

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

**Cedar Heights Community Center
Report Number: PGC-011-2025**

April 15, 2025

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Cedar Heights Community Center
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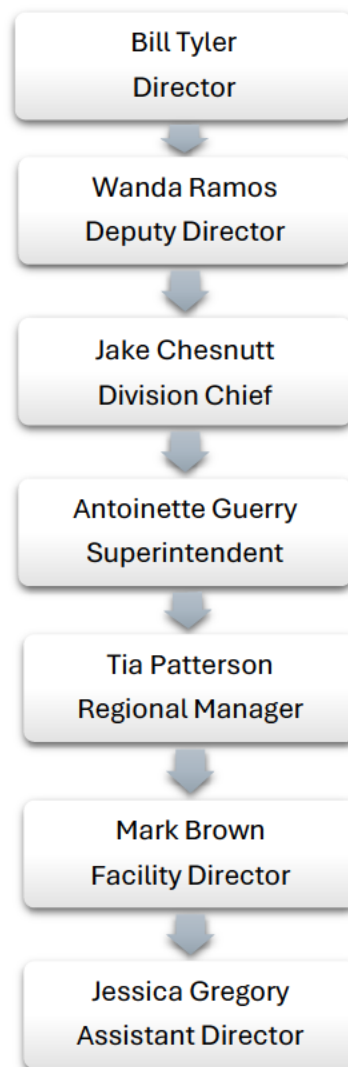
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I. EXECUTIVE SUMMARY

A. Overall Perspective

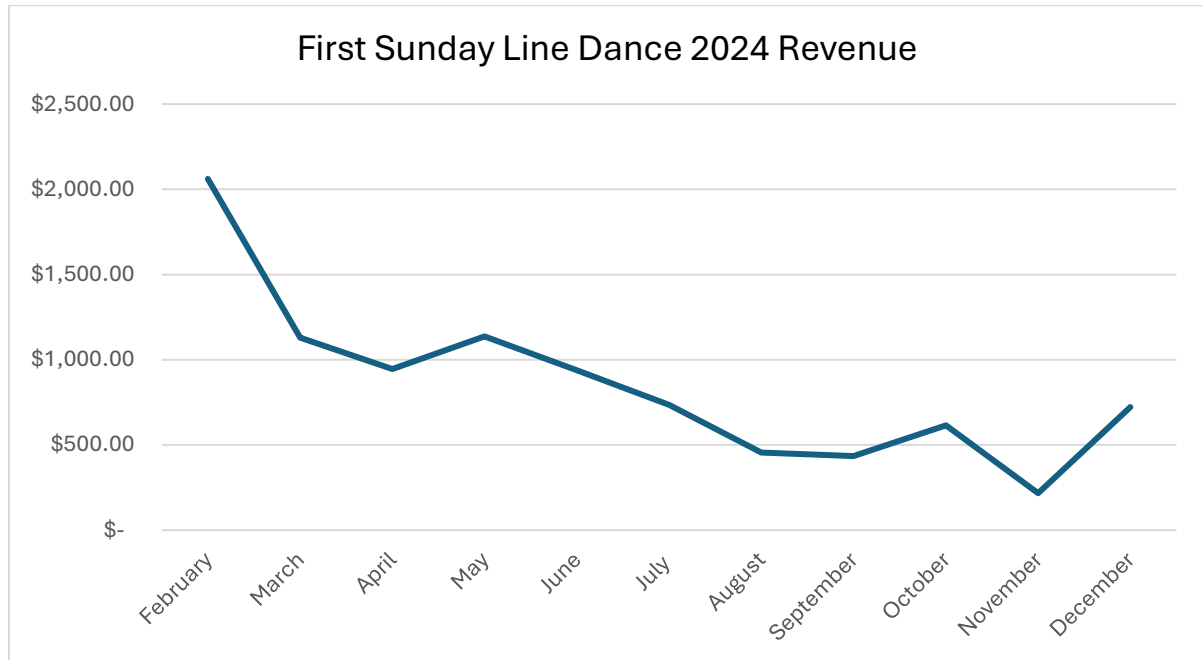
The Cedar Heights Community Center (Center) is located at 1200 Glen Willow Drive, Capitol Heights, Maryland. The amenities offered at the Center include a playground, picnic areas, as well as a multipurpose room and is open Monday through Sunday. The Center offers various classes such as basketball skills, senior fitness, soccer skills, and a variety of dance classes for all ages.

The Center is managed under the aegis of The Maryland-National Capital Park and Planning Commission (Commission), Prince George's County Department of Parks and Recreation, Recreation and Leisure Services.



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The Center hosted a First Sunday Line Dance as a special event, attracting 1,286 participants from February to December 2024. During this period, the event generated a total revenue of \$9,391. The “First Sunday Line Dance 2024 Revenue” graph below provides a detailed breakdown of the monthly revenue generated by the event.



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, cash receipts, controlled assets, etc.) at Cedar Heights Community Center. Properly implemented internal controls reduce financial, reputational, and operational risks within the Center.

Scope

The scope for the Cedar Heights Community Center audit included, but was not limited to, the following audit procedures:

- Reviewed applicable Commission policies, procedures and notices;
- Interviewed Department management and Commission employees;
- Performed walkthroughs with staff to obtain an understanding of operations;
- Reviewed purchase card transactions and petty cash receipts and replenishments;
- Obtained and analyzed daily cash receipts and bank deposits for accuracy and timelines;
- Reviewed timekeeping and payroll procedures to ensure the effectiveness of managerial oversight of the employee timecard process to ensure hours worked were accurately reported;
- Reviewed and tested controlled and capital assets to ensure compliance with Commission policies and procedures;
- Reviewed receivables and rental agreement contracts; and
- Assessed Center security protocols.

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 January 1, 2023 – December 31, 2024.

Methodology

During the audit, the auditor-in-charge conducted interviews with 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.

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 indicated no major weaknesses in the design or operation of internal controls for Cedar Heights Community Center. 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 the Cedar Heights Community Center's management and staff for the cooperation and courtesies extended during the course of our review.

Noelani Tuga
Audit Intern

Modupe Ogunduyile, CIG
Deputy Inspector General

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

April 15, 2025

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 Managerial Oversight of Controlled Assets

Issue: The Center did not perform the required annual inventory of controlled assets in accordance with policy. The OIG obtained the Center's annual 2023 and 2024 inventories. Upon review, the OIG determined the inventory of controlled assets did not include the required signatures and dates to confirm completion.

The OIG judgmentally selected a sample of 20 out of 40 (50%) assets from the controlled asset list to confirm physical existence at the Center. The OIG identified¹ three (3) assets that were disposed of, however, were not updated on the controlled asset list, and three (3) additional assets² that need asset tags.

The Center has provided the associated 164 Forms for the disposed assets, however two (2) out of three (3) forms were not accurately filled out and approved. See Table 1 for a list of the disposed assets that were not updated on the controlled asset list.

Table 1. Disposed Assets

Asset Description	Asset Tag	Equipment Value
Electric Oven	014536	\$1,734.28
TV 52" Flat Panel	027789	\$2,066.48
Wii Console #4	014650	\$ 169.99

Criteria: Per Administrative Procedures No. 04-01, *Capital and Controlled Asset Procedures 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 of theft of an item(s); or
- Changes are needed to the controlled asset inventory to document the purchase of transfer/receipt of an item(s).

Section V. Controlled Asset Procedures and Guidelines, A. 3. Documenting and Tagging Controlled Assets, states:

¹ Center management provided the OIG with an internal list of controlled assets that listed assets as (1) installed, (2) transferred, or (3) disposed.

² Cybershot Camera, Yamaha Keyboard, and Projector Screen need asset tags.

- a. Documentation for the acquisition of controlled assets must be maintained. Examples of acceptable documentation include purpose orders, purchase card receipts, or other documentation that confirms the date of purchase and purchase price.
- b. Immediately upon receipt or as soon as practicable, controlled assets must be tagged, to provide an efficient means to inventory them, and to safeguard those susceptible to loss or theft.
- c. If tagging the asset is impractical, the identification tag number should be placed with the acquisition documentation.

Cause: Center management did not enforce compliance with established procedures and guidelines for controlled assets.

Risk: Failure to provide sufficient oversight and controls over designated 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.

Issue Risk: Medium

Recommendation: Center management should ensure inventory of controlled assets is conducted on an annual basis in accordance with policy. When completing annual inventories, Center management should ensure:

- Roles are properly segregated. The inventory process should involve at least two individuals. One individual should complete the inventory (i.e., asset verification) and a second individual should review.
- Evidence of completion should be obtained. All individuals (at least two) involved in the inventory should sign and date the inventory record.
- Evidence of completion should be maintained for internal and/or external audits per Commission retention requirements.

Controlled assets should be tagged in accordance with administrative procedures. Documentation supporting asset disposal should also be maintained. Documentation should include the disposition reason (e.g., transferred to another facility, disposed of, lost, etc.). Disposals should be approved by management.

Management Response: Management concurs. The Regional Manager will coordinate with the Facility Director to maintain and update-controlled assets records as necessary during quarterly audit reviews and ensure all controlled assets listed are completed and signed by two career staff.

Expected Completion Date: May 2025

Follow-Up Date: June 2025

2. Ensure Bank Deposits are Made in Accordance with Commission Procedures

Issue: The OIG reviewed bank deposits made by the Center between 01/26/2024 to 03/21/2024 and from 07/05/2024 to 08/22/2024 and identified the following exceptions:

- four (4) instances where deposits were made beyond a one-week period from collection at the Center.
- Three (3) instances where cash on hand exceeded [REDACTED] and were not deposited until a later date.

Periods When Deposits Were Not Made

Dates Cash Collected	Elapsed Days Since Prior Deposit	Deposit Amount
1/26/24 – 2/1/24	11	[REDACTED]
7/12/24 – 7/18/24	12	[REDACTED]
8/2/24 – 8/8/24	16	[REDACTED]
8/16/24 – 8/22/24	14	[REDACTED]

Periods When Cash on Hand Exceeded \$1,000

Date Facility Exceeded [REDACTED]	Deposit Date	Deposit Amount
2/8/24	2/12/24	[REDACTED]
2/29/24	3/5/24	[REDACTED]
7/11/24	7/18/24	[REDACTED]

Criteria: M-NCPPC Administrative Procedures No. 01-01, *Cash Receipts and Related Cash Transactions*, states bank deposits will be made whenever cash on hand exceeds [REDACTED] or once a week, whichever comes first.

Cause: Center management did not prioritize their efforts to ensure compliance with established policies and procedures.

Risk: Failure to make bank deposits in a timely and accurate manner may inhibit the Commission's cash flow process and increase the risk of fraud, waste and abuse.

Issue Risk: Medium

Recommendation: Center management should ensure all bank deposits are made in accordance with Administrative Procedure No. 01-01.

Management Response: Management concurs. Bank Deposits will occur weekly or when cash on hand exceeds \$1,000, whichever comes first.

Expected Completion Date: May 2025

Follow-Up Date: June 2025

3. Ensure Timely Reimbursement of Petty Cash Fund

Issue: Petty cash reimbursements are not being processed timely. The OIG judgmentally selected a period of petty cash transactions submitted to Finance on 07/02/2024. The reimbursement requests totaled [REDACTED] of the authorized [REDACTED] fund amount, resulting in 73% usage of the petty cash balance.

Criteria: Department Directive No. DPR-4-01-22, Facility Internal Controls, states reimbursement is required whenever any of the following are true:

- when the cash-on-hand has been depleted to 50% of the total fund.
- If it has been 3 months since the last reimbursement.
- If there are petty cash purchases that need to be submitted for the fiscal year
- closeout (this usually occurs in June). This depends upon the timeline provided by the Department of Finance.

Cause: The [REDACTED] did not prioritize efforts to ensure compliance with established Commission policies and procedures.

Risk: Failure to provide proper oversight of the petty cash fund balance increases the risk of not being able to meet the Center's operational or program needs in a timely manner.

Issue Risk: Low

Recommendation: The Facility Director should implement a periodic review of petty cash requests, to ensure the petty cash fund levels are maintained at an appropriate level in accordance with the Facility Internal Control Policy.

Management Response: Management concurs. The total amount of petty cash available will be tracked more closely to ensure reimbursement requests are processed prior to the depletion of 50% of the funds or every three months whichever comes. A tracking sheet will be created to monitor a running tally of petty cash used.

Expected Completion Date: May 2025