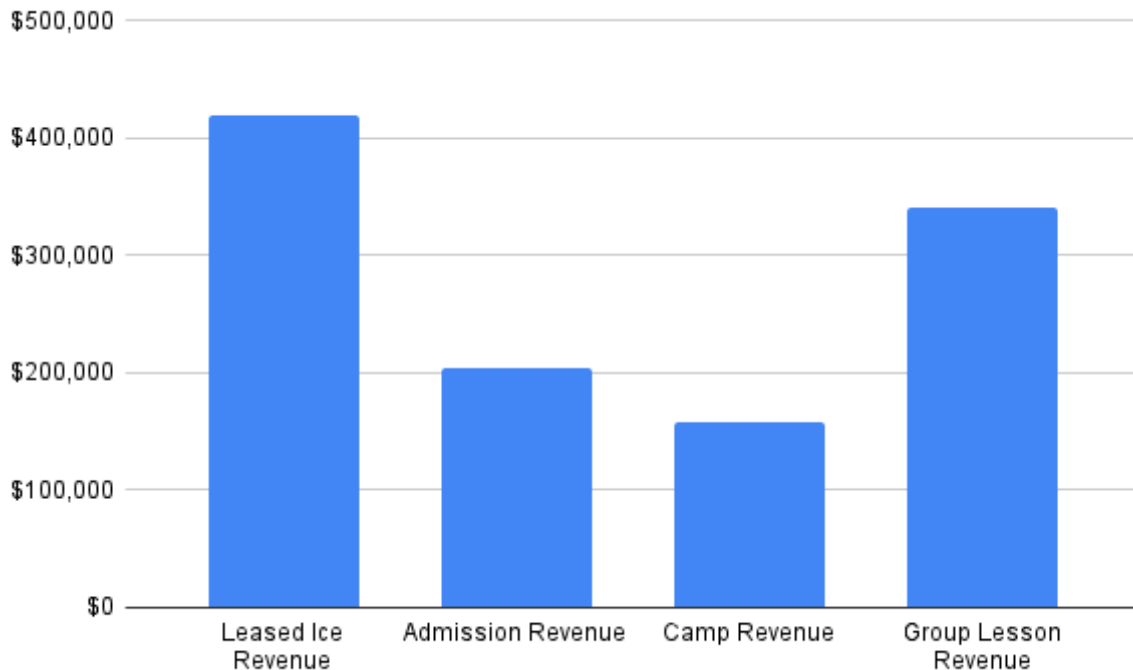
The Arena offers a range of programs and events for participants who may want to explore their interest in ice skating:

- Themed Skating Sessions (i.e., Fairy Tale and Superhero Skates, and Not so Spooky Skate)
- Day Camps
- Skating Clinics
- Wheaton Ice Kid's Club
- School's Out Skate Day

The Arena also offers a Dance Studio and Party Room for hosting private celebrations such as family gatherings, birthdays, and office or holiday parties. Customers may also purchase goods and services from the Arena's Pro Shop, including skating equipment and apparel, skate sharpening, and skate repairs. In addition, the Snack Bar sells refreshments and provides complimentary internet.

Montgomery County Department of Parks staff uses the Vermont Systems, Incorporated Rec Trac System, which supports operational processing, including customer facility rentals, classes, and event registrations. Management provided the year-to-date gross revenue and program participation financial data for the period of January 1, 2024 through December 31, 2024. See Table 1 for gross revenue by category.

**Table 1. Gross Revenue: January 1, 2024 Through December 31, 2024**



- Registered Number of Group Lesson Skaters – 2,783
- Registered Number of Campers - 521

The Arena has two Facility Manager I positions. One Manager assists with oversight and maintenance. The additional Manager is the Ice-Skating Director. The Facility Manager II oversees daily operations, including the Pro Shop and Snack Bar, and also assists the Facility Manager III with administration, budget preparation, staff supervision, scheduling, and programming. The Facility Manager III reports to the Regional Operations Manager, who assists the Enterprise Division Chief with providing management oversight of the Arena. The Enterprise Division Chief reports to the Deputy Director of Operations, under the leadership of the Director of Montgomery County Department of Parks.



## **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 Wheaton Ice Arena. Properly implemented internal controls reduce financial, reputational, and operational risks within the arena.

### Scope

The scope for the Wheaton Ice Arena audit included, but was not limited to, the following audit procedures:

- Reviewed applicable Commission practices and procedures;
- Interviewed staff to obtain an understanding of operations;
- Reviewed cash receipts for timely and accurate bank deposits;
- Verified the existence of capital and controlled assets, and performed testing to ensure compliance with Commission practices and procedures;
- Verified retail inventory controls in the Pro Shop and Snack Bar;
- Reviewed purchase card transactions and verified for proper authorization and appropriate purchases;
- Reviewed payroll timekeeping records for completeness and accuracy;
- Reviewed Commission vehicle mileage logs and verified all drivers met the Risk Management requirements;
- Reviewed accounts receivable for payment of outstanding balances; and
- Reviewed arena contract rental agreements to ensure adherence to policy and procedures.

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

The period covered in this review was October 1, 2023 through October 31, 2024.

### Methodology

During the audit, the auditor-in-charge conducted interviews with arena management and staff and reviewed relevant standard operating procedures and Commission policies to gain an understanding of operations. 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 the change fund cash, capital and controlled assets, and retail inventory. Wheaton Ice Arena does not have a petty cash fund.

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 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 objective.

**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 for Wheaton Ice Arena. 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 all recommendations satisfactorily address the concerns. It is the responsibility of management to weigh the possible additional costs of implementing our recommendations in terms of benefits to be derived and the relative risks involved.

We wish to express our appreciation to Wheaton Ice Arena management and staff for the cooperation and courtesies extended during the course of our review.

Wanda King  
Assistant Inspector General

Modupe Ogunduyile, CIG  
Deputy Inspector General

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Inspector General

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#### **Conclusion Definitions**

<b>Satisfactory</b>	No major weaknesses were identified in the design or operation of internal control procedures.
<b>Deficiency</b>	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.
<b>Significant Deficiency</b>	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.
<b>Material Weakness</b>	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 Managerial Oversight of Controlled Assets

**Issue:** The Office of the Inspector General (OIG) performed the onsite verification testing of controlled assets at the Arena on November 25, 2024. The OIG obtained the Arena's annual controlled asset inventory completed in November 2023 and judgmentally selected a sample of 24 of 85 (28%) assets for review. OIG verified the existence of 22 out of 24 assets without exception.<sup>1</sup> However, we identified the following exceptions:

- One two-way radio was disposed of; however, the Asset Input Form (164 Form) did not include the required supervisory approval.
- The Arena completed its most recent annual inventory in December 2024. The OIG did a comparison of the 2023 and 2024 controlled asset inventories and identified eight assets on the 2023 inventory which were not listed on the 2024 inventory.<sup>2</sup> Arena management confirmed the assets were removed from the inventory; however, no supporting 164 Forms were provided to determine the status or location of the assets.

**Criteria:** Administrative Procedures No. 04-01, Capital and Controlled Assets Procedures Manual (Manual), controlled assets should be inventoried annually by December 31. At least two employees, one of whom must be a supervisor, must approve the completion of the inventory. The approval of the inventory must document whether:

- No changes are needed to the controlled asset inventory;
- Changes are needed to the controlled asset inventory to document the disposal or theft of an item (s); or
- Changes are needed to the control asset inventory to document the purchase of transfer/receipt of an item (s).

**Cause:** Management did not always enforce compliance with established policies and procedures.

**Issue Risk:** Failure of management to provide adequate oversight of controlled assets may affect the ability to accurately record, track, and dispose of the assets, which may ultimately lead to fraud, waste and abuse.

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<sup>1</sup> Management provided 164 Forms for two disposed assets.

<sup>2</sup> The assets include: 1) Hoshizaki Ice maker, 2) Solwave Commercial Microwave, 3) True Beverage Fridge, 4) Marantz CD Player, 5) Onkyo 6 Disc CD Changer, 6) Teac CD Player, 7) Toshiba 49 Inch Lobby Display TV, and 8) Rigid Hammer Drill.

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**Risk:** Medium

**Recommendation:** Arena management should ensure the inventory of controlled assets are conducted in accordance with Commission policy and procedures. Specifically, any controlled assets that are not located at the arena due to transfer, disposal, or donation should be properly documented using a 164 Form and approved by management.

**Management Response:** The Fixed Asset Coordinator and Regional Operations Manager will work closely with facility management to ensure that all controlled asset inventories are up to date and 164 forms are completed as needed.

**Expected Completion Date:** March 2025

**Follow-Up Date:** May 2025

## **2. Strengthen Managerial Oversight of Resale Inventory**

**Issue:** The OIG identified discrepancies in the Snack Bar and Pro Shop's documented inventory and actual quantities on-hand. Verification testing of the current inventory was conducted at the Snack Bar and Pro Shop and the following exceptions were identified:

<b>Location</b>	<b>Type</b>	<b>OIG Count</b>	<b>Arena's Count</b>
Snack Bar	Popcorn	106	109
Snack Bar	Marinara Sauce	64	79
Pro Shop	Hockey Cloth Tape	29	26
Pro Shop	Hard Figure Units	0	3
Pro Shop	Adult White Crew Socks	246	231

**Criteria:** Government Accountability Office, *Standards for Internal Control in the Federal Government*, September 2014, Principle 16, Perform Monitoring Activities, states: Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions.

**Cause:** Snack Bar employees are required to dispose of food for various reasons, such as when food is burned, remains unsold, and spoiled. Staff are also required to record the number of items and reasons on the Waste Disposal Log (log). OIG reviewed the log, but did not see popcorn nor marinara sauce listed on the log.

For the Pro Shop, management was unaware and could not provide any reason for the inventory count differences.

**Issue Risk:** Failure of management to provide adequate oversight of resale inventory may affect the ability to accurately record, and track assets which may lead to fraud, waste and abuse.

**Risk:** Medium

**Recommendation:** Management should develop and distribute policies and procedures to ensure the resale of inventory are properly tracked, monitored and recorded. Appropriate tracking and monitoring will facilitate the maintenance of complete and accurate inventory.

**Management Response:** Concur

### **Snack Bar**

In addition to conducting the annual resale inventory count for the Snack Bar, two staff members will complete a weekly inventory of the Snack Bar. The Assistant

Manager will compare the on-hand count to the Snack Bar waste log and adjust the inventory in VSI manually as needed. The Assistant Manager will investigate any discrepancies and notify the Facility Manager.

Pro Shop

In addition to conducting the annual resale inventory count for the Pro Shop, the Assistant Manager will assign two staff members to conduct spot checks on several items on a bi-weekly basis. The Assistant Manager will compare the on-hand count to the inventory in VSI. The Assistant Manager will investigate any discrepancies and notify the Facility Manager.

Existing and New Items

When orders are received for the Pro Shop and Snack Bar, the Assistant Facility Manager will assist a staff member in counting the items received before storing, against the packing list provided by the supplier. The Assistant Facility Manager will contact the supplier if any discrepancies are found. The Assistant Facility Manager is responsible for the addition of the received goods in inventory within the VSI system. The Assistant Facility Manager is also responsible for contacting the Active Montgomery team to create inventory codes for new inventory items, and subsequently for the input of the totals of the received goods to inventory within the VSI system.

**Expected Completion Date:** March 2025

**Follow-Up Date:** May 2025

### **3. Ensure Cash Receipts are Deposited Timely**

**Issue:** Arena staff did not deposit all cash receipts<sup>3</sup> at the bank in a timely manner. The OIG obtained the Cash Journal Report from Montgomery Parks Help Desk for the time period of October 2023 through October 2024. Audit testing disclosed that 2 of 16 (12.5%) cash receipts were deposited late.

Payment Date	Amount	Deposit Date	# Days Late <sup>4</sup>
October 7, 2023		October 11, 2023	3
October 8, 2023		October 16, 2023	6

**Criteria:** The ActiveMONTGOMERY Daily Cash Deposit Process requires that cash be deposited in the bank on the same day or following day upon receipt, excluding Sundays and holidays.

**Cause:** Arena management did not ensure the staff deposited cash receipts timely in accordance with procedures.

**Issue Risk:** Failure to deposit cash receipts timely increases the risk of theft of funds, resulting in potential fraud, waste, and abuse.

**Risk: Medium**

**Recommendation:** Management should perform the following:

- Review Cash Reports daily to ensure cash receipts received at the arena are processed and review bank deposit slips to confirm timely deposits.
- Ensure that all required staff receive appropriate training.

**Management Response:** Concur. Facility Management will ensure that all cash deposits are taken to the bank within the set timeframe.

**Expected Completion Date:** March 2025

**Follow-Up Date:** May 2025

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<sup>3</sup> Cash receipts also include checks.

<sup>4</sup> Excludes Sundays and holidays.

#### **4. Resolve Aged Accounts Receivable Balances**

**Issue:** The OIG determined the Arena has one aged account with an outstanding balance of \$2,925.14, a historic debt since February 2022. The Facility Manager (Manager), who began working at the arena in December 2022, discussed the attempts made to collect payment from the debtor organization without success. Consequently, the manager suspended the account for non-payment as required by policies and procedures to prevent additional bookings for ice rentals.

The manager stated the Montgomery Parks Help Desk, which generates the Aging Days Receivable Report, has formal policies and procedures for handling aged debt. Help Desk management provided the OIG a copy of the policies and procedures, but acknowledged they are not current.

On December 23, 2024, Help Desk management sent an email to relevant parties, including the Department of Finance and Montgomery Parks management, and requested a meeting to discuss who owns the Bad Debt issue and how to move forward with managing it.

**Criteria:** The Help Desk generates Aging Days Receivable Report every 30 days, distributes the report to the appropriate facilities, and works with Facility Managers to resolve most cases. After six months, the uncollected balance is considered a write-off.

**Cause:** Although the Montgomery Parks Help Desk continues to monitor Accounts Receivable and pursue the collection of outstanding debts, no department has the assigned role of determining when dollar amounts become bad debt write-offs. However, in January 2025 the ActiveMONTGOMERY Administrator in Montgomery County drafted policies to manage the process.<sup>5</sup>

**Issue Risk:** Failure of Montgomery Parks management to designate the appropriate group responsible for providing adequate oversight and controls for bad debt may negatively affect the Commission's ability to properly track and eliminate outstanding customer account balances.

**Risk:** Medium

**Recommendation:** Enterprise Division facility management should continue to coordinate with the Montgomery County System Administrator and offer feedback on the draft Bad Debt policy and procedures. Once the policy and

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<sup>5</sup> The ActiveMONTGOMERY System Administrator in Montgomery County, drafted Bad Debt Allowances policies and procedures, which was forwarded to a work group for review on January 17, 2025. The draft policy provides guidance for Bad Debt management, including write-offs, and assigns approval responsibilities.

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procedures are finalized and issued, Enterprise Division facility management should ensure implementation as appropriate.

**Management Response:** Concur. Feedback was provided to the Active Montgomery System Administrator on March 6, 2025. Once the Bad Debt policy is finalized and shared, management will comply.

**Expected Completion Date:** March 2025

**Follow-Up Date:** May 2025