



**Mecklenburg County  
Department of Internal Audit**

Park and Recreation Department  
Contract Management Investigation Follow-Up Audit  
Report 1813

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  
Samita Shrestha, ACCA, Internal Auditor

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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 Contract Management Investigation Follow-Up Audit Report 1813

The Department of Internal Audit completed a follow-up audit on reported issues from the Park and Recreation Department Contract Management Investigation Report 1401 issued September 22, 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 seven recommendations in the Park and Recreation Department Contract Management Investigation Report 1401. 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Withdrawn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>
2015	1401 <sup>2</sup>	N/A				7
2015	1578	5	2			2
2018	1813	1	1			1

<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 Contract Management Investigation Audit Report 1401**

- **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
3.1	Internal Audit recommends management ensure contract payments are appropriately reconciled against supporting documentation.	As of April 1, 2014, Park staff provides monthly invoices to each instructor, which include the number of documented participants, the total amount due per class and the date the payment is due. The backup documentation (class roster) is signed by the instructor and a Park Staff, confirming the number of participants in each class. The invoice and supporting documentation are emailed to each instructor and the PRK-Accounting mailbox. The invoice, supporting documentation and payment received are reconciled monthly by Park Accounting Staff.	04/2014	IO	Internal Audit determined the reconciliation of contract payments to supporting documentation did not consistently occur as designed.
4.1	Internal Audit recommends management ensure all contracts are properly approved and signed and documentation is maintained to evidence those approvals.	As of October 1, 2013, all contracts are signed by the Department Director or his designee. Additionally, all Division Directors are required to sign each contract before it is submitted to the Contract Compliance Analyst for review and preparation for the Department Director signature. All contractual agreements require the approval and final signatures of the County Manager or his/her designee with the exception of Annual Field and Maintenance Agreements. The County Manager has given written signing authority to the Department Director for the Annual Field and Maintenance Agreements.	10/2013	I	