

MEMORANDUM NO: 04-42

DATE: March 31, 2004
TO: Parks & Recreation Director/Ernest W. Burkeen
VIA: Internal Audit Director/Allyson C. Love/5853
FROM: Staff Auditor/Rubiela N. Mendieta/954-522-2604 Ext. 11
SUBJECT: City ArtReach Program

As part of the ArtReach grant agreement between the City and Broward County, my office determined whether the revenues and amounts received from the County were expended in accordance with the agreement. A special report was provided to the County together with a financial statement for the grant (**Attachment**). As part of the grant review, we evaluated the effectiveness and adequacy of the City's internal control systems and procedures used for the program and noted overall that the ArtReach program has been managed well and the concerns addressed in past reviews have been sufficiently addressed and the internal control environment has been strengthened. We did, however, note some areas which need attention to further strengthen compliance with the grant and the overall internal control environment, as follows.

- ◇ Actions were not taken to request a grant amendment when the students who attended the percussion class ages exceeded the age requirement per the grant covenant. 5 (25%) of 20 students were beyond 5-13 years of age. (**Compliance/Accountability**)
- ◇ ArtReach registration forms were not sufficiently completed. Type of information omitted was the age and grade level of student, student addresses, contact numbers and guardian/parent signatures. Furthermore, we noted in some instances, the registration forms used were not for the class the student actually attended. For example, students attended the percussion class, but the registration form was for an art class. (**Accountability**)
- ◇ Staff employees' pay rates and/or time applied to the ArtReach program were inaccurately calculated. As a result, expenses charged to the grant via ETV were understated by \$85. (**Asset Accountability**)

Listed below are suggestions to address the aforementioned areas which do not have to be responded to. Your assistance during this review was appreciated.

SUGGESTIONS FOR INTERNAL CONTROL IMPROVEMENTS

The *Recreation Superintendent* should require the:

Suggestion 1. *Recreation Program Coordinator to monitor the grant requirements and make any changes necessary prior to the exercise and incurring of expenditures for classes/events, in order to be in compliance with grant covenant terms.*

Suggestion 2. *Recreation Program Coordinator to verify: (1) all students enrolled in classes have the applicable registration form with all the detail information required including age, guardian/parent signature and others; (2) registration forms used for a specific class identify the correct class, location and time; (3) attendance rosters submitted include the dates of classes and the time of the meetings to properly support the class requirements per grant details; and (4) timecards submitted for staff time worked are properly approved by the corresponding supervisor.*

Suggestion 3. *Recreation Budget Coordinator to verify and properly document hours worked and rates of pay for each staff member participating in the Artreach program to be able to determine/support the amount expensed.*

ACL:cs Report of Audit 03/04-XX-11

c: Acting City Manager/Alan A. Silva
Assistant City Manager/Bud Bentley
Finance Director/Terry Sharp
Parks and Recreation Superintendent/Steve Person
Community Program Supervisor/Sue McAllister
Recreation Programmer II/MaryAnn Slough

Attachment



February 11, 2004

Certified Return Receipt 7002 2410 0000 0594 3085

Mary A. Becht, Director
Broward Cultural Affairs Division
100 South Andrews Avenue
Fort Lauderdale, FL 33301-1829

**Re: Special Report – Community Arts & Education Program FY02/03 ArtReach Project, BCAC # CAE03-2003
Agreement between Broward County and the City of Fort Lauderdale**

Dear Ms. Becht:

The Internal Audit Office has applied certain audit procedures as discussed below, to accounting records of the City of Fort Lauderdale (herein “City”) in order to determine compliance with the requirements applicable to the **Community Arts & Education Program – ArtReach Project**, as detailed in the accompanying exhibit of revenues and expenditures, for the period ending September 30, 2003. The management of the Parks & Recreation Department is responsible for the City’s compliance with those requirements. Our responsibility is to determine whether the revenues and amounts received from Broward County were expended in accordance with the agreement and determine compliance with those requirements based on our review.

We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements.

The results of our test indicate that, with respect to the items tested, the City’s Parks and Recreation Department complied in all material respects with the provisions of the agreement and the revenues and amounts received from Broward County were expended in accordance with the agreement and Broward County specifications.

Mary A Becht

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With respect to the items not tested, nothing came to our attention that caused us to believe the Parks and Recreation Department had not complied, in all material respects with those provisions. Additionally, it was determined that there were no funds, including interest earned on such funds, due back to the County.

Sincerely,

Allyson C. Love

Internal Audit Director

ACL/rm/04-03/ROA 0304-XX-08

Enclosure- Exhibit

Cc: Alan Silva, City Manager
Bud Bentley, Assistant City Manager
Ernest W. Burkeen, Parks and Recreation Director
Terry Sharp, Finance Director

City of Fort Lauderdale
 Artreach Project - BCAC #CAE03-2003
 Statement of Revenues and Expenditures
 For Year Ended September 30, 2003

	Broward County Contract	Required City Match	Additional City Expenditures	Total Program
Revenues				
<u>Intergovernmental</u>				
Broward County-Cultural Affairs Council	\$ 15,830.00			\$ 15,830.00
Miscellaneous Grant Reimburse		\$ 15,830.00		15,830.00
Total Revenues	\$ 15,830.00	\$ 15,830.00	\$ -	\$ 31,660.00
Expenditures				
Outside Professional Services - Artistic	\$ 15,719.00			\$ 15,719.00
Personnel - Other		\$ 10,787.00	\$ 171.48	10,958.48
Marketing	111.00	982.00		1,093.00
Remaining Operating Expenses		4,061.00		4,061.00
Total Expenditures	\$ 15,830.00	\$ 15,830.00	\$ 171.48	\$ 31,831.48
Excess of Revenues Over - (Under)	\$ -	\$ -	\$ (171.48)	\$ (171.48)