



**Mecklenburg County
Department of Internal Audit**

Park and Recreation Department
Sugaw Creek Recreation Center
Cash Collection Investigation Follow-Up Audit
Report 1466

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**

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**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 Sugaw Creek Recreation Center Cash Collection
Investigation Follow-Up Audit Report 1466

The Department of Internal Audit has completed follow-up procedures on reported issues from the Park and Recreation Department Sugaw Creek Recreation Center Cash Collection Investigation Report 1288 issued August 24, 2012. 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 eleven recommendations in the Park and Recreation Department Sugaw Creek Recreation Center Cash Collections Investigation Report 1288. Internal Audit determined three recommendations were fully implemented and eight 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 Sugaw Creek Recreation Center Cash Collections Investigation Report 1288

- **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
	to ensure they are appropriate, revenues could be lost and could provide an opportunity for theft.					
3	The Class system permits users to select booking fee options that do not comply with Park and Recreation policies. The system also allows users to override or select reduced fee options without proper management authorization. Inadequate system input controls may result in staff erroneously applying fees and provides opportunity for potential fraudulent acts.	Internal Audit recommends the Department work with the Class vendor to provide system data edit checks to ensure correct program and facility rental fees are calculated and to prevent unauthorized fee changes. Management should also test the system after vendor changes are made to ensure they are working as expected prior to putting the changes into production. Further, we recommend management conduct periodic reviews to ensure all fee overrides are authorized and system notes are provided to support the changes.		P (3)		
4	The Department does not periodically conduct Class system access rights reviews to ensure staff rights are appropriate based on job roles and responsibilities. In 2010, a facility manager was out on extended leave and two staff members were granted temporary override access to provide the facility manager’s role. This capability allowed staff to register participants into programs after the registration deadline and to override	Internal Audit recommends the Department require management to conduct periodic Class system access rights reviews and modify access as necessary. We also recommend management re-emphasize with staff the County Information Security Policy addressing system access control and requirements to use only their own log-in identifications and passwords.		P (2)		

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Issue	Risk Observation	Recommendation	Corrective Action Taken			
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	<p>fees. Staff was also given the manger’s log-in name and password.</p> <ul style="list-style-type: none"> • Because management did not conduct periodic reviews of Class system access rights, the manager’s temporary override access was not removed until Internal Audit brought it to the Department’s attention. Inappropriate access could result in loss of revenue, invalid fee waivers and undetected errors and omissions. • Unauthorized use of the facility manger’s Class log-in name and password occurred 21 times between October 21, 2010 and February 21, 2011. Unauthorized log-ins is against the intent of the County information security policy that establishes unique login identifications for each employee or other authorized individual to hold him or her accountable for all activity performed under that identifier. 					