



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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Date: April 21, 2020

Subject: Follow-up Review for the Treasury-Cash Management  
Audit Report, CW-010-2019

We have completed the follow-up review for the Treasury-Cash Management Audit Report, No. CW-010-2019, dated January 25, 2019. The following is the result of the review:

Rec. #	Issue/ Recommendation	Issue/ Risk	Expected Completion Date	Revised Completion Date	Status
1	Investigate and Correct Bank Reconciliation Differences	High	January 2019	August 2020	Partially Resolved
2	Strengthen Security Over the Cash Liquidity Spreadsheet	Medium	January 2019	N/A	Resolved

Management provided sufficient additional information and clarification for us to conclude one of the two audit recommendations reviewed has been satisfactorily addressed and implemented. One is partially resolved because some degree of progress has been made but is not yet complete.

The following details the status of the partially resolved recommendation:

**Recommendation #1: Investigate and Correct Bank Reconciliation Differences**

**Background and Discussion:** For the monthly bank statement reconciliation process, Treasury compares and reconciles dollar amounts recorded on the Bank of America bank statements for three accounts (Payroll, Disbursement, and Concentration) with entries recorded in the Infor/Lawson general ledger. Bank statement reconciliations enable Treasury to identify any reconciliation differences between the two sets of records, which should be investigated, resolved and corrected timely.

OIG reviewed bank statement reconciliation differences for all three accounts, as of September 30, 2018. The review disclosed that several differences remain unresolved for the Payroll account, dating from 2016 through 2018. However, the Disbursement and Concentration accounts did not have any unresolved differences.

The original audit report included the following recommendation: Management should develop a strategy for resolving all current outstanding bank reconciliation differences, including the possibility of potentially writing off differences, based on cost and effect analysis.

During the follow-up review, the Office of the Inspector General (OIG) reviewed the Payroll account bank reconciliation dated as of February 29, 2020, the most current completed reconciliation. The review disclosed that all 17 outstanding reconciliation items “Cancelled on the Bank Side, but Not Recorded in the General Ledger” side totaling \$5,980.21 have been cleared. The review also disclosed that 18 of 25 (72.0%) outstanding reconciliation items “Recorded in the General Ledger, but not Recorded on the Bank Side” totaling \$8,378.17 have been cleared. Therefore, management actions for the audit issue are partially resolved, because of the remaining seven (7) outstanding reconciliation items totaling \$5,688.18 (28.0 %) that have not been cleared.

**Current Status:** Partially Resolved

**Management Response:** The Secretary-Treasurer authorized the write off of all outstanding reconciliation items incurred prior to fiscal year 2019. However, Treasury management made the decision to allow the seven (7) outstanding reconciliation items to remain, in order to allow time for the department to research and resolve the origin of these transactions. The bank reconciliation Accountant has been working closely with Payroll to determine the reasons for the remaining reconciliation differences. Treasury plans to resolve the items by August 1, 2020, for the fiscal year-end as of June 30, 2020 bank statement reconciliation.

**Revised Expected Completion Date:** August 2020

**Follow up Date:** September 2020

Treasury Cash Management Audit  
CW-010-2019 Follow-Up

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