



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

**PARKS, RECREATION AND CONSERVATION DEPARTMENT
ATHLETICS SERVICES FOLLOW-UP**

REPORT # 256 (FOLLOW-UP TO REPORT # 233)

JANUARY 22, 2014

January 22, 2014

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

Dear Chairman Sharpe and Commissioners:

The Audit Team performed a follow-up audit of the Parks, Recreation and Conservation Department's Athletic Services (Audit Report #233, dated March 1, 2012). Sixteen original audit comments were contained in this report.

Based on the Audit Team's follow-up audit work and discussions with the Interim Director of Parks, Recreation and Conservation Department, County Audit is closing fourteen of the original audit comments. The Audit Team's follow-up audit indicated that these fourteen original concerns have been addressed and corrective action has been implemented. Two original concerns remain open. One new audit comment has been added. The report on the follow-up audit is enclosed.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Director and personnel of the Parks, Recreation and Conservation Department's Athletic Services during this audit.

Sincerely,

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

c: Mike Merrill, County Administrator
Sharon Subadan, Deputy County Administrator, Public Safety and Community Services
Jack Carlisle, Director, Parks, Recreation and Conservation Department
Bruce Dangremond, Manager, Performance Mgmt, Business and Support Services

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This section details the open comments at the completion of the follow-up audit.

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EXECUTIVE SUMMARY

BACKGROUND INFORMATION:

The primary objective of the original audit was to review and evaluate the adequacy and effectiveness of the Parks, Recreation and Conservation Department's Athletic Services' function, processes, general controls, and compliance with policies and standards.

On April 3, 2013, the Board of County Commissioners approved a revised Athletic Facility Use Agreement and Standard Operating Procedures Manual. The new agreement clarifies the responsibilities of the County and those of the youth organizations involved with athletic programs at County parks.

OBJECTIVE:

The objective of this follow-up was to review and evaluate the conditions reported in County Audit Report # 233 dated March 1, 2012, to determine if corrective actions have occurred and are effective, and if the corrective actions appear to be continuous and/or corrections will be monitored to ensure the control weaknesses will not be repeated.

SCOPE:

The follow-up was based on the *International Standards for the Professional Practice of Internal Auditing* issued by the The Institute of Internal Auditors. The follow-up procedures were applied to the records, the documents, and the controls that were in effect during the period January 1, 2013, through June 30, 2013.

OVERALL EVALUATION:

The Audit Team found that corrective actions had been fully implemented on 14 of the 16 audit comments noted in the original audit. As a result, the Audit Team has closed these audit comments. For the remaining two audit comments, Athletic Services has initiated some corrective actions. However, the actions taken either have not been completed or have not fully alleviated the audit concerns. (See the Summary of Original Audit Comments on page 3.)

In addition, there is one new audit comment. Follow-up testing identified that monitoring controls related to adult softball umpire payments could be improved.

The Audit Team recommends that management monitor the open audit comments 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 exit conference was held on December 2, 2013.

AUDITED BY:

Peggy Caskey, Director, County Audit
Steve Hooper, Audit Manager
Margaret Brown, Senior Internal Auditor
Lovonia Scott, Staff Auditor
Brenda Tyler, Staff Auditor

SUMMARY OF ORIGINAL AUDIT COMMENTS

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

For reference purposes, the entire original audit report #233 (issued Fiscal Year 2012) can be viewed on the Clerk’s web site at <http://www.hillsclerk.com> under Clerk Services, County Audit – Recent Reports.

AUDIT COMMENT	DESCRIPTION	STATUS	FOLLOW-UP AUDIT COMMENTS
1	Not all youth sports organizations provided proof of mandatory training for coaches.	CLOSED	Youth sports organizations are now required by their Facility Usage Agreement to provide Athletic Services proof of mandatory training of coaches.
2	Advertisement signs were not in compliance with the Park License and Management Agreement.	CLOSED	The Facility Usage Agreement replaced the Park License and Management Agreement. The Facility Usage Agreement contains signage requirements for the youth sports organizations. Athletics has implemented a monitoring process to ensure compliance with the signage requirements.
3	Athletic field advertising fees are not in compliance to the approved Board of County Commissioners’ Parks Fee Schedule.	CLOSED	The new Facility Usage Agreements allow the youth sports organizations to retain all revenues generated as a result of their activities, including any fees they receive from advertising sponsors.
4	Recycling containers were not available at sites visited.	CLOSED	The new Facility Usage Agreement encourages, but does not require, participation in the County’s recycling program.
5	The Hillsborough County logo was not always displayed by the youth sports organizations.	CLOSED	The Hillsborough County logo is now displayed on the uniforms of the youth sports organizations.
6	Funds collected were not always processed correctly.	CLOSED	Collected funds are now processed correctly in accordance with the <i>Standards & Guidelines – Collection of County Funds</i> .

AUDIT COMMENT	DESCRIPTION	STATUS	FOLLOW-UP AUDIT COMMENTS
7	The Park License and Management Agreement for athletic sports organizations need to be revised.	CLOSED	The Park License and Management Agreement was revised and replaced with the Facility Usage Agreement. The Facility Usage Agreement, along with the Standard Operating Procedures Manual, was approved by the Board of County Commissioners on April 3, 2013.
8	Park facilities are used for financial gain by paid league employees.	CLOSED	The BOCC-approved Facility Usage Agreement and Standard Operating Procedures Manual require youth sports organizations to obtain prior approval before hosting any non-contracted event.
9	Stronger controls are needed over the field sublet process.	CLOSED	The Facility Usage Agreement prohibits youth sports organizations from subletting the park facility to others.
10	The County is not compensated for the operation of the athletic facility or its maintenance cost for athletic complexes occupied by youth sports organizations.	CLOSED	The Parks Department has implemented controls to monitor and detect facility subletting by youth sports organizations.
11	Controls over advertisement banners at athletic complexes need improvement.	CLOSED	Athletic Services has designated a staff member to monitor youth sports organizations, including conducting on-site inspections.
12	Activity fees have not been established for youth sports organizations.	OPEN	See page 6 of the report.
13	Controls over the field rental process need improvement.	CLOSED	Organizations are being charged and invoiced for field rentals based on the current Board of County Commission-approved fee structure.
14	Limited resources hinder the oversight responsibilities of the County's Youth Sports Coordinator.	CLOSED	Athletic Services has designated a staff member to monitor youth sports organizations, including conducting on-site inspections.
15	Athletic Services' official County website lists incorrect information.	OPEN	See page 7 of the report.

AUDIT COMMENT	DESCRIPTION	STATUS	FOLLOW-UP AUDIT COMMENTS
16	Parks, Recreation and Conservation Department payments for contracted umpire services were not always supported with required documentation.	CLOSED	Payments for contracted umpire services are supported with required documentation; documentation is being retained according to the General Records Schedule.

NOTE: An Open Audit Comment is defined as a control weakness for which management has not yet implemented corrective action that will alleviate the original audit concern, and a Closed Audit Comment is a control weakness for which management's corrective action has alleviated the original concern.

OPEN COMMENTS WITH CLIENT RESPONSES

AUDIT COMMENT 12: FOLLOW-UP COMMENT

Activity fees have not been established for youth sports organizations.

During the original audit, it was noted that Athletic Services oversees fifty-one athletic complexes that host youth sports organizations with the County maintaining most of the facilities (fields, common areas, buildings, and utilities). No activity fee is imposed on these organizations to help offset the costs incurred by the County associated with operating and maintaining these facilities. The current Facility Usage Agreement allows the youth sports organizations to retain all revenues generated from their activities, including registration and concession fees. These revenues must be used by the organizations to provide additional improvements for their programs.

An activity or user fee would help to reduce the County's operating and maintenance costs.

RECOMMENDATION:

Consideration should be given to conducting an analysis of operational and maintenance costs for County owned athletic complexes and establishing an activity or user fee for youth sports organizations. If implemented, the fee should be approved and incorporated into BOCC Policy 03.04.09.00, *Fee Schedule for Hillsborough County Parks, Recreation and Conservation Department*, and into the Facility Usage Agreement.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

PRC is currently working with FSS to determine the actual operational and maintenance costs of County owned athletic facilities. Additionally, PRC is collecting data from our peers through the National Recreation and Park Association's PRORAGIS benchmarking tool. Any Board-approved fee changes will be incorporated into BOCC Policy 03.04.09.00.

TARGET COMPLETION DATE:

9/30/14

AUDIT COMMENT 15: FOLLOW-UP COMMENT

Athletic Services' official County website lists incorrect information.

During the original audit, it was noted that the official County website listed several athletic programs that were no longer administered or conducted by Athletic Services. The County's website contained inaccurate information regarding various programs and activities offered by Athletic Services. During follow-up testing, it was noted that the web page listed youth basketball which is no longer administered or conducted by Athletic Services.

RECOMMENDATION:

Consideration should be given to monitoring the County's website to ensure that it provides citizens with the most current information about available athletic programs.

CLIENT RESPONSE:

Concur

CORRECTIVE ACTION PLAN:

Specific staff throughout the Department are now identified and charged with monitoring of information on the website. Three staff members are assigned and trained to make modifications to individual pages. PRC is also working with the county webmaster to delete old, incorrect pages rather than archiving them.

TARGET COMPLETION DATE:

Ongoing

NEW AUDIT COMMENT

This section is used to report new audit comments that the Audit Team observed during the follow-up audit, which are worthy of being brought to the attention of management.

AUDIT COMMENT

An opportunity exists to improve the adult softball umpiring service invoice approval process validation controls.

Athletic Services no longer requires a three-way match of reconciling the adult softball umpiring service invoice (prepared by the vendor) to the signed game card (prepared by the vendor) and the corresponding game schedule (prepared by Athletic Services).

The new procedure requires comparing the vendor's invoice to the vendor's signed game card (a two-way match). It lacks the validation control of comparing the vendor's invoice to an Athletic Services confirmed deliverable (the game schedule).

During the follow-up audit, a judgmental sample of five adult softball umpiring service invoices was selected for testing. Each invoice included one week of umpiring services for multiple games.

- One invoice included fees for two umpires providing services to a game but the supporting documentation (a game card) indicated that only one umpire provided services.
- Per an agreement with a vendor, umpire service fees are to be charged at half the hourly rate when a game is forfeited or rained-out. The forfeited and rained-out games on all five invoices were charged at, and paid by Athletic Services, the full hourly rate (an overpayment of \$680).
- There were three games on two invoices that did not reconcile to the corresponding game schedule.

RECOMMENDATION:

1. Consideration should be given to enhancing the validation controls for the invoice approval process by reconciling the invoice to a schedule independent of the documents provided by the vendor.
2. Consideration should be given to performing a review of all umpire service payments for the contract period to determine whether or not umpire fees for forfeited or rained out games were invoiced and paid at the correct amount. A reimbursement should be requested from the vendor for any overpayment of fees.

CLIENT RESPONSE:

1. Concur

2. Concur

CORRECTIVE ACTION PLAN:

1. With the assistance of FSS, a policy has been developed and implemented to provide a procedure for reconciling invoices of the documents provided by the vendor.

2. A review has been performed and accounts are current. The policy above addresses controls for this procedure to minimize risk in the future.

TARGET COMPLETION DATE:

1. Complete

2. Complete

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