

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

**Rollingcrest Chillum Community Center
Report Number: PG-004-2018**

December 8, 2017

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Rollingcrest Chillum Community Center
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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Rollingcrest Chillum Community Center (Center) is located 6120 Sargent Road Chillum, MD. The Center includes several amenities, including a fitness room, game room, gym, kitchen, and meeting rooms. The Center also offers Xtreme Teens, after-school and senior programs.

The Center is managed under the aegis of the Commission's Prince George's County Department of Parks and Recreation, Area Operations Division, Northern Area Operations.

B. Audit Scope, Objectives, and Methodology

The purpose of this audit was to evaluate the system of internal controls supporting operations at the Center. The scope of our audit included, but was not limited to the following audit procedures:

- Performed an unannounced count of the petty cash and change funds.
- Reviewed petty cash receipts and replenishments.
- Tested controls over daily receipts and bank deposits.
- Reviewed time cards and time keeping procedures. Interviewed supervisory employees to assess the effectiveness of managerial oversight of the employee time card process to ensure the hours worked were correctly reported.
- Verified existence of fixed and controlled assets to source documentation.
- Obtained and reviewed Commission vehicle mileage logs.
- Reviewed payments to contract vendors.
- Reviewed room rental contract data.
- Assessed Center receivables.

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 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 objectives.

The audit covered the period from July 1, 2016 through June 30, 2017.

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 at the Rollingcrest Chillum Community Center. On an overall basis, we consider the controls to be satisfactory.

We believe the findings identified and communicated are correctable and that management's responses to the recommendations satisfactorily address the concerns. It is the responsibility of management to weigh possible additional cost 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 Parks and Recreation Department's, Area Operation's management and staff for the cooperation and courtesies extended during the course of our review.



Natalie M. Beckwith, MPA, CICA
Assistant Inspector General



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

December 8, 2017

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 Administrative Oversight of Petty Cash Reimbursements

Issue: During the course of the audit, the OIG reviewed the appropriateness of 18 petty cash reimbursements for the period 7/1/16 through 4/27/17. In that review, the OIG identified two instances where the Petty Cash Custodian approved a petty cash request. It should be noted however, that both transactions were allowable expenses according to Commission guidelines and had proper support documentation.

Criteria/Risk: Per Commission Practice No. 3-11, *Administration of Cash Funds*:

“Petty cash fund custodians are not authorized to approve Received of Petty Cash forms.”

Failure to provide the necessary oversight and controls over the Center’s cash funds may increase the risk of potential fraud waste and abuse of cash funds.

Recommendation: We recommend that the Northern Area Management take steps to ensure that all cash custodians receive proper training regarding the contents of Commission Practice No. 3-11, specifically concerning petty cash reimbursement approvals.

Issue Risk: Medium

Management Response: Concur. Northern Area Management has taken steps to ensure the petty cash custodian does not approve the use of petty cash. A custodian must receive an email approval from his/her approving authority before using funds to make a purchase.

Expected Completion Date: Completed

Follow-Up Date: March 1, 2018

2. Strengthen Administrative Oversight of Petty Cash Replenishments

Issue: The Rollingcrest/Chillum Playhouse maintains an onsite petty cash fund of [REDACTED]. During the course of the audit, the OIG reviewed the timeliness of nine petty cash fund reimbursement requests to the Department of Finance for the time period 8/12/16 through 7/14/17. During that review period, we identified six instances where the reimbursement request amount was more than [REDACTED] or 50% of the total petty cash fund.

Criteria/Risk: Per Commission Practice No. 3-11, *Administration of Cash Funds*:

- Replenish the fund at appropriate intervals for efficient administration.
 - The OIG recommends that petty cash funds be replenished once cash on hand has been depleted by 50%.

Compliance with this practice ensures that petty cash funds will be available when needed, and helps support efficient facility operations.

Recommendation: We recommend the Center's Cash Custodian forward all petty cash fund reimbursement requests to the Department of Finance for processing prior to the depletion of 50% of the fund. Also, due to the frequency of the petty cash replenishment requests, we further recommend that Northern Area Management increase the fund level to more appropriately accommodate the Center's daily operational needs.

Issue Risk: Low

Management Response: Concur. 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 fund. A tracking sheet will be created to monitor a running tally of petty cash used. Additionally, the Facility Director will submit a request to increase the fund by [REDACTED] totaling [REDACTED].

Expected Completion Date: January 1, 2018

Follow-Up Date: March 1, 2018