

**MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION**

**Prince George's County  
Department of Parks and Recreation**

**Aquatics and Athletic Facilities Division  
Golf Operations**

**Report Number: PGC-008-2021**

**May 14, 2021**

**Distribution:**

Executive Committee

Elizabeth Hewlett  
Casey Anderson  
Asuntha Chiang-Smith

Audit Committee

Dorothy Bailey  
Benjamin Williams  
Lori Depies  
Partap Verma

Maryland-National Capital Park and Planning Commission

Steve Carter  
Adrian Gardner  
Tara Stewart  
Bill Tyler  
Joseph Zimmerman

Office of the Inspector General

Renee Kenney  
Natalie Beckwith  
Robert Feeley  
Wanda King

Maryland-National Capital Park and Planning Commission  
Office of the Inspector General  
7833 Walker Drive, Suite 425  
Greenbelt, MD 20770

**Prince George's County  
Department of Parks and Recreation  
Aquatics and Athletic Facilities Division  
Golf Operations**

**Table of Contents**

**I. EXECUTIVE SUMMARY**

A.	Background.....	1
B.	Objective, Scope and Methodology of the Audit.....	3
C.	Major Audit Concerns.....	5
D.	Overall Conclusions.....	6

**II. DETAILED COMMENTARY AND RECOMMENDATIONS**

1.	Strengthen Managerial Oversight of Purchase Card Transactions.....	8
2.	Strengthen Controls over Petty Cash.....	11
3.	Strengthen Managerial Oversight of Instructor Payments.....	16
4.	Strengthen Managerial Oversight of Seasonal/Intermittent Timecards...	19
5.	Strengthen Controls Over Assets .....	22
6.	Ensure Timely Deposits of Cash Receipts.....	24
7.	Ensure Commission Vehicle Mileage Logs are Maintained and Accurate.....	26

**EXHIBITS**

	Timecard Exceptions.....	28
--	--------------------------	----

## **I. EXECUTIVE SUMMARY**

### **A. Background**

The Office of the Inspector General (OIG) initiated this audit as a follow-up to irregularities identified in 2019. Additional information on the 2019 investigation can be found on page 2.

Prince George's County Department of Parks and Recreation (DPR) operates three (3) golf courses:

- Paint Branch Golf Complex (Paint Branch)
- Enterprise Golf Course (Enterprise)
- Henson Creek Golf Course (Henson)

Golf course operations are managed within the Division of Aquatics and Athletic Facilities (AAFD). Each golf course has a manager responsible for its day to day management. The managers report to the Director of Golf Operations. The Director of Golf Operations reports to the Assistant Division Chief, AAFD.

Paint Branch is located in College Park, Maryland. It has a 9-hole par 33 golf course and contains a putting green, driving range, pro-shop, club house, snack bar and offers junior golf programs. It also has a Performance Center offering training year-round with certified instructors. The 2021 fiscal year overall budget for Paint Branch is approximately \$927,353 with 67% attributed to salaries and benefits. Total overall revenue for fiscal year 2021 is budgeted at \$887,353.

Enterprise was built on the historic Newton White Dairy Farm and is located in Mitchellville, Maryland. The 18-hole, par 72, championship course is open year-round offering amenities such as a driving range, practice green, short game area, pro-shop, club house and full-service snack bar. It also offers junior golf programs, a lady's league and hosts group outings, corporate events and tournaments. The 2021 fiscal year overall budget for Enterprise is approximately \$1,668,945 with 61% attributed to salaries and benefits. Total overall revenue for fiscal year 2021 is budgeted at \$1,513,945.

Henson is located in Fort Washington, Maryland. It has a 9-hole, par 33 course offering a putting green, driving range, pro-shop, club house and snack bar. It also offers junior golf programs. The 2021 fiscal year overall budget for Henson is approximately \$833,903 with 74% attributed to salaries and benefits. Total overall revenue for fiscal year 2021 is budgeted at \$803,903.

The Maryland-National Capital Park and Planning Commission (Commission or M-NCPPC) closed all three golf courses to the public on March 16, 2020. The closures

coincided with Maryland Governor Larry Hogan's Executive Order closing a number of facilities in Maryland to limit the gathering of people.

On May 13, 2020, Governor Hogan's Executive Order was issued which gradually reopened certain facilities in Maryland with limitations. On May 23, 2020 the Commission reopened the three golf courses to the public.

### 2019 Investigation

DPR management requested a review of Enterprise and Paint Branch on April 22, 2019 due to allegations of missing assets. After completing a preliminary<sup>1</sup> investigation, the OIG issued a memorandum on May 8, 2019 concluding approximately \$28,000 of assets (e.g. custom clubs and apparel) could not be accounted for. The irregularities were primarily due to lack of management oversight, improper use of Commission issued purchase cards, and a failure to properly utilize the point-of-sale system. Due to the possibility of criminal charges, the investigation was referred to Maryland-National Capital Park Police, Prince George's County Division (Park Police) for further investigation in May 2019.

On October 13, 2020 Park Police issued their final report along with a memorandum from Prince George's County States Attorney's Office, stating the States Attorney's Office declined to prosecute the allegations. Park Police determined they could not meet requirements of due process for a criminal investigation and therefore closed the investigation. Subsequently, the OIG issued audit report PGC-020-2019, Golf Operations – Misappropriation of Assets on November 12, 2020. The audit report included conclusions of fraud waste, and abuse (F, W, A) for [REDACTED].

It should be noted that since the initial investigations, DPR has restructured and appointed new management<sup>2</sup>, which included the formation of the Aquatics and Athletic Facilities Division. A new Division Chief was hired in November 2019 and Director of Golf Operations was hired in December 2019 to oversee all three golf courses.

---

<sup>1</sup> The OIG was prohibited from interviewing potential witnesses in a criminal case, to include golf course managers.

<sup>2</sup> New leadership includes: Deputy Director Facility Operations, AAFD Division Chief, and Director of Golf Operations. In addition, there are vacancies for all three golf course managers, and Paint Branch Assistant Manager.

## **B. Objective, Scope and Methodology of the Audit**

### **Objective**

The purpose of the audit was to identify opportunities to strengthen internal controls, improve operational efficiencies and help ensure compliance with Commission policies and procedures. Due to the 2019 investigation, credit card purchases, and inventory controls were a primary focus of the review.

In addition, the audit scope was designed to identify possible fraud, waste or abuse within the process(es) being audited.

### **Scope**

The scope of the audit included, but was not limited to, the following audit procedures:

- Reviewed Commission practices and procedures;
- Reviewed petty cash checking accounts, disbursements, receipts and replenishments to the fund;
- Conducted change fund cash counts to verify approved change fund amounts on hand;
- Reviewed and tested inventories of pro-shop and food & beverage resale items;
- Reviewed and tested controlled asset inventories of pro-shop and maintenance shop;
- Reviewed and tested inventory of capital fixed assets;
- Reviewed controls over daily cash receipts and bank deposit timeliness;
- Reviewed management's procedures for assessing monthly golf course revenues;
- Reviewed timekeeping procedures for seasonal/intermittent employees;
- Reviewed revenue sharing instructors and specialty services instructors pay;
- Verified that drivers of Commission vehicles have submitted all required documentation;

- Reviewed Commission vehicle logs for accuracy; and
- Reviewed any purchase card transactions.

The audit period was from January 1, 2020 through March 19, 2021.

### **Methodology of the Audit**

Inquiry, observation, data analysis, review of control procedures, on-site field visits for testing of inventories and transactions, in person meetings and virtual meetings were conducted to complete the audit objectives.

The audit was conducted in accordance with the *U.S. 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 the findings and conclusions based on the established audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**C. Major Audit Concerns**

The results of our evaluation and testing procedures indicated the following major audit concern:

- Lack of Managerial Oversight

As described in the Detailed Commentary and Recommendations section of this report, the OIG identified numerous opportunities to strengthen internal controls at all golf courses. When considered individually, the recommendations mitigate low, medium, and high operational risks. However, given the number of recommendations, and the limited improvement in managerial oversight before the appointment of the Director of Golf Operations in December 2019, Lack of Managerial Oversight is presented as a major audit concern.

**D. Overall Conclusions**

The results of our evaluation and testing procedures indicate significant deficiencies in the design or operation of internal controls as noted in the Major Audit Concerns section of this report, see definition below.

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 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 Prince George's County Department of Parks and Recreation, Facility Operations, Aquatics & Athletic Facilities Division management and staff for their cooperation and courtesies extended during the course of our review.



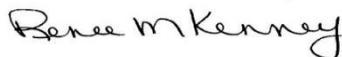
Wanda King  
Assistant Inspector General



Natalie Beckwith, CFE, CICA  
Assistant Inspector General



Robert Feeley, CFE, CAA, CGFM, CICA  
Assistant Inspector General



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

May 14, 2021

**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 Purchase Card Transactions (repeat audit finding)**

**Issue:** During the course of the audit, the OIG tested 166 golf course related purchase card transactions with an aggregate total of \$76,637. Seventy-three (73) irregularities were identified, or 44% of the population reviewed. Irregularities were identified at each golf course.

- 25 transactions did not contain adequate supporting documentation<sup>3</sup>
- 1 transaction log was not signed by the approving official<sup>4</sup>
- 6 transactions included undocumented (i.e. no explanation provided) sales tax<sup>5</sup>
- 28 transactions were missing the applicable packing slip<sup>6</sup>
- 13 instances where the Division required Purchase Card Request Form was not attached to the supporting documentation.<sup>7</sup> This is an indication that the Purchase Card holder was not completing the form prior to the transaction activity as required.

As noted in the Scope section of this report, the audit placed a high focus on purchase card transactions due to the asset misappropriations identified in 2019 at Paint Branch and Enterprise. The 25 recent irregularities involving transactions without supporting documentation occurred at Paint Branch and Enterprise. This, coupled with 13 missing Purchase Card Request Forms, is a strong indicator that managerial oversight, specifically the review of purchase card documentation, has not significantly improved.

**Criteria/Risk:** According to the Commission's Purchase Card Program Policy and Procedure Manual, purchase card holders must obtain and reconcile all sales slips, register receipts, and/or Purchase Card slips to JP Morgan Chase's Cardholder statement. Approving Officials are also required to review and reconcile vendor receipts. The inclusion and review of adequate supporting documentation reduces the risk of personal and/or unauthorized purchases.

DPR requires the completion of a Purchase Card Request Form before a Purchase Card holder can process the transaction. This ensures all purchases are required and approved by management.

---

<sup>3</sup> 5 at Enterprise and 20 at Paint Branch

<sup>4</sup> Henson

<sup>5</sup> 5 at Paint Branch and 1 at Henson Creek

<sup>6</sup> 2 at Enterprise, 9 at Henson and 19 at Paint Branch

<sup>7</sup> All at Paint Branch

**Recommendation:** The Office of the Inspector General recommends AAFD's management strengthen internal procedures for Purchase Card activities to mitigate the irregularities identified above. This includes but is not limited to the following:

- Reviewing and reconciling transaction supporting documentation, i.e. final invoice, packing slip, etc.
- Ensuring that purchase card logs are completed accurately and are signed by both the Purchase Card Holder and the Approving Official.
- For all transactions with sales tax charges, documentation should be included supporting the exception.
- Verifying the required Purchase Request Form is completed before the transaction has occurred.

**Issue Risk:** High

Note: Recommendation was assigned a high risk rating due to 2019 irregularities and continued evidence of weak managerial oversight.

**Management Response:** The AAFD Leadership Team and Golf Operations agree and confirm findings through the 2020 Audit Process regarding Purchase Card Transactions. Below is what golf operations has done and will continue to improve upon regarding strengthening internal procedures for Purchase Card activities.

- Created and implemented stronger internal Standard Operating Procedures related to Purchase Card usage. These documents will align with internal Commission practices and will be approved by the AAFD Leadership team.
- Standard Operating Procedures relating to Purchase Card procedures have been reviewed and shared with the OIG, Procurement Team, and DPR Leadership.
  - OIG – 1/25/21 (via email) and 1/28/21 (via TEAMS meeting)
  - Procurement – 03/10/20
  - Deputy Director with OIG review and suggestions – 03/05/21
  - These Standard Operating Procedures for Purchase Card holders have been reviewed and implemented at each golf property starting April, 9th 2021. Staff members acknowledgment of the new Standard Operating Procedures has been maintained.
- The AAFD Leadership Team and Golf Operations have implemented a new updated Purchase Card Request Form that will help Purchase Cardholders ensure they have all proper supporting documentation before submittal to the Purchase Cardholder Approver.

- More substantial divisional expectations have been set with Purchase Cardholders to confirm all documents are in order and purchase card packets are complete. Any missing documents will classify the purchase card packet as "Incomplete," and Purchase Cardholder will need to complete the packet before Purchase Cardholder Approver's signature. This process will verify that all supporting documentation is in order for all future audit requests.
- AAFD Leadership will increase the frequency of review of purchase card documentation for the three golf courses to improve oversight.

**Expected Completion Date:** April 2021 – Completed / Ongoing

**Follow-Up Date:** November 2021

## **2. Strengthen Controls over Petty Cash**

**Issue:** The OIG reviewed petty cash checking accounts at all three (3) golf courses. Two (2) golf courses (Paint Branch and Henson) did not have any significant irregularities with their petty cash checking accounts.

Enterprise maintains a \$ [REDACTED] petty cash checking account and a \$ [REDACTED] change fund, comprised of seven (7) banks. The following irregularities were identified at Enterprise:

- A petty cash reconciliation was not completed upon the appointment of a new custodian in April 2018. The [REDACTED] approved and signed the new Petty Cash Custodian Form.
- No monthly reconciliations of the petty cash checking account were being performed as required by Commission Practice. Note: Two (2) fiscal year (FY19 & FY20) reconciliations were completed; both had identified overages.
- The [REDACTED] did not keep a running tab of the account balance in the account check book after writing each check to be aware of daily balance of funds in the account.
- Check #2499 did not have a petty cash slip to request or approve the transaction.
- Check #'s 2500 and 2501 did not have a signature approving the transaction nor did they have a signature by someone attesting they received the merchandise.
- Check #'s 2494 through 2498 did not have a signature attesting that someone had received the merchandise.

Commission Practice No. 3-11, *Administration of Cash Funds*, includes specific roles and responsibilities for petty cash custodians. All custodians are required to attest that they have read and fully understand Commission Practice No. 3-11. The Enterprise custodian provided his/her attestation to Treasury Operations on June 15, 2020.

As a result of the 2019 investigation, the Director of Golf Operations is required to complete "Observation Forms" quarterly. The Observation Forms are then sent to AAFD Assistant Division Chief for review and approval.

For the audit period reviewed, we were provided two (2) Observation Forms dated September 8, 2020 and February 24, 2021. The OIG reasonably concludes the oversight provided by the [REDACTED] and [REDACTED] was not comprehensive. This conclusion is supported by the following:

September 2020

- Enterprise maintains a [REDACTED] change fund. This fund was reviewed by the [REDACTED] during the September observation. The Observation Form, signed by the [REDACTED] referenced [REDACTED]; not the fund's required balance of \$[REDACTED]. The Observation Form stated, "No issues, all money accounted for"<sup>8</sup>. Note: The account was whole [REDACTED] during AAFD's February 2021 observation and OIG's recent testing.
- There was no mention on the Observation Form that the Custodian was not maintaining a running tab of the account balance in the check book after writing each check.
- There was no mention on the Observation Form that required monthly reconciliations of the checking account had not been performed.
- A note on the Observation Form states, "All receipts present, no dates from receivers, 3 missing check copies and 5 missing receiver signatures".
- Although the Observation Form mentions the petty cash checking account had a difference of [REDACTED] it did not provide an explanation of the difference nor any efforts of reconciliation to the approved amount of [REDACTED]
- The observation was completed by the [REDACTED], and subsequently provided to the [REDACTED] [REDACTED] [REDACTED] f. AAFD management could not provide any documentation detailing actions or guidance provided to the [REDACTED] to assist in issue mitigation.

February 2021

- The Observation Form states, "Enterprise Golf Course is in the process of clearing up the petty cash account. The account is over but that is understood by treasury and upper management. Account should be reset to a lower amount in the coming month."
- The Observation Form makes no mention that required monthly reconciliations of the checking account had not been performed by the [REDACTED].
- The Observation Form makes no mention that the petty cash checking account [REDACTED] was not maintaining a running tab of the account balance in the check book after writing each check.
- The observation was completed by the [REDACTED], and subsequently provided to the [REDACTED] [REDACTED] [REDACTED]. AAFD

---

<sup>8</sup> AAFD management subsequently told OIG that The \$50.00 that was missing from this specific count was on the property and located in a locked safe in an envelope titled \$50.00 Bev Cart.

management could not provide any documentation detailing actions or guidance provided to the [REDACTED] to assist in issue mitigation.

The OIG asked the [REDACTED] to clarify what actions were taken by management upon the receipt of the observation forms. Per the [REDACTED] [REDACTED] "I review them, sign them, and file them." The [REDACTED] did not take any action to resolve the issues identified on the Observation Forms. The forms were not provided to the [REDACTED] for review.

AAFD management did not take adequate action to resolve the irregularity (overage) until the account was suspended (discussed below).

#### Actions Taken by the Department of Finance

Due to the failure of AAFD management to reconcile Enterprise's petty cash checking account, which resulted in an overage of [REDACTED], the Department of Finance suspended the petty cash account on November 12, 2020. The AAFD [REDACTED] was first notified of this issue by the OIG via email on November 12, 2020.

Following the Division's investigation of the issue, on December 7, 2020, the AAFD Chief responded, outlining actions taken, and submitted a request to have the petty cash checking account reinstated at a lower amount [REDACTED]

On January 11, 2021 the Department of Finance detailed the following conditions for reinstatement and reduction of the account:

- Monitor the Custodian's account for a 12-month period beginning January 1, 2021 and have fiscal year 2020 fully reconciled.
- Submit monthly bank account reconciliations (due 20<sup>th</sup> of each month) including back up documentation with the manager certifying originality of receipts to the petty cash Administrator-Treasury for review.
- Bank reconciliations to adhere to normal requirements established for year end.
- Petty cash custodian to attend 1 direct in person training session via TEAMS to review responsibilities and practices.
- Guidance/Oversight – custodian to submit TEAMS meetings upon request by the Administrator for monthly back reconciliations.
- At the end of the requested period, Treasury will submit a memorandum to the Secretary-Treasurer outlining compliance with the requested actions.

**Criteria/Risk:** Weak managerial oversight within the golf facilities and AAFD resulted in the suspension of the petty cash checking account. Failure to provide

robust managerial oversight may negatively affect a department's effectiveness, efficiency and profitability.

The environment may also create opportunities for fraud, waste and abuse. Unbalanced (including overstated accounts) petty cash accounts are a red flag for fraud.

**Recommendation:** AAFD management should ensure all recommendations contained in the Corporate Treasury & Investment memorandum of January 11, 2021 to the AAFD Chief are strictly adhered to.

Facility observations are a critical internal control implemented after the misappropriation of assets in 2019.

- We recommend that management increase the number of observations completed (perhaps quarterly). In addition, we recommend the level of review be strengthened. Action items should be noted on the form to remedy any findings.
- We recommend AAFD [REDACTED] review (not just sign) the completed Observation Forms. He/she should follow-up on noted action items to help ensure timely resolution.
- We recommend [REDACTED] Chief receive copies of all Observation Forms along with agreed upon action items to resolve.

**Issue Risk:** High

Note: Although petty cash amounts are not significant, this recommendation is classified as high risk due to the identified lack of managerial oversight.

**Management Response:** The AAFD Leadership Team and Golf Operations agree and confirm findings through the 2020 audit process regarding Strengthen Controls over Petty Cash. The report provided shows deficiencies and recommendations to help mitigate possible future risks. Below is what Golf Operations will and continue to do to improve our Petty Cash program.

- Golf Operations will continue to conduct the AAFD "Observation Reports"
  - Golf Operations will not only report on findings but will offer immediate actions and guidance provided by the AAFD Leadership Team to rectify any issues or violations
  - Any issues or violations during the Observation Report process will result in alerting the AAFD Assistant Division Chief and AAFD Division Chief

- AAFD Leadership team and Golf Operations will continue to adhere to the conditions set for Enterprise Golf Course for the reinstatement of the Petty Cash account from the Department of Finance.
  - These conditions were set on January 11, 2021
- AAFD Assistant Division Chief will closely review all Observation Reports to ensure accuracy and that there are proper immediate action items to any issues or violations
- The AAFD leadership team is requiring monthly Petty Cash account reimbursements from each golf property that has Petty Cash accounts
- The AAFD leadership team is requiring copies of all monthly bank account reconciliations from each golf facility to ensure accuracy
- The AAFD leadership team will create, approve and implement an internal Standard Operating Procedure document regarding Petty Cash operations that align with Divisional needs and Commission policies and practices.
  - Training per Dept. of Finance must happen before Standard Operating Procedure creation and implementation
- The Department of Finance will train staff members that hold Petty Cash Custodian responsibilities
  - Training will review Practice 3-11 and Petty Cash specific responsibilities
  - As of 04/14/21 the AAFD Leadership Team and Petty Cash Custodians are awaiting a training date and response from the Department of Finance
  - AAFD Leadership team requested an update on a Training Date on 03/22/21
- Golf Operations will request that each facility put the approved custodian form in all banks for future Observation Report reference.
- Qtrly Observation inspections will verify custodian forms to ensure accuracy.

**Expected Completion Date:** July 2021. (Possible extension needed if Department of Finance training does not happen in the month of June 2021.)

**Follow-Up Date:** November 2021

### **3. Strengthen Managerial Oversight of Instructor Payments**

**Issue:** Management does not provide robust administrative oversight for the revenue sharing and specialty services instructor payment processes. Golf course instructors are classified as either:

- Revenue Sharing; or
- Specialty Services.

Revenue Sharing instructors receive a base compensation rate as well as a percentage of lesson income. Eligible instructors include those who are designated as PGA Professional/Member Instructor and PGA Apprentice Instructor. Specialty Service instructors only receive base compensation. Guidelines are issued by the Maryland-National Capital Park and Planning Commission's (M-MCPPC or Commission) Corporate Human Resource Division to assist golf course management in position classification and payment criteria.

#### Revenue Sharing

- For the period reviewed (calendar year 2020), [REDACTED] professional was classified as revenue sharing. The [REDACTED] was employed at [REDACTED]. The [REDACTED] received ten (10) payments, however, AAFD management could only provide documentation for six (6). It is reasonable to conclude the documentation was submitted to the Commission's Payroll Department for processing.<sup>9</sup>

Audit testing disclosed the following exceptions:

- Six (6) of six (6) tested Payment Forms were not signed by the [REDACTED] as evidence of review.
- For one (1) of six (6) revenue sharing payments, management could not provide system generated point-of-sale (POS) receipts as evidence of golf class customer purchases.
- The [REDACTED] did not always fully complete the Payment Forms.
- Revenue sharing instructors do not provide schedules to the Golf Course Managers to apprise them of completed or future classes/lessons. Completed schedules are an important internal control as they can be used by management to verify and track revenues. During an interview with Park Police in 2019, the [REDACTED] disclosed direct

---

<sup>9</sup> Due to the COVID-19 Pandemic and the closure of the Executive Office Building, OIG did not request copies of the documentation from the Payroll Department for the four payments.

payments were being made to senior golf course employees from external golf professionals.

### Specialty Services

OIG judgmentally selected a sample of timecards for five (5) instructors paid during calendar year 2020. Timecards were selected from each of the three golf courses. Two exceptions each occurred at Paint Branch and Enterprise, and one exception occurred at Henson Creek. During the review of the timecards, the following exceptions were identified:

- Two (2) of five (5) timecards showed corrections made to employee work hours, but the corrections were not initialed.
- Work hours were not calculated correctly on two (2) timecards<sup>10</sup>; resulting in overpayments totaling \$68.00.
- Employee work hours did not reconcile with hours paid on the Payroll B2 Expense report on two (2) timecards<sup>11</sup> resulting in overpayments totaling \$108.00.

It appears the discrepancies were attributable to employee error. The OIG did not identify any patterns of fraud, waste, or abuse.

**Criteria/Risk:** Weak managerial oversight within the golf facilities and AAFD resulted in timecard errors and employee overpayments. Failure to provide robust managerial oversight may negatively affect a department's effectiveness, efficiency and profitability. The environment may also create opportunities for fraud, waste and abuse.

**Recommendation:** AAFD management should strengthen oversight activities for instructor payments:

- Ensure all revenue sharing instructors are provided standard operating policies and procedures, that specify the required documents when applying for payment. Emphasize that all forms must include complete and accurate data.

---

<sup>10</sup> [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

- Revenue sharing instructors should not be eligible for payment without a point-of-sale slip, or some type of system documentation, as evidence of valid customer purchases and payments for lessons.
- Revenue sharing instructors should be required to provide schedules to Golf Course Managers to support the date, time and location of scheduled lessons. This will assist golf course management in identifying any unauthorized lessons and will mitigate risk of kickbacks to golf course management by golf professionals.
- Require Golf Course Managers to review B2 Payroll Expense Reports/Labor Distribution Reports and reconcile critical data, such as timecard hours and hours actually paid to instructors.

Finally, AAFD management should work with the Commission's Payroll Department for resolution on the identified overpayments.

**Issue Risk:** High

**Management Response:** The AAFD Leadership Team along with Golf Course Operations, agree to the findings of the 2020 Audit Process regarding Instructor Payments. Golf Operations agrees strengthening internal controls will improve this process and mitigate potential future issues. Below is what has been done and what will be done to improve internal controls for Instructor Payments.

- Create, approve and implement an internal Standard Operating Procedures document that will align all efforts and expectations regarding golf instructor revenue share reimbursements
- Share new Standard Operating Procedures with all golf managers and instructors, gaining signoff approvals on expectations
- Work with Managers to file golf instructor revenue share documents in a location assessable to managers for future reference
- Golf Operations will work with Customer Service and the Help Desk Team to learn more about the Personal Trainer Module designed for RecTrac and to see if the system would work with our golf instructional programs
  - If module can be used it would help book lessons, track lessons and monitor and direct revenues
  - Estimated timeline would be approximately six months

**Expected Completion Date:** July 2021

**Follow-Up Date:** November 2021

**4. Strengthen Managerial Oversight of Seasonal/Intermittent Timecards**

**Issue:** Paper timecards are submitted with errors, resulting in possible employee over payments.

Seasonal Intermittent employees utilize paper timecards to record time worked. The timecards are reviewed and approved by their supervisor. Per the table below the OIG selected a random sample of timecards for review<sup>12</sup>. Over 28% of the timecards reviewed had exceptions.

<b>Golf Course</b>	<b>Number of Timecards Reviewed</b>	<b>Number of Exceptions</b>	<b>Percentage of Exceptions</b>
Enterprise	78	19	24.4%
Henson	50	14	28.0%
Paint Branch	58	20	36.2%
<b>TOTALS</b>	<b>186</b>	<b>53</b>	<b>28.5%</b>

A summary of the exceptions at each golf course is presented below.

Enterprise

<b># of Exceptions</b>	<b>Exceptions</b>
1	Timecards were not available for review PPE 1/18/2020, (except for 2 maintenance employees). This may impact management's ability to reconcile timecards with the B2 report.
3	Timecards did not reconcile with hours reflected on the B2 Expense Report.
5	Work hours were not calculated correctly.
9	Employees did not punch in or out, punches were added manually.
<u>1</u>	Timecard was not approved by supervisor.
<b>19</b>	

Henson

<b># of Exceptions</b>	<b>Exceptions</b>
8	Timecards were illegible; OIG could not review the punches. This may also impact management's ability to reconcile timecards with the B2 report.
3	Employees did not punch in or out, punches were added manually.

<sup>12</sup> Testing covered the following pay periods: 1/5/20- 1/18/20, 5/24/20-6/6/20; 7/19/20-8/1/20

2	Timecard was not approved by employee.
1	Timecard was not approved by supervisor.
<b>14</b>	

Paint Branch

# of Exceptions	Exceptions
2	Work hours were not calculated correctly.
5	Timecard did not reconcile with hours reflected on the B2 Expense Report
11	Employees did not punch in or out, punches were added manually.
1	Timecards were illegible. OIG could not review the punches. This may also impact management's ability to reconcile timecards with the B2 report.
1	Timecard was not approved by supervisor.
<b>20</b>	

**Exhibit A** Contains additional details on the payroll exceptions.

**Criteria/Risk:** Failure to provide enhanced oversight of payroll timekeeping procedures may impede a department's ability to ensure accurate payments are made to employees. The environment may create opportunities for fraud, waste and abuse.

As reflected in **Exhibit A**, there are instances of possible employee overpayments resulting from timecard exceptions.

**Recommendation:** Management should strengthen oversight for seasonal/intermittent timekeeping procedures:

- Ensure all employees punch time clocks daily to avoid manually writing the data on the timecards, thereby discouraging potential fraud, waste and abuse.
- Ensure Golf Course Managers sign all timecards as evidence of supervisory review.
- Require that Golf Course Managers obtain B2 Payroll Expense Reports/Labor Distribution Reports after each pay period and review for critical errors and potential "phantom" employees.
- Ensure all employees sign their timecards, and the Golf Course Managers should document the reasons for all missing signatures.

In addition, management should carefully review Exhibit A of this report, which summarizes possible over/under payments. AAFD management should work with the Commission's Payroll Department for resolution.

Note: The Commission is upgrading its automated timekeeping application, Kronos, to accommodate seasonal intermittent employees paid on the B2 schedule. Many of the recommendations (e.g. daily recording of hours, employee and supervisor approval, etc.) must still be considered in the upgraded automated payroll application.

**Issue Risk:** Medium

**Management Response:** The AAFD Leadership Team and Golf Operations agree and confirm accurate findings through the 2020 Audit Process. As the OIG stated in the last paragraph under Recommendations that all three Golf Facilities have moved away from paper timecard usage and are now utilizing the Kronos automated time clock system. This new system will eliminate manual error and allow operations to conduct Payroll accurately. Through the new Kronos Seasonal Intermittent B2 Schedule, operations can confidently know schedule to actual variances and other issues that might need managerial payroll manipulation intervention.

- AAFD Leadership Team and golf operations are reinstating Bi weekly B2 Seasonal Lawson Payroll reports to be sent to managers
  - Managers will have the ability to review what has been posted in Lawson compared to what was submitted in Kronos
    - Golf operations along with Division leadership believe there will not be any variances as Kronos integrates with Lawson seamlessly and is fully automatic after bi-weekly manager approval
- B2 Seasonal Lawson Payroll reports are not able to be accessed on a manager level so managers will work with the Administrative team to provide access to this data
- Golf Operations will work with Payroll to correct any identified overpayments from time card errors

**Expected Completion Date:** June 2021

**Follow-Up Date:** November 2021

## **5. Strengthen Controls Over Assets**

**Issue:** Deficiencies were identified in the administration of controlled assets (e.g. assets valued under \$10,000) at all three golf courses.

All Golf Course Managers provided the OIG with a controlled asset inventory list. However, none of the listings contained signatures of individuals who conducted the inventory or dates when it was performed. The OIG was unable to determine if a physical inventory (i.e. verification of assets) occurred.

### **Enterprise**

- Enterprise purchased 83 electronic golf carts at a price of \$4,769.40 each in February 2018. The controlled asset listing did not include course golf carts. As such, management did not verify existence of the carts during their annual inventories (2018-present). (Note: OIG confirmed existence of the 83 carts.)
- In addition to the golf carts, the OIG identified 13 additional items<sup>13</sup> not included on the controlled asset inventory listing.
- One item (rotary mower) was included on Enterprise's Capital Asset listing, with a cost of \$7,405. It was not on the controlled asset listing. Capital assets are valued over \$10,000.

### **Paint Branch**

- The OIG identified 4 items<sup>14</sup> not included on the controlled asset inventory listing.

### **Henson**

- The OIG identified 1 item (microwave oven) not included on the controlled asset inventory listing.

The identified exceptions further support OIG's overall conclusion, Lack of Managerial Oversight.

**Criteria/Risk:** The Commission's Administrative Procedures No. 04-01, *Fixed Assets Procedure Manual*, refer to controlled assets as personal property items whose purchase price is less than the capitalization price of \$10,000 but due to their sensitive, portable, theft prone nature, they are important to control. The

---

<sup>13</sup> Ice machine, 3 refrigerators, tabletop oven, display cooler, beverage air prep refrigerator, 4 golf bags with incomplete sets of clubs, 2 empty golf bags

<sup>14</sup> 2 used golf bags w/clubs, Schwinn stationary bike, small refrigerator

Administrative Procedures require the development and maintenance of an inventory system for controlled assets at the local departmental level.

Failure to appropriately monitor and track controlled assets could lead to fraud, waste and abuse (i.e., theft, personal use, loss and unauthorized disposal of Commission assets).

**Recommendation:** The OIG recommends that two employees conduct the annual controlled asset inventory, provide their signatures and date performed as attestation the inventory was completed and retain the document.

In addition, management should strengthen controls to ensure all controlled assets are identified, tracked and monitored. Management may want to consider adding a step to the purchase card transaction approval process that requires flagging new controlled assets for inclusion on the controlled asset listing.

Items that are determined unusable should be disposed of properly in accordance with Administrative Procedures No. 04-01, *Fixed Asset Procedure Manual*.

**Issue Risk:** Medium

**Management Response:** AAFD Leadership Team and Golf Operations agree and confirm accurate findings through the 2020 Audit Process. Below is what golf operations will and continue to do to improve Controlled Assets.

- AAFD Leadership Team and Golf Operations will create a consistent Controlled Asset document that aligns all three golf courses regarding layout and needed asset information
- During the fiscal year-end Controlled Asset Inventory request, we will ensure two staff members complete the inventory together, print, sign, scan, and save documents for future requests
- The AAFD Director of Golf and Assistant Division Chief will review the Controlled Asset information during quarterly Observation Report meetings to ensure accuracy and utilization
  - Observation Reports are conducted Quarterly by the Director of Golf and Semi Annually by the Assistant Division Chief
- Golf operations have added a Controlled Asset area on the Purchase Card Request form as a tool to remind staff to add items to the departments Controlled Asset List
- AAFD Leadership Team and Golf Operations will create, approve, train, and implement an internal Standard Operating Procedures document that will align all Controlled Assets efforts.

**Expected Completion Date:** July 2021

**Follow-Up Date:** November 2021

**6. Ensure Timely Deposit of Cash Receipts**

**Issue:** OIG reviewed cash deposit timeliness for February 2020 (prior to shut down). Audit testing disclosed [REDACTED] allowed cash to exceed the [REDACTED] threshold, before making bank deposits. As noted below, all Enterprise deposits were 3-4 days delinquent.

<b>February 2020 Late Deposits</b>			
<b>Facility</b>	<b># Weeks Cash on hand exceeded \$1,000</b>	<b>Days Late</b>	<b>Bank Deposit Range</b>
Paint Branch	3	2,2,1	[REDACTED]
Enterprise	5	3,4,3,4,4	[REDACTED]
Henson	2	3,1	[REDACTED]

In addition, the golf courses do not have one set of uniform Cash Handling Procedures. Each golf course provided OIG with an individual document. The development and maintenance of standard operating procedures provides uniform guidance related to the receipt, counting, safeguarding, depositing and reporting of cash collected from the public. Formal procedures are also useful for training staff and enhancing compliance with Commission practices.

**Criteria/Risk:** Commission 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 per week, whichever comes first." Failure to deposit daily cash receipts timely increases the risk of misappropriation of Commission cash collected from the public.

Commission Practice No. 3-13, *Cash Receipts and Related Cash Transactions*, indicates that "Facility Managers are responsible for developing Cash Handling Procedure Manuals for the final approval of the Secretary-Treasurer for each facility receiving cash from the public."

Note: The golf courses ceased operations in mid-March 2020. Since their re-opening during the summer of 2020, the golf courses only accept credit cards for payment of merchandise and services.

**Recommendation:** Management recommends the following:

- Management should ensure cash receipts are deposited timely in compliance with Commission Administrative Procedures.

- Management should formally document a uniform set of approved Cash Handling Procedures and distribute them to staff with cash handling responsibilities in compliance with Commission Practices.

**Issue Risk:** Medium

**Management Response:** The AAFD Leadership Team and Golf Operations agree and confirm accurate findings through the 2020 Audit Process. Below is what golf operations will do and will continue to do to improve Cash Deposits.

- The AAFD Leadership Team is requesting the support of the OIG to request review and possible consideration of updates to the established [REDACTED] maximum policy with Secretary-Treasurer. It is not uncommon for golf properties and other high volume facilities to exceed the 1k cash deposit most in-season days. Having strong internal cash security controls and increasing the [REDACTED] cash deposit limit would eliminate frequent daily bank runs, and utilize on-site managerial presence wisely.
- AAFD Leadership Team, along with Golf Operations, will create, approve and implement one set of uniform Cash Handling Procedures that will align all golf courses
- The AAFD Department has created and developed new internal Controls for Cash Handling, this information will be discussed and expected for each golf property

**Expected Completion Date:** July 2021

**Follow-Up Date:** November 2021

**Additional Auditor Comment:** All OIG Audit Reports are provided to the Secretary-Treasurer. This Report should be considered by the Secretary-Treasury when assessing the Department's request for Commission Policy exception (increase threshold for cash deposits).

**7. Ensure Commission Vehicle Mileage Logs are Maintained and Accurate**

**Issue:** Mileage logs for all Commission vehicles reviewed were either not maintained or did not agree with the vehicle odometer reading.

Facility	# Vehicles with irregularities	Irregularities
Paint Branch	2	No mileage logs maintained
Enterprise	3	Mileage log not maintained for one (1) vehicles, mileage log did not match odometer for two (2) vehicles – 96 & 758 mile discrepancies.
Henson	2	Mileage log did not match odometer for two (2) vehicles – 804, & 2 mile discrepancies

**Criteria/Risk:** Commission Practice No. 6-10, *M-NCPPC Vehicle Use Program* requires the maintenance of vehicle logs for all pooled vehicles.

The completion of vehicle logs provides important information to AAFD management in case of vehicle accidents and/or infractions. The logs also provide management with a tool to assess vehicle usage, maintenance requirements, and possible replacement.

Vehicles with no mileage logs and/or vehicles with high discrepancies in recorded mileage (758 and 804 miles) maybe indicative of personal vehicle usage.

**Recommendations:** We recommend that AAFD's Management strengthen internal procedures for the administration of pooled vehicles. Management should ensure that vehicle logs are being completed, reviewed for accuracy, and maintained for all pooled vehicles.

**Issue Risk:** Medium

**Management Response:** The AAFD Leadership Team and Golf Operations agree and confirm accurate findings through the 2020 Audit Process. Below is what golf operations plan to do to improve the usage of Commission vehicle mileage logs.

- Ensure all careers staff members have adequate Defensive Driving Training and
- Ensure all staff members that drive Commission vehicles understand Commission Practice No. 6-10, M-NCPPC Vehicle Use Program.
- Concentrating on proper usage of vehicle logs

Aquatics & Athletic Facilities Division  
Golf Operations  
PGC-008-2021

- AAFD Leadership Team and Golf Managers will find proper locations for Vehicle Logs, so they are maintained and used properly
- Ensure each property has proper clipboards and approved vehicle log documentation to administer practice properly
- Add Vehicle Mileage Logs to quarterly Observation Reports to ensure compliance

AAFD recently distributed the Commission's vehicle use policy to the entire division on March 12, 2021. The policy was shared again with the AAFD Supervisors/Management Team during our staff meeting held on March 24, 2021.

**Expected Completion Date:** May 2021

**Follow-Up Date:** November 2021

**Exhibit A  
Time Card Exceptions**

**Employees hours did not reconcile with hours reflected on the B2 Expense Report**

<b>Employee</b>	<b>Facility</b>	<b>Hours on Timecard(s)</b>	<b>Hours on Report</b>	<b>Over/(Under) Payment Hours</b>
1	Enterprise	56.5	113	56.5
2	Enterprise	25.5	13	(12.5)
3	Enterprise	4.5	16.5	12
4	Paint Branch	27	Not on B2 Report	Cannot Determine
5	Paint Branch	23.5	34	10.5
6	Paint Branch	16.5	57.5	41
7	Paint Branch	6.5	21.0	14.5
8	Paint Branch	12 & 20	20	(12.0)

**Hours calculated incorrectly. Employees hours did not reconcile with hours reflected on the B2 Expense Report.**

<b>Employee</b>	<b>Facility</b>	<b>Over/(Under) Payment Hours</b>
1	Enterprise	1
2	Enterprise	1.5
3	Enterprise	(1)
4	Enterprise	(1.5)
5	Enterprise	1
6	Paint Branch	(1)
7	Paint Branch	(4)