

**Follow-Up
of the
Audit of Barnett Park's
Financial Controls and
Revenue Collection**

**Report by the
Office of County Comptroller**

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**Report No. 314
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April 30, 2002

Richard T. Crotty, County Chairman
And
Board of County Commissioners

We have conducted a follow-up of the Audit of Barnett Park Financial Controls and Revenue Collection. Our original audit included the period of January 1, 1999 through April 30, 1999. Testing of the status of the previous Recommendations for Improvement was performed for the month of August 2001. Our follow-up audit was conducted in accordance with generally accepted government auditing standards and included such tests as we considered necessary in the circumstances.

The accompanying Follow-Up to Previous Recommendations for Improvement presents a summary of the previous conditions and the previous recommendations. Following the recommendations is a summary of the current status as determined in this review.

We appreciate the cooperation of the personnel of the Parks and Recreation Division during the course of the audit.

Martha O. Haynie, CPA
County Comptroller

c: Ajit Lalchandani, County Administrator
William Potter, Manager, Parks and Recreation Division

**IMPLEMENTATION STATUS OF
PREVIOUS RECOMMENDATIONS
FOR IMPROVEMENT**

**FOLLOW-UP AUDIT OF BARNETT PARK FINANCIAL CONTROLS AND REVENUE COLLECTION
STATUS OF PREVIOUS RECOMMENDATIONS FOR IMPROVEMENT**

NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS			
		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
1.	We recommend all receipts be recorded in the logbook. In addition, each entry in the logbook should have two signatures - the individual responsible for the collection and a staff member independent of the collection. Further, periodic reconciliations should be performed between logged receipts and actual deposits.		X		
2.	We recommend Barnett Park personnel receipt all monies upon collection and deposit monies in a timely manner as required by Orange County Administrative Regulation 6.03.03 and Barnett Park Revenue Collection and Deposit Standard Operating Procedures.		X		
3.	We recommend that Barnett Park develop and implement policies and procedures that specifically pertain to softball revenue and collections. These policies and procedures should specifically address required paperwork for each team that participates in softball leagues.		X		
4.	We recommend segregating the responsibilities for recording the rentals, collecting the money and making deposits.			X	
5.	We recommend Barnett Park implement controls to ensure all rental reservation monies are collected and deposited.	X			

INTRODUCTION

INTRODUCTION



Scope and Methodology

The audit scope was limited to an examination of the status of the previous recommendations for improvement from the original audit of Barnett Park Financial Controls and Revenue Collection issued in March 2000.

To determine the status of the previous recommendations, we obtained the drop-safe logbook and reviewed and verified that: the issued overnight receipt was recorded in the logbook maintained by Barnett Park; each entry had two authorized staff signatures; and a periodic reconciliation was performed between logged receipts and actual deposits.

We obtained a sample of classification of receipts from the audit period and ensured that the underlying receipts were deposited timely per Orange County Administrative Regulation 6.03.03.

We interviewed Park staff to obtain a copy of written policies and procedures pertaining to softball revenue and collections. We also reviewed game schedules, rosters, and team registration forms to ensure that softball revenues were properly recorded and collected.

We interviewed staff and reviewed current policy and procedure to ensure that Barnett Park has segregated the responsibilities for recording the rentals, collecting the money and making the deposits.

We reviewed picnic pavilion and room reservations for the audit period, along with corresponding rental agreement contracts, and ensured that all rental reservation monies were receipted, collected and deposited.

**FOLLOW-UP TO PREVIOUS
RECOMMENDATIONS FOR
IMPROVEMENT**



1. The Drop-Safe Logbook Should Be Utilized

During our previous review of receipts from picnic pavilion rentals, room rentals and softball teams, we found that none of the 83 receipts were logged into the receipt logbook. Procedures require that each time an item is placed into the safe the person dropping the item and another individual initial the logbook to acknowledge the transaction. Periodically, a reconciliation of the log with other accounting records of receipts and deposits should be performed to ensure that receipts were appropriately deposited. This procedure should be performed by a person independent of the log and revenue recording functions.

We Recommend all receipts be recorded in the logbook. In addition, each entry in the logbook should have two signatures - the individual responsible for the collection and a staff member independent of the collection. Further, periodic reconciliations should be performed between logged receipts and actual deposits.

Status:

Partially Implemented. Barnett currently uses a safe deposit logbook. The logbook is used to record receipts that are dropped into the safe overnight. However, each individual receipt from pavilion and room rentals and softball registration fees is not recorded into the logbook on a daily basis. For instance, during the month of August 2001, we noted that only 19 of the 68 receipts written for softball fees and pavilion and room rentals were recorded in the logbook. In addition, most entries do not contain the signature or initials of two individual staff members acknowledging the deposit to the drop safe. There were 19 logbook entries for softball, room and pavilion rentals in August 2001. Sixteen of those entries contained the initials of only one employee. Also, personnel recording the receipts to the logbook did not include the receipt number.

Although we noted no reconciliation performed between the amounts recorded on the logbook and amounts in the safe, a

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complete reconciliation of receipts written to receipts deposited is performed by the Division.

We Again Recommend all receipts be recorded in the logbook. In addition, each entry in the logbook should have two signatures - the individual responsible for the collection and a staff member independent of the collection.

Management's Response:

Due to staff limitations, Barnett Park staff will obtain two signatures whenever possible. When two signatures are not possible, it will be noted as such on the second signature box on the logbook form.

2. Receipts Should Be Deposited in a Timely Manner

During our original review, we found that 31 percent (8 of 26) of receipts were not deposited within one business day; however, no delays in excess of four days were noted. In addition, we could not determine whether softball revenues were deposited in a timely manner because receipts were not always issued at the time of collection.

We Recommend Barnett Park personnel receipt all monies upon collection and deposit monies in a timely manner as required by Orange County Administrative Regulation 6.03.03 and Barnett Park Revenue Collection and Deposit Standard Operating Procedures.

Status:

Partially Implemented. We found that all softball revenues were receipted. However, we tested 186 cash receipts from Barnett Park for deposits made in the month of August 2001. We noted that a total of 103 or 55 percent of those receipts were not deposited timely. Five receipts were deposited 3 days late, 15 receipts were deposited 2 days late and 83 receipts were one day late.

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We Again Recommend Barnett Park personnel receipt all monies upon collection and deposit monies in a timely manner as required by Orange County Administrative Regulation 6.03.03 and Barnett Park Revenue Collection and Deposit Standard Operating Procedures.

Management's Response:

Timely deposits are currently being done at Barnett Park. In addition, Barnett Park staff hand delivers the receipts, deposit slips and classification of receipts forms to the Comptroller's Finance Department to further speed up the process.

3. Inconsistent Softball Records Should Be Improved

During our previous review, the number of teams that played, registered and paid for the spring softball leagues was not adequately documented. Further, we were unable to trace team registration forms to an appropriate fee collected. Documentation to support the actual deposits of \$12,405 could not be found. Records should be maintained in such a manner that it can be determined what league each team played in, each team's roster, the fee due, the fee collected, and date collected.

We Recommend that Barnett Park develop and implement policies and procedures that specifically pertain to softball revenue and collections. These policies and procedures should specifically address required paperwork for each team that participates in softball leagues.

Status:

Partially Implemented. During our review, we noted that no procedures were developed for the collection of softball revenue. However, we were able to trace all registrations to a subsequent receipt. Relating to this, we had the following concerns:

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-
- A) Forty-three percent (23 of 53) of the receipts issued for the collection of the team registration fees did not contain the team name or company name. In addition, the registration form does not reference Barnett Park's receipt number issued to collect the fee from each team. This leaves an inadequate audit trail to determine and identify which team paid the required registration monies and whether or not Barnett Park collected and deposited the money.
 - B) Barnett Park overcharged two teams a total of \$90 for team registration fees. One team was charged \$375 and the other was charged \$365. In both cases the fee due was \$325.

We Again Recommend that Barnett Park develop and implement policies and procedures that specifically pertain to softball revenue and collections. These policies and procedures should specifically address required paperwork for each team that participates in softball leagues.

Management's Response:

Standard operating procedures for softball revenue collections and registration will be implemented in 60 days. The receipt number has been added to the registration form. The registration form and receipt will reflect the team name. The two softball teams that overpaid the registration fee for the fall 2001 season were Walgreen's and Florida Locksmiths. Both teams had stated that they wanted us to apply the extra fees toward the next season that they played. Neither one of the teams played in the 2002 polar season. Walgreen's will be playing the 2002 spring softball season, a refund request has been issued to return their overpayment of \$50.

The reason both of these teams had overpaid was due to the confusion in the league fee for that season. They had both been told it was X amount of dollars, they then went and had checks cut by their respective companies for the amount

they were told, when the actual price for the league was \$325.

4. The Duties Relating to the Collection, Recording, and Depositing of Receipts Should Be Segregated

During our previous review of the revenue collection and recording procedures, we determined that the receptionist is responsible for recording the rental of pavilions and rooms, collecting checks and money orders, filling out receipts, filling out the deposit slips and making the actual deposits. On the days that the receptionist is not working and the park receives money, deposits are usually not made. Good accounting controls require segregation of duties by assigning different staff the responsibilities of recording transactions, maintaining custody of assets and making the deposits.

We Recommend segregating the responsibilities for recording the rentals, collecting the money and making deposits.

Status:

Not implemented. During our fieldwork and observance of cash collection procedures at Barnett Park, we noted that the same person who collects most of the revenues also records the revenues to the Park's financial system as well as issues the handwritten receipts to the customers and makes the actual deposit at the bank.

We Again Recommend segregating the responsibilities for recording the rentals, collecting the money and making deposits.

Management's Response:

The Barnett Park site supervisor will perform the reconciliation and complete the classification of receipts.



5. Controls to Ensure All Rental Reservation Monies Are Collected and Deposited Should Be Implemented

During our previous review, procedures were not adequate to ensure that all reservation monies were collected for picnic pavilion rentals. During our testing, we could not determine whether any money was collected for two of the twenty picnic pavilion rentals scheduled on the calendar, or if the events actually occurred. A system is needed to numerically ensure each reservation is accounted for and all monies collected are deposited.

We Recommend Barnett Park implement controls to ensure all rental reservation monies are collected and deposited.

Status:

Implemented. The Park implemented a new financial accounting software that is used to track rental reservations. This software program is used for all of the reservation activity for rooms, pavilions, softball fields and the golf range. Other programs such as softball team registration and the fitness program are either in the system but not being used, or are not in the system at all.

Controls to ensure that all rental reservation monies are collected and deposited have been enhanced by the use of the new computer software. We were able to trace all 10 sampled pavilion rental facility permits to a payment receipt as well as all six applicable facility permits for room rentals.

However, while scanning the Reservation Master Report, we noted a rental reservation of a softball practice field by a company for August 28, 2001. A Barnett Park employee stated that that this situation was a verbal or non-written agreement between the two parties. He stated that, instead of paying the rental fee of \$20 dollars, the Park allowed the company to contribute tickets to their water park instead. We were informed the tickets were to be used as prizes for Park events. We noted that the tickets were still in

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possession of the Park. Although this may have been a desirable arrangement for the park, it should be considered as a fee waiver; and as such, should have been handled accordingly.

We Recommend all fee waivers be properly approved.

Management's Response:

We have recently updated the fee waiver form to add criteria No. 8, which includes contributions to the Parks and Recreation Division.