

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

**Seat Pleasant Activity Center
Report Number: PGC-015-2025**

June 30, 2025

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Seat Pleasant Activity Center
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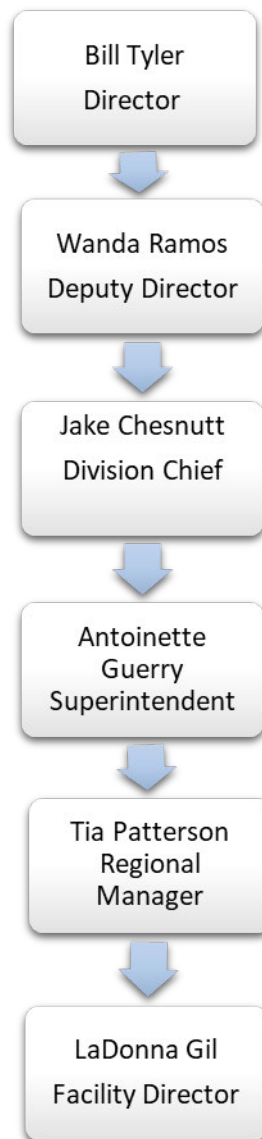
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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Seat Pleasant Activity Center (Center) is located at 5720 Addison Road Seat Pleasant, Maryland. The amenities offered at the Center include a gym, meeting rooms, and multipurpose rooms. The Center also offers recreational, educational, and social programs to developing youths. The Center generated \$59,022 in revenue from July 1, 2023 to January 31, 2025.

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



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 Seat Pleasant Activity Center. Properly implemented internal controls reduce financial, reputational, and operational risks within the Center.

Scope

The scope for the Seat Pleasant Activity Center audit included, but was not limited to, the following audit procedures:

- Reviewed applicable Commission policies and procedures;
- Interviewed Department staff, and conducted walkthroughs to obtain an understanding of operations;
- Reviewed petty cash receipts and replenishments;
- Obtained and analyzed daily receipts and bank deposits for accuracy and timeliness;
- Reviewed timekeeping and payroll procedures to ensure the effectiveness of managerial oversight and ensure hour worked were accurately reported;
- Verified the recordkeeping and existence of controlled and capital assets;
- Reviewed purchase card transactions for authorization and appropriateness of purchases;
- Reviewed accounts receivables and Center income; 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 July 1, 2023 – January 31, 2025.

Methodology

During the audit, the auditor-in-charge conducted interviews of 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 indicate no major weaknesses in the design or operation of internal controls for Seat Pleasant Activity 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 Seat Pleasant Activity Center management and staff for the cooperation and courtesies extended during the course of our review.

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June 30, 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. Ensure Compliance with Purchase Card Policies and Procedures

Issue: The Center did not ensure purchase card transactions were reviewed and closed in a timely manner. In addition, transaction logs were not approved and submitted as required by policy and procedures. During the period of July 1, 2024 to December 31, 2024, the OIG reviewed purchase card transactions and associated supporting documentation such as receipts, sales tax, and transactions logs. The following exceptions were identified (See Table 1):

- For a six (6) month period, [REDACTED] did not review and sign; and the [REDACTED] did not approve purchase card transaction logs in a timely manner. As a result, 17 purchase card transactions were not closed out timely.

Table 1. Review of Monthly Transaction Logs

Month of Transaction Log	Cardholder Signature Date	Approving Official Signature Date	# of Purchase Card Transactions	Number of Days Logs Overdue
July 2024	8/23/2024	8/27/2024	9	12
August 2024	9/13/2024	9/25/2024	3	10
September 2024	10/3/2024	11/20/2024	1	35
October 2024	Signature; No Date	No Signature; No Date	3	No dates on logs
November 2024	12/12/2024	1/14/2025	1	29
December 2024	1/24/2025	1/28/2025	0	No transactions for Center in December 2024

Criteria: *Purchase Card Program Policy and Procedure Manual* (Manual), dated September 2024, governs the purchase of goods and services with the purchase card. Cardholders and Approving Officials shall approve and close all monthly transactions in the Commission's Enterprise Resource Planning system and upload their transaction logs by the 15th of the following month. Failure to comply will lead to suspension of the Cardholder's card until the transactions have been closed.

Cause: [REDACTED] did not provide the purchase card transaction logs to [REDACTED] for review and approval. [REDACTED] did not enforce compliance with existing policy and procedures.

Risk: The Commission's Purchase Card Program provides authority for cardholders to procure goods and services without pre-approval by management. Management's post review and approval of purchase card transactions is a strong internal control. Management review helps identify fraudulent or unnecessary transactions.

In addition, failure to review, approve, and close out monthly purchase card transactions may result in erroneous departmental budgets.

Recommendation: [REDACTED] should ensure cardholders present complete monthly purchase card transaction logs and supporting documentation (e.g. invoices and receipts) and JP Morgan Chase Bank statements to them by a specific date. This will assist in expediting the monthly review and approval of purchase card transactions logs and ensure timely closure of monthly transactions in Infor.

Issue Risk: Medium

Management Response: Concur. Management will ensure the close out of purchase card transactions weekly as purchases are made. In addition, ensure the timely submission of transaction logs for review to the Approving Official by the 10th of the following month to allow time for closing by the 15th of the month.

Expected Completion Date: July 2025

Follow-Up Date: August 2025