



**Mecklenburg County  
Department of Internal Audit**

Park and Recreation Department  
Grady Cole Center Investigation Follow-Up Audit  
Report 1579

April 4, 2016

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**Internal Audit's  
Mission**

To support key stakeholders in cultivating an environment of accountability, transparency and good governance.

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**Internal Audit Contacts**

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**Staff  
Acknowledgements**

Crystal Turner, CIA, CDFM, Auditor-In-Charge

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**Obtaining Copies of  
Internal Audit Reports**

This report can be found in electronic format at  
<http://charmeck.org/mecklenburg/county/audit/reports/pages/default.aspx>



**MECKLENBURG COUNTY**  
**Department of Internal Audit**

**To:** Dena Diorio, County Manager

**From:** Joanne Prakapas, Director, Department of Internal Audit

**Date:** April 4, 2016

**Subject:** Park and Recreation Department Grady Cole Center Investigation Follow-Up Audit  
Report 1579

The Department of Internal Audit completed a follow-up audit on reported issues from the Grady Cole Center Investigation Report Audit 1402 issued July 9, 2014. The objective of the follow-up audit was to determine with reasonable but not absolute assurance whether management took effective corrective action on the issues presented in the audit report.

Internal Audit staff interviewed key personnel, observed operations, reviewed written policies and procedures and other documents, and tested specific transactions where applicable. Internal Audit conducted this audit in conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.

**FOLLOW-UP SUMMARY**

There were thirteen recommendations in the Grady Cole Center Investigation Audit Report 1402. The following table summarizes the results of the follow-up audits performed to date.

<b>Recommendation Summary</b>					
<b>Fiscal Year</b>	<b>Audit Report</b>	<b>Implemented</b>	<b>Open</b>	<b>Not Implemented</b>	<b>Withdrawn</b>
2015	1579	12	1		

Details regarding the most recent follow-up audit are noted in the attached **Follow-Up Results** matrix. Recommendations considered implemented will be excluded from further review. For those that remain open, Internal Audit will conduct a follow-up audit at a later date to verify they are fully implemented and working as intended.

The cooperation and assistance of the Park and Recreation Department staff are recognized and appreciated.

- c: Deputy County Manager/Chief of Staff
- Assistant County Managers
- Deputy County Attorney
- Senior County Attorney
- Board of County Commissioners
- Audit Review Committee
- Director, Department of Park and Recreation

**Follow-Up Results**  
**Park and Recreation Department Grady Cole Investigation Audit Report 1402**

- **Implemented** – Audit issue has been adequately addressed by implementing the original or alternative corrective action plan (**I**)
- **Open** – Corrective action for audit issue initiated but not completed (**P**); Implemented but not operating as intended (**IO**); Not been addressed but management fully intends to address issue (**O**)
- **Not Implemented** – Audit issue not addressed and management has assumed the risk of not taking corrective action (**NI**)
- **Withdrawn** – Audit issue no longer exist due to operational changes (**W**)

Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Implementation Status	
				Current Status	Comments
1.1	Internal Audit recommends management ensure promoter event contracts are created prior to the event dates.	Park and Recreation Management agrees with the above recommendations related to authorization of contracts, using the Board of County Commissioner's approved rates and providing the appropriate approval for all waived or reduced facility rental rates. Management implemented the above recommendations on January 11, 2014.	01/2014	I	
	Promoter event contracts are authorized for all events by all parties prior to the event dates.			IO	Internal Audit determined some contracts were not authorized prior to the event dates.
1.2	Internal Audit recommends management annually verify the Board of County Commissioner's approved rates are updated in the Department's accounting system and facility rental rates offered to promoters are consistent with the approved rates.			I (2)	
1.3	Internal Audit recommends management ensure waived or reduced facility rental rates given to organizations, such as non-profit organizations and public schools, be approved at the appropriate level of management and supporting documentation is properly maintained.	I (2)			
2.1	Internal Audit recommends management ensure all promoter event contracts contain the minimum insurance guidelines established by the Park and Recreation Department	On December 11, 2013 Management reinforced County guidelines to ensure all event contracts contain the minimum insurance requirements as outline by County Policy.	12/2013	I (2)	

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				Implementation Status	
Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
	and the promoter has obtained and provided the Department evidence of such coverage prior to event start date.				
2.2	Internal Audit recommends management re-emphasize to staff the importance of following the County's Code of Ethics, both in action and in appearance, in the discharge of their duties as County employees.	Regular meetings are held with the Grady Cole staff to review all related policy and procedures. On September 17, 2014, the management team will conduct a meeting with all employees to discuss the County's Code of Ethics.	09/2014	I	
3.1	Internal Audit recommends management re-evaluate its event services vendor relationship and establish an arrangement and contract, if desirable, that best meets the needs of the Grady Cole Center and the County.	By July 1, 2014, the management team will submit a revised contract for the event services vendor to the Executive Management Team for review and approval. The new contract will outline the agreed upon revenue percentages, clearly define the responsibilities for the vendor as well as Park and Recreation.	07/2014	I	
3.2	Internal Audit recommends management ensure all Grady Cole Center staff follows the Department's standards and guidelines and event services vendor contract, where applicable, for collecting promoter rental fees prior to an event and collecting County revenue from the vendor after an event.	Since January 11, 2014, the facility staff began entering all rental fees into the county's current CLASS Accounting System. Rental fees are collected prior to the event. A \$500.00 deposit is required to reserve the facility and the final balance is collected prior to the event. The revenue from the event services contractor is collected after each event. The department has also been working with the event service vendor to ensure a	01/2014	I	

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				Implementation Status	
Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
		seamless process to remit all revenue that is due to the County for each event. In addition, the \$43,000 in arrears has been collected from the service provider.			
4.1	Internal Audit recommends management ensure staff properly and timely records contract revenue in Class when earned.	As of January 11, 2014 revenues have been timely posted to Advantage and reconciled in our CLASS System. On July 1, 2014 the accounting team will began reviewing the settlement worksheets and documentation to ensure the appropriate revenue was collected and recorded for each event in a timely manner.	07/2014	I	
5.1	Internal Audit recommends management ensure Grady Cole Center staff receives and reviews all the appropriate supporting documentation and reconcile against revenues received.	As of January 11, 2014 the department began the collection and retention of all supporting documentation for each event. On July 1, 2014 upon the installment of Active Net, the accounting team will begin a full reconciliation of the supporting documentation, the funds deposited and the terms of the contract. Regular meetings between the accounting team and the Grady Cole staff will be scheduled to review/discuss results of the reconciliations.	07/2014	I	