

MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

CARES/FEMA Funding Audit

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**Maryland-National Capital Park and Planning Commission
CARES/FEMA Funding Audit**

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I. EXECUTIVE SUMMARY

A. Background

The Maryland-National Capital Park and Planning Commission (Commission) is a bi-county agency serving Montgomery County and Prince George's County in Maryland. The Commission provides quality parks, recreation facilities, programs and services for residents and visitors.

On March 5, 2020, the Governor of Maryland proclaimed a state of emergency and a catastrophic health emergency existed within the state of Maryland due to the outbreak of COVID-19.

As a result of the pandemic, the Commission incurred increased operational costs for expenses such as personal protection equipment (PPE), hardware and software to support employee telework, cleaning costs, signage, and the set-up of a COVID-19 testing site(s). In addition, the Commission implemented a layered/phased approach to protect and compensate their employees to include social distancing leave, social distancing pay, compensatory leave, scheduled rotations, paid time off, and differential pay.

CARES

In response to increased expenses incurred by partner agencies in their jurisdictions, Montgomery County and Prince George's County government developed an application process, for partner agencies to submit incurred expenses for reimbursement under the CARES Act¹. Partners (including the Commission) could submit supporting documentation for eligible expenses incurred between March 1, 2020 – November 15, 2020, for reimbursement (Montgomery Parks) and between March 1, 2020 – December 15, 2020 (Parks and Recreation). As a result, the Commission received \$2,038,476 in total CARES funding from the counties, (see table below). The Commission has executed Memoranda of Understanding (MOU) agreements with both counties, detailing the terms and conditions that govern expense reimbursement.

¹ The Coronavirus Aid, Relief and Economic Security (CARES) Act (2020) was passed by Congress on March 25, 2020 and signed into law on March 27, 2020. The Act implemented a variety of programs to address issues related to the onset of the COVID-19 Pandemic.

CARES FUNDING

	Montgomery County	Prince George's County	Central Administrative Services ²	Grand Total
Non-Personnel Costs				
Cleaning Supplies	\$8,954	\$0	\$0	\$8,954
Court Closures/Parkway Closures	\$253,155	\$0	\$0	\$253,155
Emergency/Deep Cleaning	\$13,371	\$0	\$	\$13,371
Equipment/Material for PPE	\$2,343	\$15,345	\$0	\$17,688
IT Equipment	\$178,426	\$200,352	\$164,370	\$543,148
PPE	\$13,664	\$0	\$0	\$13,664
Signage	\$14,647	\$0	\$0	\$14,647
Subtotal – Non-Personnel Costs	\$484,560	\$215,697	\$164,370	\$864,627
Personnel Costs				
Differential Pay	\$362,025	\$0	\$0	\$362,025
Unemployment Claims	\$106,224	\$705,600	\$0	\$811,824
Subtotal – Personnel Costs	\$468,249	\$705,600	\$0	\$1,173,849
GRAND TOTAL	\$952,809	\$921,297	\$164,370	\$2,038,476

FEMA

The Commission received \$1,515,125 in Federal Emergency Management Agency (FEMA)³ funding directly from the federal government. FEMA funding was used for expenses such as PPE, cleaning and supplies, and compensation (salary differential). Until December 31, 2020, expenses submitted to FEMA were 75% reimbursable but are now 100% reimbursable. The Commission does not have to

² Only IT expenses paid with CARES funds are reflected for CAS. Other CAS expenditures (non-personnel and personnel) are reflected in Montgomery County totals.

³ The Federal Emergency Management Agency (FEMA) Assistance Relief Act of 2020 was passed on November 17, 2020. Specifically, the bill provides for (1) a 100% federal cost share of assistance provided under the emergency declaration issued by the President on March 13, 2020, relating to COVID-19 and any subsequent major disaster declaration that supersedes it; and (2) at least a 90% federal cost share of assistance provided for any emergency or major disaster declared by the President from January 1-December 31, 2020.

submit a claim to FEMA for the remaining 25%, because reimbursement is automatic.

FEMA FUNDING

	Montgomery County	Prince George's County	Grand Total
Non-Personnel Costs			
Cleaning Supplies	\$83,139	\$45,708	\$128,847
Court Closures/Parkway Closures ⁴	\$34,130	\$0	\$34,130
Emergency/Deep Cleaning	\$24,556	\$592,518	\$617,074
Equipment/Material for PPE	\$42,083	\$88,351	\$130,434
IT Equipment	\$160	\$0	\$160
PPE	\$154,154	\$343,908	\$498,062
Signage	\$4,370	\$440	\$4,810
Subtotal – Non-Personnel Costs	\$342,592	\$1,070,925	\$1,413,517
Personnel Costs			
COVID Testing Sites ⁵	\$17,173	\$0	\$17,173
Differential Pay	\$18,639	\$8,617	\$27,256
Administrative Pay	\$17,932	\$17,513	\$35,445
Overtime ⁶	\$15,032	\$6,702	\$21,734
Subtotal – Personnel Costs	\$68,776	\$32,832	\$101,608
GRAND TOTAL	\$411,368	\$1,103,757	\$1,515,125

Please see **Exhibit A** for additional details on IT expenditures.

⁴ Montgomery County incurred Court Closures/Parkway Closures expenses. However, Prince George's County did not incur these related costs.

⁵ COVID Testing Site reimbursement for Prince George's County was covered under a separate MOU between the Department of Parks and Recreation and Prince George's County.

⁶ Montgomery County Parks received overtime reimbursement from FEMA for the following reasons: \$7,613 received for staff who provided security at the temporary morgue at the Ice Gardens; and \$7,419 received for staff who worked overtime after their regular shift, or who were called in to backfill for staffing gaps. Staffing gaps occurred because staff during that shift worked at the morgue or at the County's COVID Testing Site.

B. Objective, Scope and Methodology of the Audit

Objective

The primary purpose of the audit was to ensure the Commission followed all internal and external guidelines for the procurement of eligible expenses and the subsequent receipt of CARES and FEMA funds. The audit focused on the process used for preparing expense reimbursement documentation submitted to CARES and FEMA, to obtain reasonable assurance of compliance with the MOU and governmental requirements.

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 the MOUs entered into between the Commission and county governments;
- Reviewed procurement documentation (e.g. invoices, purchase orders, etc.) to assess compliance with applicable Commission practices and procedures;
- Interviewed Commission staff to obtain an understanding of policies and procedures used for processing expense reimbursements;
- Selected a judgmental sample of reimbursements for testing; and
- Reviewed expense reimbursement documentation for compliance with MOUs and applicable federal, state and local requirements.
- For IT expenditures, completed testing to ensure equipment was assigned an asset ID number and recorded in the Departments various IT inventory application(s).
- Confirmed issuance of IT rented equipment.

The audit covered the period from March 2020 – December 2020.

The Office of the Inspector General (OIG) is simultaneously completing an audit of COVID-19 Commission Leave and Compensation Programs (CW-004-2021) to ensure additional leave and compensation provided to Commission employees as

a result of the COVID-19 pandemic was awarded within the requirements set forth in Commission policies, resolutions, and collective bargaining agreements.

Methodology of the Audit

Inquiry, observation, data analysis, and tests of transactions were performed 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.

Major Audit Concerns

The results of our evaluation and testing procedures indicated no major audit concerns.

Overall Conclusions

The results of our evaluation and testing procedures indicated no major audit concerns in the design and operation of internal controls for the administration and processing of Commission CARES/FEMA funding expense reimbursement procedures.

We wish to express our appreciation to Prince George’s County Parks and Recreation and Montgomery County Parks management and staff for their cooperation and courtesies extended during the course of our review. We would also like to extend a special thank you to Ms. Steen and Ms. Ford, as their assistance was instrumental during this review.



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Audit Manager



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Inspector General

May 14, 2021

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

The OIG did not identify any significant irregularities during the course of the audit. The OIG reviewed a judgmental sample of 35 non-IT transactions for comprehensive testing. All transactions reviewed contained reasonable supporting documentation and were procured within Commission guidelines and MOU requirements.

The OIG also confirmed the procurement of laptops, monitors and other technology purchased with CARES funds were consistent with the Commission's program needs.

EXHIBIT A

Summary of IT Expenditures

As presented on page 2, the Commission received a total of \$543,308 in IT expenditures reimbursements. Most of the funding was received from CARES (\$543,147).

	Prince George's County	Montgomery County	Central Administrative Services	TOTAL
Laptops	\$ 187,402	\$ 140,844	\$ 71,570	\$ 399,816
Other hardware	\$ -	\$ 20,209	\$ 75,149	\$ 95,358
Software	\$ 12,950	\$ 17,372	\$ 17,651	\$ 47,974
TOTAL	\$ 200,352	\$ 178,426	\$ 164,370	\$ 543,147