

BCC Meeting

Parks and Recreation Department

Audit Report - Freedom Park
Follow-Up Cash Review



June 25, 2013

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Background

- At a regular meeting held on April 9, 2013, the BCC unanimously requested the Clerk's Office to validate corrective actions for Freedom Park.
- A follow-up review was completed (5/2013) to determine if the original findings were corrected. 79% had been corrected.
- The original audit was limited to review of the Freedom Park (one location) change drawer including unannounced cash counts and a cash handling review.
- Additional review was completed in conjunction with the Freedom Park scope.

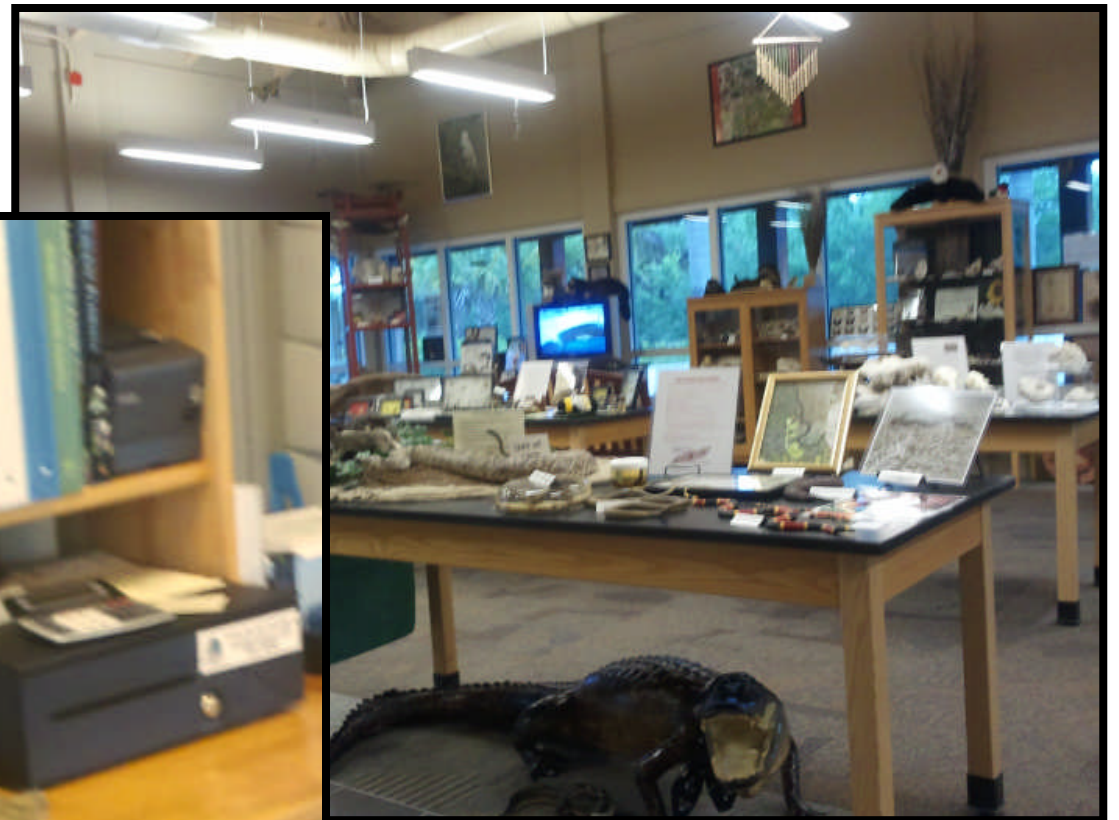
Note: While this is one of Park's smaller cash revenue locations, lack of sufficient controls remains a concern for the Parks and Recreation Department and Clerk's Office.

Freedom Park Gift Shop



Audit Objective

To determine whether corrective actions, taken by Parks and Recreation, were sufficient to address internal audit findings from Audit Report 2013-1: Freedom Park Cash Review.



Status of Original Audit Observations

- 11 Freedom Park audit findings were closed (79%).
- 3 Freedom Park audit findings remain “open” (21%).
 - There are an inordinate number of “Item Not Found” transactions.
 - The No Sale transaction is not being properly used.
 - Deposits have not been made in accordance with Parks and Recreation Policy.
- 7 additional department concerns have been identified.

Additional Observations

1. Inadequate control over the No Sale feature access.
 - All users have the same user name and password for the No Sale feature.
2. 8.2% of transactions are “Item Not Found” and inventory does not reconcile.
 - “Item Not Found” transactions were replaced with “Assorted Item” transactions.
 - No records were produced for “Item Not Found / Assorted Item” transactions.
 - Department could not reconcile inventory.
3. Lack of written Policies and Procedures for Inventory and Systems Review.

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4. Revenue (approximately 7%) has been allocated to incorrect funds and/or cost centers.
 - 3 of 722 items were coded to the inappropriate fund.
 - 46 of 722 items were coded to the inappropriate cost center.
5. The CLASS Journal Listing Report has not properly calculated Sales Tax within the report.
 - Transactions tested for payment of sales tax appear correct.
6. The Freedom Park cash register “opening” for credit card transactions.
7. Parks and Recreation Policy for Deposits has conflicting language regarding the timing of deposits.

Overall Recommendations

- Access for the No Sale feature should be reviewed and limited providing each user a unique user name and password.
- The Department should create and follow written internal policies and procedures to control, track, and monitor inventory and computer systems review.
- Revenue should be allocated to the appropriate fund / cost center.
- Deposits should be completed daily.
- County staff should comply with Florida Statute and Policies and Procedures.

Conclusion

- A follow-up review was completed (5/2013) to determine if the original findings were corrected. 79% had been corrected.
- While this is one of Park's smaller cash revenue locations, lack of sufficient controls remains a concern for the Parks and Recreation Department and Clerk's Office.
- There continue to be areas of concern and exposure to risk.
- Freedom Park does not have sufficient mechanisms in place to control, track, or monitor inventory and computer systems review.
- Parks and Recreation should ensure the proper controls, policies, and procedures are in place to limit risk and error.

Thank you

