



**Mecklenburg County
Department of Internal Audit**

Department of Park and Recreation
Class System Investigation Follow-Up Audit
Report 1472

March 21, 2014

**Internal Audit's
Mission**

Through open communication, professionalism, expertise and trust, Internal Audit assists executive management and the Audit Review Committee in accomplishing the Board's objectives by bringing a systematic and disciplined approach to evaluate the effectiveness of the County's risk management, control and governance processes in the delivery of services.

Internal Audit Contacts

Joanne Whitmore, CPA, CIA, CFE, CFF, CRMA, Audit Director
(704) 336-2575 or joanne.whitmore@mecklenburgcountync.gov

Christopher Waddell, CIA, CRMA, Audit Manager
(704) 336-2599 or christopher.waddell@mecklenburgcountync.gov

**Staff
Acknowledgements**

Crystal Turner, CDFM, Auditor-In-Charge

**Obtaining Copies of
Internal Audit Reports**

This report can be found in electronic format at
<http://charmeck.org/mecklenburg/county/audit/reports/pages/default.aspx>



MECKLENBURG COUNTY
Department of Internal Audit

To: Dena Diorio, County Manager

From: Joanne Whitmore, Director, Department of Internal Audit

Date: March 21, 2014

Subject: Park and Recreation Department Class System Investigation Follow-Up Audit Report 1472

The Department of Internal Audit has completed follow-up procedures on reported issues from the Park and Recreation Department Class System Investigation Report 1301 issued March 25, 2013. The objective of the follow-up review was to determine with reasonable but not absolute assurance whether management took effective and timely action on the issues presented in the audit report.

Internal Audit interviewed key personnel, observed operations, reviewed written policies and procedures and other documents, and tested specific transaction activity 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.

RESULTS

As noted in the following **Follow-Up Results** section, there were three recommendations in the Park and Recreation Department Class System Investigation Report 1301. Internal Audit determined the three recommendations were partially implemented.

Management indicates the recommendations are partially implemented due to the ongoing upgrade of the Class system to a new system called Active Net and their intention is to fully implement the recommendations by July 2014, and you have accepted this date.

Internal Audit will conduct a follow-up review at a later date to verify the partially implemented recommendations are fully implemented and working as expected.

The cooperation and assistance of the Park and Recreation Department staff are recognized and appreciated.

- c: Deputy County Manager
- 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 Report 1301

- **Fully Implemented** – The audit issue has been adequately addressed by implementing the original or alternative corrective action (X).
- **Open/Partially Implemented** – The corrective action has been initiated but is not complete (P) or the audit issue has not been addressed but management fully intends to address the issue (O).
- **Not Implemented** – The audit issue has not been addressed and management has assumed the risk of not taking corrective action (NI).
- **Withdrawn** – The audit issue no longer exist because of changes in the auditee’s operation (W).

Issue	Risk Observation	Recommendation	Corrective Action Taken			
			Fully Implemented	Open/Partially Implemented	Not Implemented	Withdrawn
1	The Class recreation system fee table, used by staff to determine facility rental and other charges, does not always accurately reflect those fees approved by the Board. Nor are administration fees always included in the Class fee table.	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.		P (2)		
2	The Park and Recreation Class system may result in inaccurate fee calculations or staff override of correct fees, providing opportunities for errors or fraud. <ul style="list-style-type: none"> • The system does not automatically calculate the correct rental and other fees • The system does not prevent staff from processing a rental booking or other fees with a reduced or zero fees • The system does not prevent staff from making and processing tentative rental reservations without Class system notes and/or management approval • The system does not require a tentative booking to be confirmed and a payment received and entered into the system to complete processing. 	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.		P		