



**Mecklenburg County
Department of Internal Audit**

Park and Recreation Department
Closeout Follow-Up Audit
Report 1930

October 18, 2019

Internal Audit's Mission

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

Internal Audit Contacts

Joanne Prakapas, CPA/CFF, CIA, CRMA, CFE, Audit Director
(980) 314-2889 or joanne.prakapas@mecklenburgcountync.gov

Christopher Waddell, CIA, CRMA, Audit Manager
(980) 314-2888 or christopher.waddell@mecklenburgcountync.gov

Staff Acknowledgements

Crystal Turner, CIA, CDFM, CFE, Auditor-in-Charge

**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 Closeout Follow-Up Audit Report 1930

The Department of Internal Audit completed a follow-up audit on reported issues from the Park and Recreation Closeout Audit Report 1822 issued August 30, 2018. 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 twelve recommendations in the Park and Recreation Closeout Audit Report 1822. 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Fiscal Year	Audit Report	Implemented	Open	Not Implemented¹	Withdrawn	Total Carryforward
2018	1822 ²	N/A				12
2019	1930	4	8			8

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 Close Audit Report 1822

- **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
1.1	Internal Audit recommends management ensure locations schedule armored car service in advance of required deposit dates.	N/A	N/A	I	
2.1	Internal Audit recommends management reemphasize to staff the County's account payable requirements and retain appropriate supporting documentation.	N/A	N/A	I (2)	
2.2	Internal Audit recommends management segregate responsibilities for purchase authorization, receipt of goods, and payment authorization. If adequate segregation of duties cannot be achieved, management should implement appropriate compensating controls.	N/A	N/A	I	
3.1	Internal Audit recommends the Department implement inventory management procedures that ensure capital asset acquisitions, dispositions, and changes of custody are completely and accurately recorded in the inventory records and supporting documentation is properly maintained.	N/A	N/A	O (2)	Management indicated the department is currently working with ITS to identify an inventory management solution. Additionally, management recognized a full-time staff is needed to support inventory management and will request a position during the FY 2021 budget cycle.
3.2	Internal Audit recommends management segregate the	N/A	N/A	O	Management indicated the department is currently working with ITS to identify an inventory management

Follow-Up Results
Park and Recreation Department Close Audit Report 1822

- **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
	responsibilities of reconciling the physical inventory, proposing adjustments, and approving disposals. If adequate segregation of duties cannot be achieved, management should implement appropriate compensating controls.				solution. Additionally, management recognized a full-time staff is needed to support inventory management and will request a position during the FY 2021 budget cycle.
4.1	Internal Audit recommends the Department implement inventory management procedures that accurately and completely document non-capital asset acquisitions, dispositions, and custody changes. Management should approve the final inventory list and supporting documentation should be retained. Further, the physical inventory list should be periodically reviewed, reconciled to current inventory records, updating as necessary with evidence of timely resolution for any discrepancies. All inventory counts should be performed by an independent party with no custodial responsibilities.	N/A	N/A	O (5)	Management indicated the department is currently working with ITS to identify an inventory management solution. Additionally, management recognized a full-time staff is needed to support inventory management and will request a position during the FY 2021 budget cycle.