



**Mecklenburg County
Department of Internal Audit**

Park and Recreation Department
Cash Collections Follow-Up Audit
Report 1811

October 5, 2018

Internal Audit's Mission To support key stakeholders in cultivating an environment of accountability, transparency and good governance.

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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 Cash Collections Follow-Up Audit Report 1811

The Department of Internal Audit completed a follow-up audit on reported issues from the Park and Recreation Department Cash Collections Audit Report 1369 issued July 9, 2014. 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 twenty recommendations in the Park and Recreation Department Cash Collections Audit Report 1369. The following table provides the original number of recommendations and summarizes the follow-up audit results performed to date.

Fiscal Year	Audit Report	Implemented	Open	Not Implemented¹	Withdrawn	Total Carryforward
2015	1369 ²	N/A				20
2015	1576	13	7			7
2018	1811	3	4			4

¹ Management assuming risk for not taking corrective action

² 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 Cash Collections Audit Report 1369

- **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	
Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
2.1	Internal Audit recommends management ensure the issuance of pre-numbered receipt books are adequately documented and used and unissued inventory is periodically reconciled.	Starting July 1, 2014, the accounting team will reconcile the inventory on an annual basis. This file is now maintained electronically; all Park accounting employees are able to access the log.	07/2014	IO	Internal Audit determined used and unissued inventory is not periodically reconciled on an annual basis.
2.2	Internal Audit recommends management ensure the initial receipt of mailed payments and subsequent transfers are adequately documented. Documentation should evidence, as applicable, the date of receipt or transfer, the remitter, the amount received, and staff involved in the receipt and/or transfer of funds.	As of August 30, 2013, the Administrative Office Building began documenting all checks received and subsequently transferred on the department's SharePoint Site Check Log. This process will be implemented for all locations by July 1, 2014.	07/2014	I	
				IO	Internal Audit determined only the initial receipt of mailed payments was documented.
3.1	Internal Audit recommends management segregate the responsibilities of receiving, recording, and depositing cash to ensure no one person has the responsibility to conduct two or more phases of the cash receipt process. If adequate segregation of duties cannot be achieved, management should implement appropriate compensating controls.	As of June 24, 2013, management implemented procedures at the AOB location to allow for segregation of duties for all phases of the cash handling process including, collections of cash/checks, recording, depositing of funds, approval of transactions within our Advantage System. As of December 1, 2013, Martin Luther King School Site no longer accepts payments at their site; all payments are received at the Sugar Creek location. On June 19, 2014 a new administrative assistant position will be established at Park Road Park to assist with providing	06/2014	I	

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		segregation of duties for cash transactions. As of July 1, 2013 Ivory Baker has implemented segregation of duties for all cash receipts.			
4.1	Internal Audit recommends management ensure staff members verify customer payments against contract or facility reservation terms.	The new Contract Compliance Analyst will review all contracts to ensure the payments received are accurate as outlined by contracts or facility reservation terms. This staff will begin her role as of July 1, 2014 and assigned activities will be subject to supervisory review.	07/2014	IO	Internal Audit determined customer payments were not agreed to the contract or facility reservation terms.
4.2	Internal Audit recommends management ensure the Class system fee table, department forms, and other notices provided to the public agree with those fees approved by the Board of County Commissioners.	On July 1, 2014, the new ActiveNet system will reflect the current BOCC1 approved fees. During the initial set up and implementation all fees and charges have been reviewed and updated to reflect the current approved fee schedule. All related forms and other notices will be updated as of July 1, 2014.	07/2014	IO	Internal Audit determined some of the fees entered in ActiveNet Fee did not agree with the fees approved by the Board of County Commissioners.
6.2	Internal Audit recommends management implement procedures to ensure fees for extended services are properly reviewed, approved, and documented.	The extended service fees are related to additional services. The process requires the staff to complete a program cost and fee determinant form. On May 28, 2014 management implemented new procedures for the extended services programs to ensure the form is completed.	05/2014	I	