



**Mecklenburg County  
Department of Internal Audit**

Park and Recreation Department  
Class System Investigation Follow-Up Audit  
Report 1808

October 5, 2018

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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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**Staff Acknowledgements** Crystal Turner, CIA, CDFM, CFE, Auditor-in-Charge  
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**MECKLENBURG COUNTY**  
**Department of Internal Audit**

**To:** Dena Diorio, County Manager

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

**Date:** October 5, 2018

**Subject:** Park and Recreation Department Class System Investigation Follow-Up Audit Report 1808

The Department of Internal Audit completed a follow-up audit on reported issues from the Park and Recreation Department Class System Investigation Report 1301 issued March 25, 2013. The follow-up audit objective 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, 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 three recommendations in the Park and Recreation Department Class System Investigation Report 1301. The following table provides the original number of recommendations and summarizes the follow-up audit results performed to date.

<b>Fiscal Year</b>	<b>Audit Report</b>	<b>Implemented</b>	<b>Open</b>	<b>Not Implemented<sup>1</sup></b>	<b>Withdrawn</b>	<b>Total Carryforward</b>
2013	1301 <sup>2</sup>	N/A				3
2014	1472		3			3
2015	1571		3			3
2018	1808		3			3

<sup>1</sup> Management assuming risk for not taking corrective action

<sup>2</sup> Initial report

The attached **Follow-Up Results** matrix provides details for the most recent follow-up audit. Internal Audit will review any carryforward issues later to verify recommendations 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, Park and Recreation Department

**Follow-Up Results**  
**Park and Recreation Department Class System Investigation Audit Report 1301**

- **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**)

				Implementation Status	
Issue No.	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
1	Internal Audit recommends the Department ensure all fee table data is accurate and complete and complies with board-approved pricing. Web site pricing information should be updated if necessary.	Agree. Ensuring all board-approved pricing for facility and extra fees are matched appropriately with the corresponding location, based on residency, day of week, length of rental and event type has begun. The most frequently rented facilities have been checked and updated. As a result, fee revisions for the indoor aquatic facilities will be submitted in the BOCC5 Fees and Charges approval process. Anticipated completion date for the remaining fees double checked and corrected where needed is June 1, 2013.	06/2013	IO (2)	Internal Audit determined some fees entered in ActiveNet Fee did not agree with fees approved by the Board of County Commissioners and department website.
2	Internal Audit recommends the Department continue to work with the vendor to initiate immediate corrective action for the identified deficiencies noted in the risk observation. Internal Audit can run a variance test against the data once corrections are made to ensure the system changes are working as expected.	Agree. Although the vendor and software is limited in ability to implement all recommendations above. Additionally, some actions, such as the ability of some staff to be able to enter "zero" fees is necessary for operations. The ability to change or override anything in Class is based on security permissions. Permissions assigned to each employee are being reviewed by management to ensure proper assignment of elevated rights and review of when they are used. Fewer staff now has override capability. All staff with permission to "zero" fees has been directed to include in the notes section of Class who approved the zero rate, the date and reason for reduced rate.	07/2014	IO	Internal Audit determined the department worked with the vendor to correct most of the deficiencies noted in the risk observation. However, some fee waivers were not approved in accordance with the department's internal policy.

**Follow-Up Results**  
**Park and Recreation Department Class System Investigation Audit Report 1301**

- **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**)

				Implementation Status	
Issue No.	Recommendation	Management’s Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
		This will provide a record of approved reduced fees. Rental reservations fundamentally involve the steps of booking a client to a location and collecting the payment due (to make it “firm”). As this is in the core design of Class, continual review and improvement of Park and Recreation business processes need to be implemented in order to manage and monitor unusual behavior in the use of tentative bookings. It should be noted that the department will be migrating to a new facility and program booking software called ActiveNet, as Class will no longer be supported in the future. Implementation of ActiveNet is anticipated to be summer 2014.			