



**Mecklenburg County  
Department of Internal Audit**

Park and Recreation Department  
Cash Collections Follow-Up Audit  
Report 1927

October 18, 2019

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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, CFE, Auditor-in-Charge

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**Obtaining Copies of  
Internal Audit Reports**

This report can be found in electronic format at  
<https://www.mecknc.gov/audit/reports/pages/default.aspx?>



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

**To:** Dena Diorio, County Manager  
County Manager's Office

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

**Date:** October 18, 2019

**Subject:** Park and Recreation Department Cash Collections Follow-Up Audit Report 1927

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.

<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Withdrawn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	1369 <sup>2</sup>	N/A				20
2015	1576	13	7			7
2018	1811	3	4			4
2019	1927	1	2	1		2

<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 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	I	
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	NI	Management has assumed the risk of not documenting the subsequent transfer (accountability) of mailed payments.
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 verification of customer payments against contract or facility reservation terms did not occur as designed. Management indicated the department is providing additional training to all staff, and a new contract position dedicated to contract management has been filled.
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 Active Net system will reflect the current BOCC 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	07/2014	IO	Internal Audit determined some of the fees entered in Active Net Fee did not agree with the fees approved by the Board of County Commissioners and department website. Management indicated data entry discrepancies were an oversight on some fee entries, and corrections to the system, forms, and other notices have been made.

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				Implementation Status	
Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
		other notices will be updated as of July 1, 2014.			