



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

PARKS, RECREATION AND CONSERVATION DEPARTMENT'S

ATHLETIC SERVICES

REPORT # 233

MARCH 1, 2012

March 1, 2012

The Honorable Ken Hagan, Chairman
The Honorable Kevin Beckner
The Honorable Victor Crist
The Honorable Al Higginbotham
The Honorable Lesley "Les" Miller
The Honorable Sandra Murman
The Honorable Mark Sharpe

Dear Chairman Hagan and Commissioners:

We have performed an audit of the Parks, Recreation and Conservation Department's Athletic Services, Audit Report #233, dated March 1, 2012. Responses to our recommendations were received from the Director of Parks, Recreation and Conservation Department and have been included in the report after each finding and recommendation.

We appreciate the cooperation and professional courtesies extended to our auditors by the Director and personnel of Parks, Recreation and Conservation Department during this audit.

Sincerely,

Daniel A. Pohto, CPA, CIA
Director, County Audit

cc: Mike Merrill, County Administrator
Sharon Subadan, Deputy County Administrator
Mark Thornton, Director, Parks, Recreation and Conservation Department
Debbie Benavidez, Director, Fiscal and Support Services Department
Bruce Dangremond, Manager, Performance Mgmt, Business and Support Services

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EXECUTIVE SUMMARY

BACKGROUND INFORMATION:

Parks, Recreation and Conservation Department (PRCD) provides for the public, a standard of excellence in service, facilities, programs, and preservation of resources while working in concert with residents and the County's leadership. PRCD's Athletics Services provides a yearlong adult slow pitch softball program for more than 270 teams, including an over 60 "senior" league. Athletic Services has contracted with the Florida Sports Leagues of Tampa (FSLOT) to provide officiating for the adult leagues.

Athletic Services also oversees the youth sports leagues in the County that are independently organized and separate of the PRCD. These leagues operate as non-profit associations on County property. Each league has signed a *Park License and Management Agreement for Athletic Sports Organizations* with the County. Athletic Services is tasked with monitoring compliance to these agreements. PRCD provides assistance, maintenance, equipment, and education to the leagues, their boards, coaches, parents, and players. Each league has its own set of by-laws and policies to govern its program (under County guidance) and they set their own fees for registration. Each league is responsible for conducting criminal background checks on their volunteers and certifying (or re-certifying) youth sports coaches and volunteers. The County offers a *Coaching Youth Sports Training Program (CYSTP)* to all leagues. Since the inception of this program, more than 14,000 coaches have been certified.

Athletic Services is responsible for all utilities provided to athletic complexes hosting youth and adult sports activities. During fiscal year 2011, utility costs exceeded \$860,000.

Athletic Services generates revenues through field rentals, adult sports fees, and field advertisements. For fiscal year 2011, Athletic Services reported revenues exceeded \$375,000.

OBJECTIVE:

The primary objectives of this audit were to review and evaluate the adequacy and effectiveness of the PRSD Athletic Services' functions, processes, general controls, and compliance with policies and standards.

SCOPE:

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditing. The audit period covered by this review was from May 1, 2010 through September 30, 2011. Audit procedures included interviewing key personnel, reviewing key documents, conducting fraud risk questionnaires, performing a risk assessment to identify major risks associated with Athletic Services, and reviewing controls over the adult and youth sports programs.

OVERALL EVALUATION:

PRCD's Athletic Services is staffed by five professionals who provide recreational youth and adult sports to approximately 60,000 participants annually. Their knowledge, skills, and dedication to providing these services are commendable. Due to their hard work and perseverance, actual revenues for fiscal year 2011 exceeded budget estimates by seventy-five percent. They have developed and implemented some oversight monitoring controls over the Parks License Agreements for Youth Sports Organizations and were creative in their field advertisement sales campaign at the adult sports complexes.

Our audit identified several opportunities to strengthen and improve existing controls. These include:

- Revising the Parks License Agreements (PLA) for Youth Sports Organizations to clarify league compliance and league protection (e.g., league growth or reduction).
- Ensuring compliance with the BOCC Fee Schedule for Parks, Recreation and Conservation Department.
- Ensuring compliance to County Ordinance 8-17.
- Managing the sublet process for athletic complexes.
- Proper disposition of invoice payment support documentation.
- Improving oversight responsibilities of the Youth Sports Coordinator.
- Collecting non-league activity fees for operation and maintenance cost to the athletic complex.

The following table summarizes the Findings contained within this report. For each Finding, a cross-reference to the page number where the details of the Finding can be found has been included.

FINDING	DESCRIPTION	PAGE REFERENCE
1	Not all youth sports leagues provided proof of mandatory training for coaches.	See page 4 of this report.
2	Advertisement signs were not in compliance with the PLA.	See page 6 of this report.
3	Athletic field advertising fees are not in compliance to the approved BOCC Parks Fee Schedule.	See page 8 of this report.
4	Recycling containers were not available at sites visited.	See page 9 of this report.
5	The Hillsborough County logo was not always displayed by the youth sports leagues.	See page 10 of this report.
6	Funds collected were not always processed correctly.	See page 12 of this report.

7	The Parks License and Management Agreement for Athletic Sports Organizations Need to be Revised.	See page 14 of this report.
8	Park facilities are used for financial gain by paid league employees.	See page 16 of this report.
9	Stronger controls are needed over the field sublet process.	See page 18 of this report.
10	The County is not compensated for the operation of the athletic facility or its maintenance cost occupied by youth leagues.	See page 19 of this report.
11	Controls over advertisement banners at athletic complexes need improvement.	See page 20 of this report.
12	Activity fees have not been established for Youth Sports Leagues.	See page 22 of this report.
13	Controls over the field rental process need improvement.	See page 24 of this report.
14	Limited resources hinder the oversight responsibilities of the County's Youth Sports Coordinator.	See page 26 of this report.
15	Athletic Services' official County website lists incorrect information.	See page 28 of this report.
16	PRCD payments for contracted umpire services were not always supported with required documentation.	See page 29 of this report.

OPINION:

Based on the results of our testing, except as noted, controls over the PRCD Athletic Services' functions, processes, general controls, and compliance with policies and standards are adequate and effective. We believe that our recommendations, if implemented, will enhance the internal controls of PRCD's Athletic Services.

The final exit conference was held on February 2, 2012.

AUDIT BY:

Daniel A. Pohto, Director, County Audit
Steve Hooper, Audit Manager

FINDINGS & RECOMMENDATIONS

Non-Compliance: Listed below are findings where we noted a lack of compliance with agreements, contracts, laws, rules, regulation, policies, and procedures. For each finding, a recommendation has been included.

FINDING 1

Not all youth sports leagues provided proof of mandatory training for coaches.

Paragraph 13 of the *Park License and Management Agreement for Athletic Sports Organizations* (PLA) requires all coaches in a youth sports league to attend a mandatory training session. Athletic Services currently provides this training at no cost to leagues through their Coaching Youth Sports Training Program. The National Association of Youth Sports (NAYS) online course has been approved by the County as an alternative method of training. The online course costs \$25 and must be paid by the participant. Each league president provides to Athletic Services, a coaches' roster prior to the start of the sport season along with their written attestation that the training was received prior to their coaches being activated.

During compliance testing of the league's parks license agreements, we judgmentally selected thirty volunteers listed on the leagues' coaches roster. We attempted to verify their proof of training through County records, or through the NAYS website. The proof of training for eight of the thirty (27%) volunteers selected could not be verified. Thus, not all youth sports leagues provided proof of mandatory training for coaches.

RECOMMENDATION:

PRCD should implement monitoring controls over the coaches' roster to ensure compliance to the agreement. A strong monitoring control would include a random sample of coaches names from the list submitted by the leagues and tracing the names to the coaches training completion date.

CLINET RESPONSE:

Do Not Concur

PRC had documentation for proof of mandatory training for coaches with each league. The County Attorney's Office prepared a document for each league president to file with the Athletic Office attesting to the training and background checks required for every league coach. PRC requires these documents prior to league play.

CORRECTIVE ACTION PLAN:

The PRC Director and Athletic Services staff will work with the County Attorney's office and FSS Contracts Management Section and Fiscal Controls and Compliance (FCC) to develop a

new Park License and Management Agreement for Athletic Sports Organizations (PLA). The initial agreement will be submitted to the BOCC for approval with delegation of authority to the County Administrator or his designee for execution.

In addition to the abovementioned attestation, the new PLA must require any participating league president to provide Certificates of Completion for all coaches listed on their rosters prior to the start of the applicable sports season. Additionally, PRC Athletic Services will immediately implement a mandatory review of its training rosters to reconcile completion of the training conducted by PRC with provided coaches' rosters as well as the National Alliance for Youth Sports (NAYS) certification.

The PLA will also contain language providing for random verification, by PRC staff, of current coaches and mandatory training completion. Within two weeks after the execution of the new PLA, the PRC Director, in collaboration with the Fiscal and Support Services (FSS), Fiscal Controls and Compliance (FCC) Section shall revise and formalize a new compliance checklist based upon the executed Agreement. Athletic Services will continue to conduct unannounced monitoring visits to review league compliance with the agreement using the compliance checklist.

TARGET COMPLETION DATE:

07/31/2012

COUNTY AUDIT'S CLARIFICATION TO FINDING:

Although the County Attorney's Office had prepared a document for each league president to file with the Athletic Office attesting to the training and background checks required for every league coach, we found that this "attestation" did not satisfy the requirements of the PLA. We found that in six of the leagues who had submitted the "attestation", eight coaches had not attended the required training. The corrective action plan noted above introduces a monitoring reconciliation control that adequately addresses our recommendation.

FINDING 2

Advertisement signs were not in compliance with the PLA.

The PLA allows for advertising to be displayed at the County's athletic fields. The PLA requires that all advertising signage that is placed on the playing field fences must be placed in a manner so it shall face inward, visible by spectators, and not outward facing any road, highway, or throughway. No sign can serve as an external advertisement. The PLA also requires the signs to be made of fabric or other similar material, and plywood board signs are not permitted. All sponsorship signs must be uniform in size and shape. As part of compliance testing, we visited several athletic facilities that are utilized by youth sports leagues or associations. The visits identified the following:

1. Signage was not always uniform in size and shape. At one facility, large 18' by 8' advertisement banners were hung on the backstops of four fields facing away from the playing field. Standard size is 4' by 6'. At the same facility, two signs, uniformed in size and shape were hung on an external fence facing away from the playing field.
2. Signage was placed on the perimeter of the athletic complex and used as external advertisement. At an athletic facility that hosts two youth leagues, six signs were used as external advertisement. Of these, three were constructed of plywood.

RECOMMENDATION:

PRCD should strengthen their oversight of the athletic complexes.

1. One oversight objective would include a detective control requiring the Youth Sports Coordinator to conduct reoccurring unannounced site visits to the athletic complexes to verify compliance.
2. Athletic Services should also request the assistance of the PRCD Construction and Maintenance Divisions as an "extra set of eyes" to look for compliance issues while performing maintenance at the complexes.

CLIENT RESPONSE:

The department does not agree with the finding. The 8x18 sign referenced was not associated with the PLA and was a sponsorship sign at the Ed Radice Adult Sports Complex for the Adult Softball League. The PLA requires the signs be visible by spectators and not facing any road, highway, or throughway. However, in the cases stated, such as a four-plex baseball complex, sponsorship signs may face outward toward public areas within the complex as long as they do not face any road, highway, or throughway. The recommendations offered will strengthen our current business practices.

1. Concur

2. Concur

CORRECTIVE ACTION PLAN:

1. In developing a new PLA, the PRC Director will ensure the PLA includes specific language concerning the size, dimension, material, and location of advertising signage. PRC will continue to use a formalized compliance checklist, drafted and implemented in collaboration with FSS - FCC after execution of the PLA, during reoccurring unannounced monitoring visits to the County's athletic fields used under the PLA. PRC Athletic Services will be responsible for removing any signage outside of the stated PLA requirements.

2. In addition to continuing reoccurring unannounced monitoring visits, the PRC Director will implement a written procedure on the use of the compliance checklists by Athletic Services and other Parks, Recreation, and Conservation employees (i.e. construction and maintenance) who will provide an "extra set of eyes" for compliance at the athletic fields used under the PLA.

TARGET COMPLETION DATE:

1. 07/31/2012

2. 07/31/2012

COUNTY AUDIT'S CLARIFICATION TO FINDING:

The four referenced 8' X 18' backstop signs were identified during a visit to a youth baseball league facility located in the Ed Radice Sports Complex. The league occupying this facility has a signed PLA with the PRCD. Advertisement for these oversized banners can be found on the league's official website.

FINDING 3

Athletic Field Advertising Fees are not in compliance to the approved BOCC Parks Fee Schedule.

Fees charged to vendors for field banner advertising are not in compliance with BOCC Policy 03.04.09.00, *Fee Schedule for Parks, Recreation and Conservation Department*. While interviewing Athletic staff responsible for field banner sales, we noted that an advertising flyer had been sent out to business owners in the proximity of three athletic complexes, offering four discount plans. For example, the "Platinum Package" plan 4, advertised four ad banners on four fields for \$1,000. If the approved rates were applied, the cost would have been \$1,200. Although creative in their advertisement sales campaign, Athletic Services would not realize \$200 in advertisement fees if banners were purchased under this plan. The BOCC Policy requires a fee of \$300 per sign. Thus, fees charged for field banner advertising were not in compliance with the BOCC policy.

RECOMMENDATION:

PRCD Athletic Services should comply with the BOCC fee schedule. If Athletic Services' feels their "creative sales program" was successful, then they should modify the fee schedule and seek BOCC approval for the new fees.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

PRC Athletic Services will comply with the approved BOCC fee schedule. As stated in Chapter 1 of the Hillsborough County Standards & Guidelines Collection of County Funds issued by the Clerk of the Circuit Court, the BOCC must approve all fee schedules. PRC is currently reviewing the fee schedule and plans to present a revised fee schedule to BOCC for review and adoption. The revised fee schedule will comply with Chapter 17 of the Hillsborough County Standards & Guidelines Collection of County Funds issued by the Clerk of the Circuit Court relating to tax collections as well as Board Policy – Section Number: 03.02.02.09 relating to User Fees and Cost Recovery. The PRC Director will work with FSS to ensure compliance with the Guidelines and Board Policy prior to submitting a revised fee schedule to BOCC.

TARGET COMPLETION DATE:

05/23/2012

FINDING 4

Recycling containers were not available at sites visited.

The PLA, paragraph 7q states, "The League must participate in the County's recycling program. The County will provide the initial recycling containers and arrange for the pick-up." During site visits at five athletic complexes maintained by leagues, no clearly marked recycling containers could be found. According to five league presidents, no recycling program is currently provided by the County.

RECOMMENDATION:

PRCD should ensure league participation in the County's "green" program by providing recycle containers and pick-up service for the leagues or, co-partner with a company to provide the collection service.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

An evaluation of the cost of re-starting the cost of recycling at all locations will be conducted by FSS & Public Utilities Department. New language will be incorporated in the PLA as appropriate.

TARGET COMPLETION DATE:

07/31/2012

FINDING 5

The Hillsborough County logo was not always displayed by the youth sports leagues.

Twenty-one leagues did not display the Hillsborough County logo on their flyers, press releases, or newly purchased uniforms. Paragraph 12 of the PLA requires each youth sports league occupying County's athletic facilities to have the Hillsborough County Logo prominently displayed on all flyers, press releases, and newly purchased uniforms. Leagues have expressed to Athletic Services a concern over the added expense of having the logo on team uniforms. In today's internet friendly world, most league information is displayed on their own website, which almost makes flyers and press releases obsolete. During league compliance test work to the PLA, we performed audit procedures to determine if the Hillsborough County logo was displayed on the leagues' uniforms and on their website. The audit procedures included meetings with five league presidents to discuss compliance attributes to the PLA. Four of five presidents interviewed indicated that the logo was not displayed on the participants' uniform and all five indicated that the logo was not displayed on their website. We conducted additional audit procedures and reviewed sixteen additional leagues' websites to determine if the Hillsborough County logo was displayed. None of the sixteen leagues selected displayed the Hillsborough County logo.

RECOMMENDATION:

1. PRCD should strengthen their agreement oversight responsibilities by implementing stronger monitoring controls.
2. PRCD should revisit the agreement and determine if the language concerning uniform logos should remain, or revise the language to remove the uniform reference and add in its place, the leagues' website.

CLIENT RESPONSE:

1. *Concur*
2. *Concur*

CORRECTIVE ACTION PLAN:

1. *PRC will ensure the leagues comply with Board Policy – Section Number: 10.04.00.00 and the PRC Director will address the issue of appropriate recognition in the developed PLA. Additionally, the PRC Director will implement a written procedure outlining reoccurring unannounced monitoring visits to the County's athletic fields used under the PLA to ensure compliance with this requirement.*
2. *Development of new language in the PLA will include a requirement for appropriate recognition, of Hillsborough County, on the Leagues' websites as well as their IRS Form 990*

Schedule A Part III Section A. 5., which requires 501(c)(3) organizations to report “[t]he value of services or facilities furnished by a governmental unit to the organization without charge.”

TARGET COMPLETION DATE:

07/31/2012

FINDING 6

Funds collected were not always processed correctly.

While performing a standardized daily collection record (DCR) attribute test, and a program fees test, we noted that funds collected were not always processed correctly in accordance with the Clerk of the Circuit Court's *Standards & Guidelines – Collection of County Funds*. The following audit concerns over the control of fund collections are provided:

- Timely Deposits:
Four collections totaling \$42,450 were deposited either one or two days late. (Criteria: Collections must be deposited within five (5) work days from receipt or by the next work day after collections exceed \$500, whichever occurs first).
- DCR Preparation Errors:
Two collection reports contained incorrect amounts.
- Timely Recording of DCRs:
Six collections were not recorded timely.
- Proper Reporting in Subobject:
Of the 269 transactions posted in FAMIS (the County's financial system), 51 were posted to the wrong subobject code.

RECOMMENDATION:

PRCD should ensure that staff assigned to collect funds is adequately trained in preparation and submission of the DCR. Training emphasis should be placed on timely deposits, preparation errors, and proper recording and reporting of funds collected.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

FSS has assumed responsibility for preparing and submitting the Departmental Collections Reports for the PRC. New FSS procedures include segregation of duties and several review levels for collected funds. The FSS Cash Collection Procedures became effective January 10, 2012. In addition, FSS assisted PRC in drafting a REC2Six Payment Collections procedure signed by the PRC Director on October 21, 2011. The PRC procedure outlines PRC staff responsibilities, which are separate and distinct from FSS responsibilities that occur after PRC staff completes their process outlined in the procedure.

FSS staff completed cash collection classes conducted by the Clerk of Circuit Court County Finance Revenue Department on February 8 and 9, 2012.

TARGET COMPLETION DATE:

Completed

Control Activities: Listed below are findings that represent opportunities for PRCD Athletic Services to strengthen the internal controls surrounding the adult and youth sports programs. For each finding, a recommendation has been included.

FINDING 7

The Parks License and Management Agreements (PLA) for Athletic Sports Organizations need to be revised.

1. Seven concerns were identified during the audit that were compliance driven. While testing compliance to the PLA, we noted that it did not include adequate information as to the termination, or modification, of the agreement for those leagues that choose not to comply with it. The agreement includes the statement "the agreement may be suspended and/or terminated if any League fails to abide by the provisions of the agreement." PRCD Athletic Services does not have adequate leverage to terminate the agreements.
2. The agreement does not contain verbiage that gives agreement holders the right to grow their program without intervention by the County. During the audit, we became aware of one youth soccer league losing two of its fields to another soccer league based on capacity of fields being utilized. Field capacity issues are not addressed in the agreement as a required obtainable goal.
3. We provided management with a list of ten additional agreement compliance administrative issues that can be rectified through revisions needed since the original agreement was published. Examples of the administrative issues provided include updating the agreement issued date; league maintenance responsibilities; league financial statement requirements; signage; and contracted vendors.

RECOMMENDATION:

1. A range of monetary fines should be considered and collected for those leagues that do not comply with their signed agreement. Special emphasis of the fines should be considered when the league's action increases liability risks for the County, i.e., sublet without proper approval, failure to perform coaches/volunteer/vendor background checks, and failure to require coaches mandatory training, to name a few.
2. The agreement should be revised to address a league's right to grow their programs. The agreement should address the level of protection afforded to the league to allow for their growth. It should also stipulate when the agreement can be modified to allow for the reduction of playing/practice fields from a league for justifiable reasons.
3. PRCD should consider the administrative revisions to the agreement noted and provided by the auditors.

CLIENT RESPONSE:

1. Concur
2. Concur
3. Concur

CORRECTIVE ACTION PLAN:

1. *The PRC Director and Athletic Services staff will work with the County Attorney's office and FSS Contracts Management Section to review and revise the PLA to address the auditor's concerns listed in this finding. PRC will also address those additional items provided to staff outside the documentation of this audit. The review will include strengthening language concerning termination, modification, and compliance with the PLA. In addition, the PRC Director will include the use of graduated monetary fines for non-compliance of the terms in the PLA. The revised PLA will be presented to the BOCC for approval with delegation for execution to the County Administrator or his/her designee.*
2. *The PRC Director and Athletic Services staff will work with the County Attorney's Office and FSS Contracts Management Section to ensure the revised PLA includes language addressing PRC's responsibility to ensure Leagues utilize playing/practice fields effectively and maximum utilization wherever feasible. In the face of diminishing resources, it is the responsibility of Hillsborough County to ensure field use maximizes the public return on investment. If Leagues fail to use field space appropriately, the PLA will provide for modifications or termination of the PLA with the respective League.*
3. *The PRC Director and Athletic Services staff will work with the County Attorney's office and FSS Compliance to ensure that the revised PLA incorporates administrative compliance issues identified by County Audit.*

TARGET COMPLETION DATE:

1. 07/31/2012
2. 07/31/2012
3. 07/31/2012

FINDING 8

Park facilities are used for financial gain by paid league employees.

County Ordinance 8-17, Section 7(b) states that “no person shall conduct any activity or utilize any Park, Park Property or Park area in a manner which will result in financial gain without the prior approval of the Board of County Commissioners, or Director [Parks] or his/her designee.” According to Athletic Services staff, the County's intent in providing athletic facilities was to allow youth sport associations to assist Athletic Services in providing quality recreational sports programs to County youth. This volunteer partnership has provided a strong foundation to Athletic Services in achieving this goal. However, we learned that there are youth sports leagues that have employees utilizing County facilities for financial gain. For example, seven leagues have employees who perform duties ranging from executive management to coaches who are paid by the league. They are:

<u>LEAGUE</u>	<u>PAYROLL*</u>
1. Brandon Area Youth Soccer League	\$ 286,602
2. Valrico Youth Soccer League	\$ 99,186
3. Tamp Bay Youth Football League	\$ 128,924**
4. Fishhawk Youth Sports League	\$ 61,038
5. HC United Soccer Club	\$ 275,697
6. Summerfield Soccer	\$ 49,613
7. The Players Club of Tampa Bay, Inc.	\$ 24,418

*(Information obtained from the Leagues financial information provided to PRCD in accordance with the PLA)

**Concession, Gates & Fields, Cleaning, and Management Workers only - No specialties as paid coaches or trainers.

The *Park License and Management Agreement* does not address paid employees utilizing County Park Facilities. The practice of paying coaches for their expertise in elevated instruction appears to be a normal operating cost for advanced youth sports and the practice has been widely accepted without questioning the "for financial gain" restriction of the ordinance. They are paid for their expertise in their chosen sport and perform their service at park facilities. According to staff, some full time league employees maintain offices within their Park facility - a facility that the County maintains and pays all utilities. The auditor could not find, and staff could not provide, the required BOCC or PRCD Director approvals for the identified leagues utilizing paid employees.

Additionally, the County receives no rental income normally associated with running a business from the full time employees utilizing office space within the Park facility, nor do they receive operations and maintenance assistance from the league utilizing the County's athletic complex.

RECOMMENDATION:

PRCD should seek an opinion from legal counsel regarding the leagues compliance to Ordinance 8-17. If compliance is granted, then a rental fee comparable to the facility used, should be incorporated into the BOCC Policy 03.04.09.00, *Fee Schedule for Parks, Recreation, and Conservation Department*, dated August 18, 2010.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

The PRC Director will immediately seek a legal opinion from the County Attorney's Office regarding Leagues hiring and housing paid staff in County owned facilities without prior permission per County Ordinance 8-17, Section 7(b). The County pays all the operating, maintenance, and utility costs at these facilities and receives no reimbursement for expenditures from the Leagues. The revised PLA will reflect the County Attorney's legal opinion related to this issue.

TARGET COMPLETION DATE:

07/31/2012

FINDING 9

Stronger controls are needed over the field sublet process.

The Leagues' agreement with the County allows them to sublet their fields to for-profit and not-for-profit organizations after consent from the County. Occupants are required to pay appropriate fees and fill out all appropriate paperwork to the County and to the League. The County and the League set the fees to offset cost of lights, equipment use, trash, and field maintenance. The County relies on each League to notify the County of the sublet, and to provide the sublet's application and insurance coverage, as required. A certificate of insurance is required that verifies the sublet has general liability coverage with limits of no less than \$1,000,000 combined single limits per occurrence. Also required is a \$10,000 participant accident medical coverage. Although the Athletic Services staff could not provide an estimated number of leagues that violate this provision, they said that more often than not, Leagues fail to notify them when they enter into a sublet agreement.

RECOMMENDATION:

PRCD should implement stronger controls over the sublet process. The controls could include a substantial penalty be assessed for violation of the sublet provision of the agreement, or PRCD could remove the sublet provision from the agreement and assume full responsibility and authority over the process. If the provision is to remain in the agreement, PRCD must maintain their oversight responsibilities through available resources and implement monitoring controls over the sublet process.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

The PRC Director will request the County Attorney's Office to revise the PLA with appropriate language and authority regarding sublet of fields by Leagues. The PLA terms will include stronger language pertaining to subletting, the Leagues responsibilities when subletting, PRC's responsibilities, penalties for failure to meet the stated responsibilities, and a stronger indemnity clause that assigns the sublet process and the liability of that process to the Leagues and holds the County harmless.

The PRC Director will also work with the FSS Contracts Section to ensure the revised PLA agreements reflect contractual standards for subletting County property.

TARGET COMPLETION DATE:

07/31/2012

FINDING 10

The County is not compensated for the operation of the athletic facility or its maintenance cost for athletic complexes occupied by youth leagues.

We learned that leagues are hiring individuals, or allowing individuals, to conduct sports camps at County athletic complexes. This action circumvents the sublet process and provides financial gain by the person(s) conducting the camps on Park property. The league agreement states that "revenue and income derived from activities of the league are the exclusive property of the league but must be used by the league in furtherance of its activities at the Park in providing additional improvements for the league's programs." However, it also states that "any revenue generated from non-league activities must be used by the league to pay maintenance costs." Currently, the County provides maintenance and upkeep of the complexes (utilities, mowing, and building repair) and does not receive any compensation from the leagues to help offset the operation and maintenance cost of the complex.

RECOMMENDATION:

1. All camps conducted at park athletic complexes should be approved through the sublet process identified in the PLA and any revenue generated from these non-league activities, should be the exclusive property of the County to provide for operation and maintenance costs.
2. The PLA should be revised to account for this change.

CLIENT RESPONSE:

1. *Concur*
2. *Concur*

CORRECTIVE ACTION PLAN:

1. *Per the Corrective Action Plan for Findings 8 and 9, the County Attorney's Office will review the legality of all aspects of the PLA.*
2. *The PLA will be revised to reflect the County Attorney's legal opinion related to this issue. The FSS Contract Section will review any changes to the agreement and provide an analysis of the PLA to the Deputy County Administrator of Public Safety and Community Services to review prior to presentation of the PLA to the BOCC for approval.*

TARGET COMPLETION DATE:

1. *07/31/2012*
2. *07/31/2012*

FINDING 11

Controls over advertisement banners at athletic complexes need improvement.

BOCC Policy 03.04.09.00, *Fee Schedule for Parks, Recreation, and Conservation Department*, dated August 18, 2010, establishes field advertisement at \$300 per sign, per year. According to Athletic Services' staff, the one year period begins when they hang the banner on the field. It is removed 1 year later, unless the vendor renews the advertisement. The following control weaknesses were identified during the advertisement banner test work:

1. The fees assessed and collected for five banners sold, including an 18' by 8' advertisement banner, were not in accordance with the BOCC policy fee schedule.
2. Seven advertisement banners at Ed Radice Athletic Complex located on fields 1, 2, 5 and on the main gate were on display past their one year entitlement.

RECOMMENDATION:

1. PRC should ensure that the field advertisement sales program is incorporated into the Athletic Services' staff duties and responsibilities.
2. Written procedures should be implemented over the sales program to include Athletic Services' authority, responsibility, monitoring controls, and timeliness of sign installation and removal. PRC should comply with fees established by BOCC Policy or modify and seek BOCC approval for the fee schedule to coincide with Athletic Services' marketing techniques.

CLIENT RESPONSE:

1. *Concur*
2. *Concur*

CORRECTIVE ACTION PLAN:

1. *Per the Corrective Action Plan for Finding 2, the PRC Director will ensure the PLA includes specific language concerning the size, dimension, material, and location of advertising signage. PRC will add signage to the current compliance checklist, drafted and implemented in collaboration with FSS - FCC after execution of the PLA, during reoccurring unannounced monitoring visits to the County's athletic fields used under the PLA. PRC Athletic Services will be responsible for removing any signage outside of the stated PLA requirements.*
2. *As stated in Chapter 1 of the Hillsborough County Standards & Guidelines Collection of County Funds issued by the Clerk of the Circuit Court, the BOCC must approve all fee schedules. PRC is currently reviewing the fee schedule and plans to present a revised fee schedule to BOCC for review and adoption. The revised fee schedule will comply with Chapter*

17 of the Hillsborough County Standards & Guidelines Collection of County Funds issued by the Clerk of the Circuit Court relating to tax collections as well as Board Policy – Section Number: 03.02.02.09 relating to User Fees and Cost Recovery. The PRC Director will work with FSS to ensure compliance with the Guidelines and Board Policy prior to submitting a revised fee schedule to BOCC.

TARGET COMPLETION DATE:

1. 07/31/2012
2. 07/31/2012

FINDING 12

Activity fees have not been established for Youth Sports Leagues.

Athletic Services oversees fifty-one athletic complexes that host Youth Sports Leagues. The leagues have an agreement that allows them to take possession of the complex and retain all revenue and income derived from the league activities. The derived revenue and income must be used by the league in furtherance of its activities at the Park in providing additional improvements for the league's programs. The leagues pay affiliation fees to governing sports associations totaling approximately \$250,000 annually. League revenue and income are derived from registration and concession fees. Other revenue and income are generated through non-league activities such as field rentals and vendor fees. Other revenue and income is required by the PLA to be used to help offset the operation and maintenance costs of the facility. Currently, these funds are the property of the league. The County maintains most of the leagues' facilities (fields, common areas, buildings, and utilities). Currently, no activity fee is imposed on the league to offset the operation of the facility and the maintenance cost incurred by the County to maintain the facility.

RECOMMENDATION:

1. PRC should conduct an analysis of operational and maintenance costs for their athletic complexes and establish an activity fee to be charged to the leagues for its use. Fees should be commensurate to the facility's age and condition.
2. The activity fees should be approved and incorporated into BOCC Policy 03.04.09.00, *Fee Schedule for Hillsborough County Parks, Recreation and Conservation Department*, and the *Parks License and Management Agreement for Athletic Sports Organizations*.

CLIENT RESPONSE:

1. *Concur*
2. *Concur*

CORRECTIVE ACTION PLAN:

1. *The FSS department will provide an analysis of the operational and maintenance cost for athletic complexes.*
2. *PRC will provide the information from the above analysis to the BOCC should they have an interest in establishing activity fees for the Leagues' use of County facilities or to offset the operational and maintenance costs for those facilities.*

TARGET COMPLETION DATE:

1. 09/30/2012

2. 09/30/2012

FINDING 13

Controls over the field rental process need improvement.

Field rentals for the County's controlled athletic facilities are processed by the PRCD Athletic staff. Events that require field rentals are softball tournaments, flag football leagues, rugby leagues, and other special sporting events. In addition, smaller leagues who need only a limited amount of field use for games and practices, rent the fields at a per hour fee. During testing of the athletic facilities field rental process, we noted the following concerns:

1. While testing the rental fee charged against the approved BOCC Fee Policy, we found that a 50% discount was provided in seven of the thirty fees tested. The policy does not provide for the field rental discount. It does provide for the discount in building rentals. The discounts totaled \$12,055 in missed opportunity for additional revenue.
2. Sales tax of \$5,658.59 was not collected for twenty-nine of the thirty rental fees tested.

RECOMMENDATION:

1. If it is the intention of PRCD to provide for discounts in field rentals, then the BOCC Fee Policy needs to be revised to reflect the discount under the "Athletic Field Rentals" section.
2. PRCD should request a legal opinion on Section 212.031, F.S. as to the requirement to charge and collect sales tax on field rental as well as other services that might be provided by the PRCD.

CLIENT RESPONSE:

1. Concur
2. Concur

CORRECTIVE ACTION PLAN:

1. Per the Corrective Action Plan for Findings 3, 11, and 12, PRC Athletic Services will comply with the current approved BOCC fee schedule. As stated in Chapter 1 of the Hillsborough County Standards & Guidelines Collection of County Funds issued by the Clerk of the Circuit Court, the BOCC must approve all fee schedules. PRC is currently reviewing the fee schedule and plans to present a revised fee schedule to BOCC for review and adoption. The revised fee schedule will comply with Chapter 17 of the Hillsborough County Standards & Guidelines Collection of County Funds issued by the Clerk of the Circuit Court relating to tax collections as well as Board Policy – Section Number: 03.0.02.09 relating to User Fees and Cost Recovery. The PRC Director will work with FSS to ensure compliance with the Guidelines and Board Policy prior to submitting a revised fee schedule to BOCC.

2. *The County Attorney's Office offered an opinion on Fla. Stat. § 212.031 (2011) and is submitting a Request for Technical Assistance Advisement to the Florida Department of Revenue as it relates to sales tax on PRC's BOCC approved and proposed fee schedule.*

TARGET COMPLETION DATE:

1. 07/31/2012

2. 07/31/2012

FINDING 14

Limited resources hinder the oversight responsibilities of the County's Youth Sports Coordinator.

While performing PLA test work, we noted that there was a lack of oversight provided by Athletic Services. According to staff, the primary cause for the lack of oversight is due to the lack of resources necessary to provide the monitoring and oversight responsibility of 60 athletic leagues at approximately 51 athletic complexes. Oversight monitoring of the PLA is the responsibility of the Youth Sports Coordinator. Oversight responsibilities includes:

- working with the youth leagues to obtain required documentation that supports the league's status as a not-for-profit 501(3)c;
- assisting the leagues with the sublet process;
- assisting with any litigation involving the County;
- providing or monitor training to volunteers of the league;
- directing maintenance issues to the appropriate maintenance unit responsible for the athletic complex; and
- assisting in mitigating issues among league members.

Currently, two staff members are assigned to the youth sports league for these oversight responsibilities.

RECOMMENDATION:

1. To perform successful oversight or monitoring procedures over the PLA, PRCD should perform unannounced visits to the athletic complexes annually to ensure compliance to the PLA. A formalized checklist of compliance issues required by the PLA should be developed and used on the site visits. Some areas of compliance that could be implemented are: sampling techniques for coaches training and background check verifications; annual testing of the leagues' emergency action plan by staff; ground and building inspections at athletic facilities; and staff attendance at meetings of the league's board at least once during the sport season.

2. To monitor these PLA compliance issues, adequate resources are needed to ensure the success of the Youth Sports Coordinator oversight responsibilities.

CLIENT RESPONSE:

1. *Concur*

2. *Concur*

CORRECTIVE ACTION PLAN:

1. *In keeping with the Corrective Action Plan for Findings 1, 2, 4, and 5, the PRC Director, in*

collaboration with the FSS - FCC Section, shall modify and strengthen its current compliance checklist based upon the executed Agreement. Athletic Services will continue to conduct unannounced monitoring visits to review league compliance with the agreement using the compliance checklist. In addition to reoccurring unannounced monitoring visits, the PRC Director will implement a written procedure on the use of compliance checklists by Athletic Services and other Parks, Recreation, and Conservation employees.

2. The PRC Director will review Athletic Services and analyze the need for additional resources to accomplish its mission as well as comply with all policies, procedures, and contractual obligations. The PRC Director will submit the analysis with any recommendations to the Deputy County Administrator of Public Safety and Community Services for possible budget action.

TARGET COMPLETION DATE:

1. 07/31/2012

2. 07/31/2012

FINDING 15

Athletic Services' official County website lists incorrect information.

The official County website for PRCD services lists several athletic programs administered or conducted by Athletic Services. Available programs include leaguettes softball, a youth basketball program for boys and girls in grades 1 - 10, umpire and referee recruitment and training, and background checks for volunteers and coaches. While discussing these programs with Athletics' staff, it was discovered that these programs are not currently being administered or conducted by Athletic Services.

RECOMMENDATION:

PRCD should ensure the website provides citizens with current information about available programs and recreational activities. The website should be reviewed quarterly by athletic services and updated, as needed, as changes occur in the offered programs.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

PRC assigned a designated individual responsible for web-site updates. The new, soon to be launched County website will allow for an easier process for updates. Information on the website will be reviewed on a quarterly basis.

TARGET COMPLETION DATE:

03/16/2012

FINDING 16

PRCD payments for contracted umpire services were not always supported with required documentation.

Athletic Services could not locate game cards (i.e., payment verification) for thirteen of thirty payments tested (43%) totaling \$93,420.00. PRCD Athletic Services umpire services are contracted to Florida Sports Leagues, Inc., for the adult softball program. Umpire services are provided on game days at a game rate of \$40.50 if one umpire is used or \$54.00 if two umpires are used. Typically, thirty games are played weekly at each of the three adult softball complexes within the County. To verify the number of umpires used for each scheduled game, a game card is maintained by the lead umpire that lists the umpires for the game. Once the game is completed, the card is signed by each umpire and dropped into a locked box for Athletic Services staff to pick up the next day. The field used for the game is also annotated on the card. For payment authorization, Athletic Services reconciles the number of cards surrendered by the umpires against Athletic Services weekly game schedule. The game cards are the only documentation used by Athletic Services for proper payment verification.

RECOMMENDATION:

1. Athletic Services should maintain all payment support documentation in accordance with the State of Florida General Records Schedule (GS1-SL, Item #340).
2. Athletic Services should also maintain the support documentation at the County's Records Warehouse to avoid disposition before the required disposal date.

CLIENT RESPONSE:

1. *Partially Concur*

One box of documents was misplaced during an office relocation thus were unavailable for the auditor. However, other documentation was available to substantiate the payments made for Fiscal Year 2010.

2. *Concur*

CORRECTIVE ACTION PLAN:

1. *The PRC Director will implement a written procedure detailing the methodology for tracking and verifying umpire attendance/officiating at games, as well as, submission of this documentation to be used for payment back-up. Payments to vendors for umpire services will not be paid without proof of the umpire's game attendance.*

2. *Detailed payment records for umpire services will be maintained either in-house or at the*

County's Records Warehouse until the official disposition date, per the State of Florida General Records Schedule GS1-SL for State and Local Government Agencies, item # 340.

TARGET COMPLETION DATE:

1. 04/30/2012

2. 04/30/2012

COUNTY AUDIT'S CLARIFICATION TO FINDING:

Our test population was selected from the audit period of May 1, 2010 through September 30, 2011. The period included parts of fiscal years 2010 and 2011. Documentation for calendar year 2010 was reported as misplaced and was never located during the audit. Thus, documentation could not be provided to support the thirteen payments identified in the audit that were processed in calendar year 2010. Documentation for calendar year 2011 was located and made available to the auditor. Our recommendation identifies an opportunity for a key risk to be mitigated if the PRCO follows the State of Florida General Records Schedule GS1-SL for State and Local Government Agencies, items #340, and utilizes the County's official records warehouse for its documentation storage.

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