



MIAMIBEACH

BUDGET AND PERFORMANCE IMPROVEMENT
Internal Audit Division

INTERNAL AUDIT REPORT

TO: Jorge M. Gonzalez, City Manager
VIA: Kathie G. Brooks, Budget and Performance Improvement Director
FROM: James J. Sutter, Internal Auditor

DATE: June 10, 2011

AUDIT: Parks & Recreation Department Cashiering Function and Revenue Audit

PERIOD: October 1, 2009 through August 31, 2010

This report is the result of a regularly scheduled audit of the cashiering functions maintained and the revenues received at the Parks & Recreation Department's Flamingo Park Pool and Youth Center, Normandy Isle Park and Pool, North Shore Park Youth Center and Scott Rakow Youth Center (including the ice rink) facilities between October 1, 2009 and August 31, 2010.

INTRODUCTION

The City's Parks & Recreation Department has a wide array of revenue sources that comprise its fiscal year 2009/10 adopted budget total of \$7,740,788. A majority of these projected revenues (\$5,731,538) are derived from the Miami Beach and Normandy Shores Golf Clubs which are administered under separate contract agreements with an outside management firm called Professional Course Management II, Ltd. These two golf clubs were separately audited earlier this fiscal year and their combined audit report can be found on the City's website.

Instead, this audit focuses on the remaining approximately projected two million projected dollars which is collected from enrollees who wish to participate in offered swim classes, athletics, summer camps, after school programs, etc. Random testing was conducted on the listed revenue sources collected at each of the Parks & Recreation Department facilities below:

Tested Facility *	Facility Address	Tested Revenue Sources
Flamingo Park Pool and Youth Center	999 11 th Street	Programs/classes, camps, entrance fees and facility rentals
Normandy Isle Park and Pool	7030 Trouville Esplanade	Entrance fees, swim classes and facility rentals
North Shore Park Youth Center	501 72 nd Street	Programs/classes, camps and facility rentals
Scott Rakow Youth Center Ice Rink	2700 Sheridan Avenue	Entrance fees, lessons, classes and facility rentals
Scott Rakow Youth Center (Non Ice Rink)	2700 Sheridan Avenue	Programs/classes, camps and facility rentals

* Monies can also be received at the 21st Street Administrative Offices but no testing was performed at this facility.

Parks & Recreation Department customers are required to complete program specific documentation which among other items may include permission slips, emergency contact cards, registration forms, sign out procedures, etc. To help alleviate the repeated completion of documents when registering for each class or program, customers receive a participant enrollment card valid through the completion of the next summer which when presented can be substituted for most.

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Some forms like the emergency notification card, refund policy form, partial payment form, etc. always have to be completed by each customer for each program registered.

The prices charged at these tested facilities vary based on the customer's residency, other enrolled siblings, the percentage of scholarship awarded for proving that the household income falls within designated ranges, etc. In addition, partial payment plans are offered whereby the customer can make agreed upon payments at different times during the registered program.

Prices for such core programs as after school, summer camp and swim programs are approved in advance by the City Commission, while the remaining programs' prices (specialty camps, athletic fees, summer specialty program fees, etc.) are administratively set by Parks & Recreation Department management. Program prices are included in the Parks & Recreation Department's bi-annual Recreational Reviews and are also listed on the City's website.

The tested facilities accept cash, check or credit card payments and in return the customer receives a manually prepared pre-numbered receipt and another printed from the department's computer software, RecWare Safari. This software centralizes all customer and program information which is made available to authorized users for analysis and monitoring.

All monies received at each facility are to be reconciled daily with the supporting documentation and RecWare Safari entries by designated employees separate from those receiving the monies. Once completed, Parks & Recreation Department personnel enter the transactions into the revenue software created by the City's Informational Technology Department called RecRev so that the corresponding amounts can be recorded in the City's Financial System general ledger accounts. Finally, the reconciled monies and documentation are delivered to the Central Cashier's Office for processing and depositing into the City's SunTrust bank account.

Review of these general ledger accounts found that the tested facilities sorted alphabetically below had the following revenues for the 10/01/09 through 08/31/10 audit period:

Tested Facility *	10/01/09 – 08/31/10 Revenues
Flamingo Park Pool and Youth Center	\$185,674
Normandy Isle Park and Pool	\$57,031
North Shore Park Youth Center	\$212,497
Scott Rakow Youth Center Ice Rink	\$286,748
Scott Rakow Youth Center (Non Ice Rink)	\$241,428
Total Revenues	\$983,378

* The listed facility revenue totals exclude athletics as they are not separated by facility in the City's general ledger accounts and therefore could not be easily determined.

OVERALL OPINION

The Parks & Recreation Department has a difficult undertaking in trying to collect, safeguard and monitor the monies received at different locations by different people for different activities. Inherent problems arise from this level of decentralization that can be hard to overcome without proper emphasis placed on automation, independent review/reconciliation by knowledgeable individuals, segregation of duties, etc. Despite these challenges, tested monies were properly accounted for and correctly reconciled with the entries into the City's Financial System.

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However, the following weaknesses were noted during testing which are in need of improvement:

- Manually prepared forms such as the Daily Pool Log, Pool Daily Report, Revenue Reports, etc. contain repetitive information that can be either consolidated and/or automated.
- Customers that sign partial payment forms do not always adhere to its terms.
- Noted shortcomings in the RecWare Safari software are addressed as to number of user licenses, on-line registration, etc.
- User fees established in Resolution No. 2003-25306 have not been reviewed during the past seven years despite a provision tying these fees to increases in the Consumer Price Index over the same period.
- Given the Scott Rakow Youth Center's ice rink existing front entrance layout, procedures need strengthening to improve internal controls.
- Customers' remittance of a \$53.50 non-refundable payment is sufficient to hold the date for a Scott Rakow Youth Center ice rink party when other visited facilities require payment in full.
- Fees collected for background checks and drug tests' from Scott Rakow Youth Center's Ice Rink instructors were not entered into the Department's RecWare Safari software.
- The Normandy Isle Park and Pool entrance is not properly configured so that customers are directed to the Concession Attendant's window before entering. Also, annually registered customers are continually granted free entry during the year after merely stating their name and address which can be easily duplicated by non-residents.
- Customer's residency should be better documented in the maintained departmental files before the approved lower rate is charged.
- The Normandy Isle Park and Pool's cameras need to be repositioned to better protect the City's assets.

PURPOSE

The purpose of this audit is to determine whether tested facility revenues were correctly and fully received in accordance with established prices; whether all tested files, records and software systems maintained are complete, neatly organized and sufficient; whether received monies are properly safeguarded, independently reconciled to the supporting records and are timely deposited intact into the City's bank accounts; and whether all tested transactions are accurately recorded in the City's Financial System.

SCOPE

1. Confirm that effective and detailed operating policies and procedures have been developed and are being utilized for the proper control and accountability of all related transactions.
2. Confirm that proper segregation of duties and internal controls are followed to provide reasonable assurance that all monies are accounted for.
3. Confirm that all tested files, records and software systems maintained are complete, neatly organized, and sufficient and that access to key supporting documents is properly restricted to authorized employees and permitted only in accordance with management policy.
4. Confirm that all tested collections were properly documented, correctly recorded, adequately

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safeguarded and deposited intact.

5. Confirm that the amounts collected from tested customers were appropriate for the enrolled program. If such discounts as scholarships were awarded, was the necessary documentation provided and appropriate to warrant the cost reduction.
6. Confirm that all tested monthly payments received were correctly recorded into the City's Financial System.

FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

1. *Finding: Duplication of Departmental Forms and/or Computer Software Displaying Similar Information*
Internal Audit reviewed the various departmental forms completed by Parks & Recreation Department personnel and determined that the listed documents contain similar information that may be able to be either combined and/or automated:
 - a. The Daily Pool Log is used to track the number of people using the pool per session. Meanwhile, the Pool Daily Report summarizes the number of people using the pool per session, the weather conditions and the revenues collected. These reports are interrelated and their data should be combined into one report. Furthermore, the inclusion of all people entering the facility into RecWare Safari (Parks & Recreation Department's maintained computer software) regardless of whether they remit money may allow both of these manually prepared forms to be eliminated.
 - b. The Concession Attendants manually prepare three part sequentially numbered control number forms to record customer payments. This form requires the preparer to list such relevant data as the date and amount of the transaction, the payee's name, the payment method, the purpose of the payment and a description of the transaction. One copy is given to the customer as a receipt along with a RecWare Safari receipt printout which lists similar information with copies placed in the participant's individual file. These manually prepared control number forms are basically only needed when the computers are malfunctioning or the infrequent times where access to RecWare Safari is not possible due to heavy usage as the Parks & Recreation Department currently has purchased only ten user licenses.
 - c. The manually prepared Revenue Report lists the individual receipts issued during that given day and the totals by the applicable general ledger account numbers. Meanwhile, the automated RecRev report reports similar but more detailed information and is validated by the Central Cashier upon receipt of the monies.
 - d. The data entered into RecWare Safari cannot currently be uploaded directly into Eden so designated staff members have to re-enter the same data into RecRev (the revenue software created by the City's Informational Technology Department).
 - e. On-line customer registration is available but it is not used much by those desiring enrollment. Even so, all the required forms applicable to the desired class or program are not linked so that they can all be completed on-line. Instead, any additional waivers or forms specific to that program have to be personally completed prior to

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dropping off the child on the first date along with proof of residency (if applicable). Additionally, many of these forms contain repetitive information that may be able to be consolidated.

Currently, an overwhelming majority of enrollees manually complete program enrollment documents and then submit them at a Parks & Recreation Department facility with payment. Afterwards, a departmental employee has to subsequently re-enter the corresponding information into RecWare Safari which is a duplication of work. Designated facilities could have computer kiosks during high volume times like summer camp registration so that customers can register on-line at the facility registration to help save staff time.

- f. Individual files are presently created and maintained in the Administrative Offices for each enrollee participating in offered classes and programs during that year. Included in these files is the enrollee's admission paperwork, scholarship information, receipts showing any payments, etc. As expected, the reviewed files were not always complete or information was occasionally misfiled. Much of this information can be obtained from RecWare Safari if the customer registers on-line thereby eliminating the need for these labor intensive files.

Recommendation(s):

The above items should be reviewed by Parks & Recreation Department management to determine which of these points are feasible and can be streamlined going forward. The department should try and automate as much as possible so that staff have more time to attend to other more important duties.

Management Response:

- a. The "Pool Daily Report" and the "Daily Pool Log" will be combined to alleviate the duplication in forms. This log is not required but is used as a tool for "checks and balances" for the Concession Attendant and/or staff designated at the pool. Recreation staff will meet in December to determine whether the combined log will only be used in times where a computer is not readily available (such as computer outages) or continue to use the form on a daily basis.
- b. The "control numbers" are essential to our current daily operations. In the future, we will evaluate this practice once the new Recreation Software is in place. Future plans are to push on-line registration, so that daily payments are not so prevalent in the Parks and Recreation Department.
- c. The practice of manually creating revenue reports is no longer in use. Employees were instructed to phase out manual revenue reports when they felt comfortable with the new revenue system "RecRev". The Auditor encountered the previously required form in this Audit. This is no longer an issue.
- d. This will not be an issue once we convert to the new Recreation Software "Active".
- e. Although with the proposed Recreation Software, forms will not be able to be attached by the customer; staff will be able to manually attach (scan) the forms once the customer submits them in person. With this new feature, the Department will create new procedures regarding outdated forms. Forms may be valid until either

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rules/regulations have been updated and/or customer information has changed instead of the current yearly process. These policies have not been established yet and are currently on hold pending the installation of the new software.

- f. The Department will continue to have manual files that include other required forms not on the on-line template. With the new software, staff will be able to attach these manual forms to the customer account.
2. **Finding:** *Customers that sign partial payment forms do not always adhere to its terms*
In addition to offering 50%, 75% and 100% scholarships to children whose household income falls within designated ranges and other discounts, the Parks & Recreation Department has been authorized to allow participants the option to make partial payments for summer camps. The participant is required to make an initial pre-determined payment and then to remit additional payments at specified dates in adherence to the signed payment plan. Testing found that these additional payments were not always remitted prior to the conclusion of the program but still the individual was permitted to attend.

Furthermore, one example was found whereby a Flamingo Park Summer Camp participant with an outstanding payment plan balance was able to enroll in another subsequent program contrary to departmental policy. Other occasions were found where these outstanding balances continue to exist as the participant has not enrolled in any other programs.

Recommendation(s):

Although it is not the Parks & Recreation Department's intent to turn away a child based on their inability to pay, payment plans require additional administrative time whose cost already is not recovered by the City. As a result, participants should abide by the signed payment plans' terms. In addition, departmental staff should always check RecWare Safari for any previous outstanding balances and require the customer to pay this amount in full before enrolling them in any new programs.

Management Response:

It has been the Division practice to collect past due payments prior to the commencement of the following quarter (fall, winter, spring and/or summer). Staff is instructed to check RecWare for customer balances prior to a new registration; however, on heavy registration days, sometimes staff is not able to log on or have a computer available for verifying prior enrollment. Under these circumstances, staff will register the customer and call them once enrollment in the system "flags" the customer with a previous balance. Additionally, it has not been customary in these instances to impose late fees or penalties, but rather work with the patron to resolve this or future circumstances. More specifically, the instance noted above at Flamingo Park was a rare circumstance where the parent confided with the Facility Manager to extend the partial payment plan. The customer has since paid off the balance in full. It has been the Department's practice to allow Management "flexibility" on payment plans

Internal Audit Observation:

The department should consider having written policies regarding the procedures utilized above for payment plans.

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3. Finding: Noted RecWare Safari Software Deficiencies

The Parks & Recreation Department implemented the RecWare Safari software system in 2004. This software was initially received at no cost and was limited to five user licenses but it has since been upgraded to ten licenses. Although it has many benefits and plans exist to upgrade to new software, the following deficiencies were noted during the audit period:

- a. The limited number of user licenses can result in unsuccessful attempts to access the system, especially during peak times like summer camp registration.
- b. Customers have the option of registering on-line for desired classes and programs as mentioned in finding #1e. If selected, RecWare Safari creates an additional customer account so that all their information is not centralized which then requires the Parks & Recreation Analyst to spend time merging all the accounts' information back into one.
- c. One customer rented Fairway Park's field for Sunday soccer games in August and September 2010. He paid the charged amount of \$1,982.40 in full at the Normandy Isle Park and Pool which was correctly written on receipt number 9-2514 and entered into RecWare Safari. However, RecWare Safari's subsequently produced Cash Receipts Report shows the corresponding revenues as \$1,472.40 resulting in an unexplained \$570.00 difference. The validated RecRev report also shows that the entire \$1,982.40 was correctly deposited. When investigated, Parks & Recreation Analyst concluded that a partial payment plan was initially selected despite the enterer's objections but still the reviewed account is showing no balance due.

Recommendation(s):

The new software system currently being considered by the Parks & Recreation Department to replace RecWare Safari, should be an open architecture system that allows adding, swapping, and upgrading components by the end user. In the interim, the implementation of the following RecWare Safari changes should help expedite operations if deemed possible and/or feasible:

- a. Until the new departmental software system is operational, Parks & Recreation Department management should consider the feasibility of obtaining additional user licenses or further restricting those having access to the system to reduce waiting times.
- b. Discussions should be held with the City's Information Technology Department and RecWare Safari to determine how to remedy this shortcoming so that the customer's information is centralized automatically under one account.
- c. RecWare Safari should be contacted to further investigate the reasons for this \$570.00 difference as it could lead to misappropriation possibilities for unscrupulous individuals as all the records in this scenario would balance if the lesser \$1,472.40 amount was deposited.

Management Response:

- a. In 2008, the Department increased the number of licenses from five to ten, which has significantly decreased the number of instances that staff is "locked out" of the system. At this time, it is not feasible to increase the number of licenses based on our current budget. Plans for an upgrade to our software are already in place and

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this will eliminate this problem completely as the new software is not based on user licenses, but on internet connectivity.

- b. Although there is a function that can manually combine all duplicate customers in one shot, this function is not "fool proof". For example, there are several instances where parents name their children "Christy" and "Christine", Rec-Ware automatically assumes that these two participants are the same person. This would be incorrect and cannot be reversed. Therefore, manual "synchronization" by the Analyst (and not the IT Department) is preferred by the Department.
 - c. Rec-Ware was contacted on 11/15/10 regarding the permit in question. It was determined that the permit was entered wrong and should be voided and re-entered. The Recreation Program Supervisor at Normandy Isle Park and Pool re-entered the permit with the correct rates on 11/16/10.
4. *Finding: User Fees for core programs established in City Resolution No. 2003-25306 have not been reviewed for increases allowed by changes in the Consumer Price Index*
One of the many responsibilities tasked to the City Commission is the setting of Parks & Recreation Department core program fees (summer camp, after school, swim classes, etc.). Once approved, they are included in the published bi-annual Recreation Review which also can be found on the City's website. These fees have not been adjusted since the passage of Resolution No. 2003-25306 as the City Commission has remained steadfast in keeping fees low and affordable to its residents. Yet, the resolution states that "*The Administration is required to review user fees whenever the change in the Consumer Price Index (CPI) between the latest CPI and the date of the CPI used for the last fee adjustment is 5% or greater.*" Although the CPI has increased approximately by 18% between October 1, 2003 and August 31, 2010, the user fees have not been adjusted.

Additionally, Departmental management has the discretion to create new fees not covered in Resolution No. 2003-25306. Examples include charging those receiving private ice skating lessons an additional \$10 to skate in the free skate period surrounding their lesson and skate rental fees. These newly created fees are benchmarked with other municipalities and are adjusted annually based on the results of internally completed profit and loss statements.

Review of thirty-one facilities provided individual Parks & Recreation Department programs' profit and loss statements found that thirteen or 41.94% operated at a loss whereby the collected revenues do not cover the associated costs.

Recommendation(s):

A review of the core program fees addressed in Resolution No. 2003-25306 should be brought to the City Administration to determine if the fees should be increased in accordance with changes in the CPI.

Management Response:

The Parks and Recreation Department will review the fees as scheduled in the City Resolution and discuss any fee adjustments with the City Manager's Office. If appropriate, and a warranted CPI increase is recommended, the fee adjustments will be presented to the City Commission. On a yearly basis, the Department will follow the resolution language and review the CPI for possible fee adjustments and discussions with the City Manager's Office.

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5. Finding: Procedures Surrounding Entrance Fees Need Strengthening to Help Ensure that all Revenues are Collected

The Scott Rakow Youth Center's ice rink front entrance located on Pinetree Drive creates challenges in controlling entrance fees. Consequently, ice rink customers currently have to walk through the facility to the southeast corner offices where monies are collected and receipts given. Also, a Concession Attendant or Recreation Leader is stationed during public open sessions near the Pinetree Drive front entrance to verbally inform customers where to go and pay.

Furthermore, a vending machine is positioned in this front lobby but does not work because of the lack of electricity. There is no corresponding signage on the machine and inquiries found that it has not been removed from the premises despite several requests to the vendor.

Given the aforementioned problems with the building layout, more importance is placed on internal controls to ensure that all individuals inside have paid. Paying customers receive pre-numbered colored wristbands to be worn as proof of payment and ice rink employees were properly instructed to ensure that all customers have them displayed. Although a sound internal control, management did not monitor the wristbands' receipt and issuance to ensure that all were accounted for.

Finally, review of 05/29/10 and 05/30/10's private lessons found two instances whereby the customer's name was not included on the RecWare Safari receipt. Instead, the Concession Attendant used the default "Drop-In Customer #1" name in its place which could hinder the subsequent reconciliation with the instructor when determining their 75% payment of all applicable lesson fees.

Recommendation(s):

Vending company should be contacted to remove the inoperable vending machine from the ice rink's front lobby as soon as possible. The wristbands should be better controlled to ensure that all open public session entrance monies received were recorded. One option is to give the Concession Attendant a pre-determined number of wristbands at the beginning of each public session and then reconcile any missing at the conclusion to the RecWare Safari entries to help ensure that all are accounted for.

Finally, the names of those individuals receiving private lessons should always be entered into RecWare Safari by the Concession Attendants.

Management Response:

The Parks and Recreation Department agrees that it is appropriate to collect fees and service the customer upon entrance to the ice rink, but current physical constraints make this a challenge. Accordingly, due to this, the Concession Attendant and/or Recreation Leader stationed at the front entrance is needed, (was previously stationed on Friday nights for crowd control also, and now during private lesson time only).

The vending machines have since been relocated to the patio and are in working condition.

In the ice rink, wristbands are used for all admission-based programs such as public sessions, freestyle sessions, and private lessons as a visual tool. The Department is considering purchasing new software as a part of Active that supports the printing of badges that people

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will wear on their clothes in order to eliminate the use of wristbands. Ideally, badges would have the date and time of purchase, receipt number and activity name.

The name of a private lesson customer, (although the name may not be entered immediately upon the customers 1st visit to the Ice Rink) are normally entered when the customers take a lesson. It is only on the customer's 1st visit that the name is entered subsequently in order to expedite the customer's experience at the rink by allowing the lesson to continue while we enter the info. Once we integrate to the new Active software package, the intent is to implement a badge/identification system to help with this recommendation and other findings.

6. Finding: Ice Rink Party Rentals Dates Are Reserved upon the Remittance of a \$53.50 Non-Refundable Deposit with No Additional Monies Due for Late Cancellations

If the date is available, customers can reserve the entire Scott Rakow Youth Center ice rink for private parties in exchange for a \$53.50 non-refundable deposit with the balance paid at the conclusion of the party. The actual cost starts at \$250 with non-residents also having to pay an additional \$5.00 per person (the price for non-residents has recently been changed to a \$400 flat fee). Additional fees may be charged based on the customer's requests.

Rental dates can be in high demand as only three dates are available in a given week. Yet, the City would only receive \$53.50 if an ice rink party rental was cancelled and could not be replaced with another. Inquiries at other Parks & Recreation Department facilities found that they collect the full price from the customer before the rental is confirmed and staff is assigned.

Recommendation(s):

Internal Audit recommends that Scott Rakow Youth Center ice rink party rental reservation deposit be increased from \$53.50 to the full charge of \$250 for residents and \$400 for non-residents to help cover any potential lost revenues and/or offset staffing charges. This deposit can subsequently be applied toward the actual cost of the party as determined with the customer at the end of the party rental.

Management Response:

The Parks and Recreation Department has since established a uniformed policy for all rentals at all sites. We currently charge a non-refundable staffing fee of \$100 for all rentals in order to hold a rental. This will cover staffing costs in case of a cancellation.

7. Finding: Fees Collected for Background Checks and Drug Tests' from Ice Rink Instructors were not Entered into the Department's RecWare Safari Software

The Scott Rakow Youth Center Ice rink currently employs eleven independent contractors who give private lessons and hockey classes. As part of their employment process, these individuals must remit \$68.25 for background checks and drug tests. While sampled payments were subsequently found to have been properly deposited with the City's Central Cashier and correctly entered into the RecRev interface system, they were not processed through the Department's RecWare Safari software thereby causing undocumented differences between the two daily receipt amounts.

After discussions with the Ice Rink Manager, it was determined that any monies collected for background checks and drug tests would now be entered into RecWare Safari so that the daily proceeds equal the amounts entered into RecRev and the City's Financial System thereby eliminating any future confusion or need to document the reasons for the differences.

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Recommendation(s):

No further action necessary.

Management Response:

This has since been corrected; all background fees are now inputted into RecWare Safari.

8. **Finding:** *Normandy Isle Pool Front Entrance Is Not Concession Attendant Friendly and Picture Identification is Not Subsequently Checked Before Free Entry is Granted*

Currently, there is no means (signage, metal bars, buzzers, etc.) to guide customers to the front window staffed by the Concession Attendants at the Normandy Isle Pool. Consequently, any non-City residents who are required to pay prior to gaining admittance have the ability to walk into the facility. If the Concession Attendant is busy doing other tasks and does not notice them walking in, then they could enter for free. If they do notice but can't get the customer's attention beforehand, then they have to leave their post and address them inside the pool area.

Additionally, City residents are able to enter the Normandy Isle and Flamingo Park Pools at no charge upon initially showing proof of residency and picture identification. Once registered, residents are able to gain free admittance by merely stating their name and address through the end of the next summer until the process is repeated for the next year. This simplistic process works well when there is no charge due but it also can enable non-City residents to also continually enter at no charge under another's registered name by just repeating this person's name and address correctly.

Recommendation(s):

The front entrance to the Normandy Isle Pool should be reconfigured so that customers have to walk by and visit the Concession Attendants prior to gaining admittance to the facility. Possible options that should be considered include adding signage, placing metal bars that guide the customer to the window, having the Concession Attendant press a buzzer to allow the customer entry, etc.

Although the present process is simplistic and pool entrance fees are reasonably priced for non-City residents, Internal Audit believes that the participant enrollment card should be provided before free admittance is provided. If not present, then a picture identification card (drivers' license, green card, student card, etc.) should be substituted and compared to the log maintained before free admittance is garnered.

Management Response:

The Parks and Recreation Department will now require patrons to show a valid Florida ID/license or picture ID to confirm residency status before pool admittance is granted. Residency logs will no longer be kept as proof of residency. In addition, the Department will work with Property Management to determine a course of action for possible installation of an electronic buzzer on the turn-style door plus, add better signage for patron visibility.

9. **Finding:** *Proof of Customers' Residency Documentation Was Not Always Noted by Departmental Reviewers*

City residents and employees pay a lesser rate than non-residents to participate in the same activities and programs. They are required to show various forms of identification and/or proof of residence (participant enrollment card, voter's registration card, passport, driver's license, utility bill, picture identification, etc.) to receive these lower rates. This supporting

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documentation is typically not maintained in the customer files except for those individuals funded by the Children's Trust grant monies at the North Shore Park Youth Center.

However, there were several instances noted at other facilities whereby the lower resident rate was given but nothing was indicated on the registration forms by Parks & Recreation Department staff. On a positive note, subsequent tests of enrollees found that those deemed City residents were consistently charged the correct lesser rates while conversely higher rates were continually charged to non-City residents.

Finally, review of one current year file at the North Shore Park Youth Center found that the corresponding Fitness Center enrollee received the resident rate despite the fact that his photocopied drivers' license showed a Miami address. The questioned Recreation Program Supervisor thought that more detailed information would be in the enrollee's prior year file but it could not be located prior to the conclusion of this audit.

Recommendation(s):

Parks & Recreation Department staff should always indicate on the registration forms whether the individual is a resident and what documentation was reviewed and approved. Copies of residency documentation (program enrollment cards, drivers' licenses, etc.) should continue to be attached to properly support the lesser user rate charged on the program participation forms for all Children's Trust participants. Any information copied in the file that contradicts the individual's residency status should be noted to avoid possible future confusion.

Management Response:

The Parks and Recreation Department continues to use the "For Office Use Only" space to note proof of residency shown. Once a year, registration staff meets and reviews the Department's Policies and Procedures regarding participant registration. Information includes guidelines for proof of residency, scholarship procedures, etc. However, the Department will not keep/make copies of proof of residency unless needed by the Children's Trust Grant and/or a scholarship is received eliminating the need for labor-intensive files.

10. Finding: Normandy Isle Park and Pool Cameras are in Need of Repositioning

There are currently five functioning cameras at the Normandy Isle Park and Pool that are affixed primarily on the facility's entrances and exits. However, Internal Audit's review found that the front window where the Concessions Attendants receive monies was not one of the areas recorded. Additionally, the one camera that records the two pools' daily activities is stretched to the limit due to the distance involved so it may not provide good evidence in the event of an accident, vandalism, etc.

Recommendation(s):

The Parks & Recreation Department should reposition the cameras at Normandy Isle Park & Pool to better protect the City's assets.

Management Response:

An additional camera will be placed in the front area of the Normandy Isle front office where monies are collected.

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EXIT CONFERENCE

An exit conference was held on November 17, 2010 to discuss the audit report and to solicit management responses noted above. Attendees were Assistant Parks & Recreation Director Julio Magrisso; Parks & Recreation Analyst Theresa Buigas; Internal Auditor James Sutter and Senior Auditor Mark Coolidge. Management responses were received on November 30, 2010 and were incorporated into this audit report. All were in agreement with the contents of this report.

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(audit performed by Mark D. Coolidge, Senior Auditor and Carmin Dufour, Field Agent)

cc: Hilda Fernandez, Assistance City Manager
Kevin Smith, Parks & Recreation Director
Julio Magrisso, Assistant Director – Parks & Recreation
Patricia Walker, Chief Financial Officer