



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

**PARKS, RECREATION AND CONSERVATION DEPARTMENT
RECREATION CENTERS FOLLOW-UP**

REPORT # 241 (FOLLOW-UP TO REPORT # 214)

DECEMBER 27, 2012

December 27, 2012

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

Dear Chairman Hagan and Commissioners:

We have performed a follow-up audit of the Parks, Recreation and Conservation Department's Recreation Centers, Report # 214, dated April 28, 2011. Fifteen original audit concerns were contained in this report.

Based on our follow-up audit work and discussions with the Director, we are closing thirteen of the original audit concerns. Our follow-up audit indicated that these original concerns have been addressed and corrective changes have been implemented. Two findings remain open. In addition, there was one new finding. The report on the follow-up audit is enclosed.

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

Sincerely,

Peggy Caskey, CIA, CISA, CFE
Director, County Audit

cc: Mike Merrill, County Administrator
Sharon Subadan, Deputy County Administrator, Public Safety and Community Services
Bonnie Wise, Chief Financial Administrator
Mark Thornton, Director, Parks, Recreation and Conservation Department
Bruce Dangremond, Manager, Performance Mgmt, Business and Support Services

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EXECUTIVE SUMMARY

BACKGROUND INFORMATION:

The primary purpose of the original audit was to examine and evaluate the adequacy and effectiveness of the internal controls and procedures over the Parks, Recreation and Conservation Department (PRCD) of the recreational activities and special interest classes' processes.

OBJECTIVE:

The objectives of this follow-up audit were to review and evaluate the conditions reported in County Audit Report # 214, dated April 28, 2011, to determine if corrective actions have occurred and are effective, and if the corrective actions appear to be continuous and/or correction will be monitored to ensure the control weaknesses will not be repeated.

SCOPE:

The follow-up audit was conducted based on the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors. The follow-up audit procedures were applied to the records, documents, and controls that were in effect during the period from November 1, 2011 through July 31, 2012.

OVERALL EVALUATION:

We found that the Parks, Recreation and Conservation Department had fully implemented corrective action on thirteen of the fifteen audit concerns noted in the original audit. As a result, we have closed thirteen original audit findings.

Please see the Summary of Original Audit Concerns on page 3.

In addition, there was one new finding pertaining to advance ticket purchases.

We suggest that management monitor the open concerns listed in this report to assure that appropriate corrective action is taken. In addition, the corrective action for all concerns should be periodically assessed and adjusted, as necessary, so that the control weaknesses will not be repeated in the future.

The final exit conference was held on October 4, 2012.

AUDIT BY:

Peggy Caskey, Director, County Audit
Daniel A. Pohto, former Director, County Audit
Steve Hooper, Audit Manager
Margaret Brown, Senior Internal Auditor
Brenda Tyler, Internal Auditor II

STATUS CHART OF ORIGINAL AUDIT CONCERNS

This chart provides the status of the original report concerns at the completion of the follow-up audit.

For reference purposes, the entire original audit report #214 (issued Fiscal Year 2011, April 28, 2011) can be viewed on the Clerk's web site at <http://www.hillsclerk.com> under Clerk Services, County Audit – Recent Reports.

FINDING	OPEN	CLOSED
1		X
2		X
3		X
4		X
5		X
6		X
7		X
8		X
9	X	
10	X	
11		X
12		X
13		X
14		X
15		X

NOTE: An Open finding is defined as a control weakness that needs additional corrective action and a Closed finding is a control weakness for which corrective action has been completed to the auditor's satisfaction.

SUMMARY OF ORIGINAL AUDIT CONCERNS

This chart summarizes the original audit concerns at the completion of the follow-up audit. The original audit concerns that remained **open** are detailed in the next section – **FOLLOW-UP COMMENTS ON OPEN CONCERNS WITH CLIENT RESPONSES.**

FINDING	DESCRIPTION	STATUS	COMMENTS
1	Cash collections may not be accurate, timely deposited, and reported.	CLOSED	Payments are received by PRCD staff via U.S. mail or the center's drop-box. Funds are being deposited in accordance with the <i>Collection of County Funds</i> policy. Daily Collection Reports are now prepared by Fiscal and Support Services (FSS).
2	Fees owed to the County may not be collected.	CLOSED	Parents and/or guardians paying by check must complete a <i>Check Acceptance Form</i> which is part of the registration packet. The form contains the information required by the <i>Collection of County Funds</i> policy.
3	County funds may not be deposited into the proper bank account.	CLOSED	A new agreement was obtained between the Friends of the County Parks and the PRCD. The agreement defines the separate cash collections of the Friends volunteers and of the County staff. County staff now has access to only BOCC bank deposit forms.

FINDING	DESCRIPTION	STATUS	COMMENTS
4	The Daily Collection Report (DCR) preparation and submission to County Finance needs improvement.	CLOSED	Collections are deposited in accordance with the <i>Collection of County Funds</i> policy. Daily Collection Reports are prepared by Fiscal and Support Services (FSS) and are submitted to County Finance weekly. The weekly submission was approved by County Finance.
5	The lack of County staff follow-up caused revenues to fall short an estimated \$867,657.34.	CLOSED	PRCD no longer participates in the School Readiness Program.
6	The County's handling of the Friends of the Park's funds may not be properly deposited or dispersed from their bank account.	CLOSED	A new agreement was obtained between the Friends of the County Parks and PRCD. The agreement defines the separate cash collections of the Friends volunteers and of the County staff. County staff now has access to only BOCC bank deposit forms.
7	Purchase card transactions are not always supported with sufficient documentation.	CLOSED	PRCD created a new procedure regarding the purchasing and managing of advanced ticket purchases. Purchase card documentation is now scanned into a network drive shared with FSS.
8	A separation of duties control is lacking in two fiscal functions.	CLOSED	Daily Collection Reports for the special interest class program fee receipts are now prepared by Fiscal and Support Services staff. The new agreement with the Friends of the County Parks and PRCD separates the cash collections of the Friends volunteers and of the County staff.

FINDING	DESCRIPTION	STATUS	COMMENTS
9	Participants may not have been assessed correct program fees.	OPEN	See page 7.
10	The County may not have realized all fees for summer and after school programs.	OPEN	See page 8.
11	An unsafe condition exists at the Bakas Equestrian Center.	CLOSED	Hillsborough County Fire Rescue Department has a reasonable expectation of responding to medical emergency calls at the Bakas Equestrian Center with Advanced Life Support transport vehicles in approximately nine (9) minutes (its benchmark).
12	Current contractual agreements between special interest class instructors and PRCD were not always available.	CLOSED	A new procedure was implemented detailing the forms and application process (including the Hold Harmless Agreement, rate determination, background checks, class evaluation and collection of fees and attendance rosters.)
13	There were no background checks on file for some volunteer coaches/instructors of special interest classes.	CLOSED	The <i>Volunteer and Instructor Procedure</i> was updated to require background checks for all volunteers in accordance with Human Resource Policy. Furthermore, PRCD has also developed a process to track the status of volunteer background checks.

FINDING	DESCRIPTION	STATUS	COMMENTS
14	Not all support documents for enrollments into a recreation program are scanned into EZ Care.	CLOSED	The EZ Care software application is no longer being used by PRCD. A module of the REC2SIX Program Database is being used to track attendance and fee collections for the after-school and the summer programs. Supporting documentation is scanned into a network drive shared with Fiscal and Support Services.
15	PRCD has not established criteria for the Leaders in Training (LIT) program.	CLOSED	The LIT program no longer exists.

FOLLOW-UP COMMENTS ON OPEN CONCERNS WITH CLIENT RESPONSES

FINDING 9: FOLLOW-UP COMMENT

Participants may not have been assessed correct program fees.

In the original audit, it was noted that program fee errors occurred during the testing of program fees.

During follow-up testing of 30 program fees, one program fee was not calculated properly. A discount rate was applied in which the parent was not qualified to receive. The calculation did not include total household income; it only included total household income of one parent.

Discounts should only be applied after analyzing qualifications and obtaining all necessary documentation. As a result, the County incurred a loss of \$756 for the summer program.

RECOMMENDATION:

PRCD should provide additional training to staff to ensure that fees are properly calculated and any discounts applied are fully supported and documented.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

Staff will be given additional training for reviewing appropriate IRS forms and properly identifying income to establish and document the correct fee rate for each participant.

TARGET COMPLETION DATE:

January 1, 2013

FINDING 10: FOLLOW-UP COMMENT

The County may not have realized all fees for summer and after school programs.

In the original audit, it was noted that the County may not have realized all fees for the summer and after-school programs.

The PRCD developed and implemented a new procedure titled *Recreation Program Registration and Fee Assessment*. Section 5 states “All accounts must be current before the participant is allowed to attend the program.”

During follow-up procedures, we noted that fees on the March 6, 2012 end-of-day report for one recreation center were past due by six participating families who were attending the 2011-2012 after school program. Some families were six weeks behind before payment was received.

As a result, the County may not collect all fees that are owed.

RECOMMENDATION:

1. PRCD should ensure that after school program fees are collected in a timely manner and that the account is current prior to the child attending the program.
2. PRCD should implement a monitoring control to periodically review end-of-day reports for all recreation centers to ensure payments are made in advance of attending the program.

CLIENT RESPONSE:

1. Concur

2. Concur

CORRECTIVE ACTION PLAN:

1. *Staff will be given additional training on current policies and procedures to ensure that after school fees are current and collected in a timely manner.*
2. *Staff will develop a process under current policies and procedures that will periodically review end of day reports of randomly selected recreation centers to ensure payments are made in advance of attending programs.*

TARGET COMPLETION DATE:

- 1. December 1, 2012*
- 2. January 1, 2013*

NEW FINDING

This section is used to report new findings that we have observed during the follow-up audit, which we felt were worthy of being brought to the attention of management.

NEW FINDING

Not all tickets purchased for summer program field trips were used.

During follow-up testing of purchasing card transactions, the following was noted:

- On 7/27/12, PRCD purchased 14 adults tickets and 31 children tickets for a fishing trip and received 3 complimentary tickets. All tickets were accounted for except for one adult ticket. Upon notifying management of this issue, a refund was then obtained from the vendor on August 20, 2012.
- On 7/27/12, PRCD purchased 584 tickets for a major league baseball game and received 41 complimentary tickets for a total of 625 tickets. Of the 625 tickets, only 496 were used, leaving 129 unused. Whereas 41 tickets were complimentary, the County purchased 88 tickets, at a total cost of \$575.52, that were not needed.

Advance tickets should only be purchased for the number of participants actually attending. Otherwise, the County pays more for tickets than is necessary.

RECOMMENDATION:

Events requiring advance ticket purchases should require participant commitment and/or payment prior to the actual ticket purchase. This would enable PRCD employees the opportunity to identify a more exact number of participants and avoid unnecessary purchases.

PRCD should endeavor to develop and implement a process that would allow for more accurate identification of field trip participants prior to purchasing the tickets.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

Staff will review and develop a more efficient method in pre-purchasing tickets to avoid over purchases, including an improved process to identify confirmed field trip participation.

TARGET COMPLETION DATE:

March 1, 2013