

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

**Fort Washington Forest Community Center  
Report Number: PGC-001-2025**

**October 16, 2024**

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**Fort Washington Forest Community Center**  
Table of Contents

**I. EXECUTIVE SUMMARY**

A. Overall Perspective.....	1
B. Audit Objective, Scope, and Methodology.....	2
C. Major Audit Concerns.....	4
D. Overall Conclusions.....	5

**II. DETAILED COMMENTARY AND RECOMMENDATIONS**

1. Conduct Annual Inventory of Controlled Assets.....	6
2. Ensure Bank Deposits are Made in Accordance with Commission Procedures.....	9
3. Ensure Compliance with Purchase Card Policies and Procedures.....	10

## I. EXECUTIVE SUMMARY

### A. Overall Perspective

The Fort Washington Forest Community Center (Center) is located at 1200 Fillmore Road, Fort Washington, MD. The 22,300 square-foot center opened in September 2013 and is connected to Fort Washington Forest Elementary School. The Center includes a multi-purpose room, a teen lounge area, a computer lab, fitness and game rooms, and a space for arts and craft classes. The Center also includes a gymnasium that is shared with the school.

The Center is managed under the aegis of the Maryland-National Capital Park and Planning Commission, Prince George's County Department of Parks and Recreation, Recreation and Leisure Services. In early 2022, as a result of the Department's realignment, the Center was moved from Central Area Operations to Southern Recreation and Leisure Services Division. The realignment brought a change in the Center's leadership which consisted of a new Division Chief, Assistant Division Chief, and Regional Manager.



## **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 Fort Washington Forest Community Center. Properly implemented internal controls reduce financial, reputational, and operational risks within the Center.

### Scope

The scope for the Fort Washington Forest Community Center audit included, but was not limited to, the following audit procedures:

- Reviewed applicable Commission policies, procedures and notices;
- Interviewed Department management and 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 contracts for rental of the center; 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 - June 30, 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 Fort Washington Forest 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 Fort Washington Forest Community Center's management and staff for the cooperation and courtesies extended during the course of our review.

*Franklin Pace*

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Senior Auditor

*Modupe Ogunduyile*

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#### Conclusion Definitions

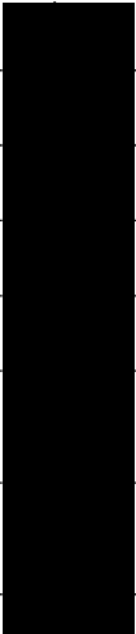
<b>Satisfactory</b>	No major weaknesses were identified in the design or operation of internal control procedures.
<b>Deficiency</b>	A deficiency in the design or operation of an internal control procedure(s) that could adversely affect an operating unit's ability to safeguard assets, comply with laws 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. Conduct Annual Inventory of Controlled Assets

**Issue:** The Center did not perform the required annual inventory of controlled assets. We were provided a current controlled asset listing dated April 3, 2024, containing 191 assets. The OIG judgmentally selected a sample of 39 items (20.4%) from the listing provided to confirm onsite verification of physical existence. As summarized in the charts below, the OIG identified eight (8) duplicate items on the controlled asset listing and five (5) items that Center management disposed of or transferred to another facility, but the required documentation was not readily available.

#### Duplicate Items on Controlled Asset List

Description	Asset TAG #s	Serial #	Status On Controlled Listing	Equipment Value
Dehumidifier	027981 and 028032	HLO45158Q	Installed	
Dehumidifier	027982 and 028031	HLO45109Q	Installed	
Dehumidifier	027983 and 028030	HLO45224Q	Installed	
Dehumidifier	027984 and 028029	HLO45178Q	Installed	
Dehumidifier	027985 and 028028	HLO45078Q	Installed	
Sewing Machine	012638 and 012641	209210-MUCG32384	Installed	
Sewing Machine	012637 and 012639	Z09210-MU0CG3243	Installed	
Karaoke Machine	014341 and 012645	VP8A89AAA74675	Installed (014341) Disposed (012645)	



### Missing 164 Forms

Description	Asset Tag #	Status On Controlled Listing <sup>1</sup>	Equipment Value
Treadmill	012581	Installed	
Printer	012627	Installed	
Karaoke Machine	012645	Disposed	
PlayStation Game Console	Unknown	Disposed	
Sewing Machine	012642	Installed	

**Criteria:** Per Administrative Procedures No. 04-01, *Capital and Controlled Asset Procedures Manual*, controlled assets should be inventoried annually by December 31. Section V. Controlled Asset Procedures and Guidelines, A. 3. Documenting and Tagging Controlled Assets, states:

- 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.

All assets that are sold, traded-in, scrapped, lost, or damaged, or in any other way removed from service are classified as disposals. When an asset is no longer needed by a facility, the proper method of disposal should first be determined. The disposal methods available are:

- Transfer of the item to another facility
- Trade-in of the item on a new piece of equipment
- Sale of the item through surplus bid or auction
- Donation of the item
- Scrapping of the item

No matter what method of disposal is chosen, a 164 Form should be submitted. Discarding or disposing of any item without proper documentation is prohibited.

<sup>1</sup> The status for the Treadmill, Printer and Sewing Machine was installed on the controlled listing. During the onsite verification of physical existence of selected controlled assets, it was determined that these items were either transferred or disposed. A properly executed 164 Form should be readily available for these assets.

**Cause:** Center management was not aware of the requirement for an annual inventory of controlled assets.

**Risk:** Failure to conduct the required annual inventory of controlled assets represents inadequate managerial oversight and significantly increases the risk of fraud, waste, and abuse of Commission assets.

**Issue Risk:** Medium

**Recommendation:** Center management should ensure inventory of controlled assets are conducted on an annual basis. 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 audit 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 disposition reason (e.g., transferred to another facility, disposed of, lost, etc.). Disposals should be approved by management.

**Management Response:** Management concurs. Controlled assets will be tagged in accordance with administrative procedures and will be inventoried annually. The Regional Manager will coordinate with the Facility Director to maintain and update controlled assets records as necessary.


**Expected Completion Date:** October 2024

**Follow-Up Date:** November 2024

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

**Issue:** The OIG reviewed a three-month period (3/1/24 – 5/31/24) of bank deposits made by the Center and identified three (3) instances where deposits were made beyond a one-week period from being collected at the Center. None of the deposits exceeded \$1,000.

**Periods When Deposits Were Not Made**

<b>Dates Cash Collected</b>	<b>Elapsed Days Since Prior Deposit</b>	<b>Deposit Amount</b>
3/12/24 – 3/22/24	10	
3/22/24 – 4/12/24	21	
4/19/24 – 5/3/24	14	

**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 \$1,000 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 manner may inhibit the Commission's cash flow process and increase the risk of fraud, waste and abuse.

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

**Issue Risk:** Medium

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

**Expected Completion Date:** October 2024

**Follow-Up Date:** November 2024

### **3. Ensure Compliance with Purchase Card Policies and Procedures.**

**Issue:** The Center did not follow existing purchase card policy and procedures for reviewing purchase card transaction logs. There were four (4) purchase card transactions processed for the Center for the test period of March 1, 2024, to June 30, 2024. There were no transactions for the Center for the month of April 2024. For the purchase card transactions, OIG tested attributes such as supporting documentation including the receipt and purchase transaction card log. OIG also reviewed the purchases to ensure Maryland state sales tax was excluded. As summarized in the chart below, the cardholder and approving official did not timely sign and date the transaction logs for the test period. As a result, the four (4) purchase card transactions were not closed out timely.

#### **Dates of Signatures on Transaction Logs**

<b>Month</b>	<b>Cardholder Signature Date</b>	<b>Approving Officer Signature Date</b>
March 2024	4/24/2024	4/29/2024
May 2024	7/18/2024 <sup>2</sup>	7/22/2024
June 2024	7/19/2024	7/22/2024

**Criteria:** *Purchase Card Program Policy and Procedure Manual* (Manual), dated July 1, 2018, governs the purchase of goods and services with the purchase card. The Manual requires cardholders to record transaction(s) as they are ordered on the transaction log. Transactions must first be approved by the cardholder and closed out (i.e., approved) by the approving officer. The cardholder matches receipts to the monthly statement, performs a reconciliation, and forwards the transaction log and all supporting documentation to their approving official for monthly review, approval, and storage. Transaction logs must be signed and dated by the 15th of the following month and provided to the purchase card administrator. At no time should more than one month's transaction log be outstanding for approving official's approval. The transaction log is to be the record of all transactions authorized in the month.

**Cause:** The purchase cardholder did not timely provide the purchase card transaction logs to the approving official for review and approval. The approving official did not enforce compliance with existing policy and procedures.

**Risk:** Failure to ensure compliance with the policies and procedures may lead to waste of taxpayer funds, resulting in negative publicity to the Commission.

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<sup>2</sup> For May 2024, the cardholder signature date was not legible. Accordingly, we used the date the log was provided to the approving officer by the cardholder, as denoted on the log.

**Recommendation:** The cardholder should timely provide purchase card logs to the approving official for review and approval. The approving official must ensure purchase card logs are reviewed and authorized as required.

**Issue Risk:** Medium

**Management Response:** Management concurs. The purchase cardholder will provide reconciled purchase card logs to the approving official prior to the deadline so that the approving official can review and close out all transactions by the 15<sup>th</sup> of the following month. The approving official will ensure that the purchase cardholder submits logs in a timely manner.

Please note that neither the facility nor facility staff are required to retain purchase cardholder transaction logs or copies thereof, nor does the facility have any authority or interactions with the approving official. The review of this process is better suited in a purchase cardholder audit as opposed to a facility/community center audit.

**Expected Completion Date:** October 2024

**Follow-Up Date:** November 2024