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Review  
of  
Cash Collections – Snyder Park and  
Parks and Recreation Administration Office

Report of Audit 07/08-XX-02

January 15, 2008



Office of Management and Budget

Internal Audit

**MEMORANDUM NO. 08-26**

**DATE:** January 15, 2008

**TO:** Parks and Recreation Director/Phil Thornburg  
Director of Finance/Ray Mannion

**SUBJECT:** *Review Cash Collections – Snyder Park and Parks and Recreation Administration Office*

Enclosed is the “subject” Final Report of Audit.

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Allyson C. Love  
Director, Office of Management and Budget

Attachment - Final Report of Audit No. 07/08-XX-02

c: City Commission  
City Manager/George Gretsas  
Assistant City Manager/Kathleen Gunn  
Assistant City Manager/David Hebert  
Assistant City Manager/Stephen Scott

ACL/am

## REPORT OF AUDIT NO. 07/08-XX-02

**DATE:** December 18, 2007

**TO:** Parks and Recreation Director/Phil Thornburg  
Treasurer/Bob Mays

**FROM:** Assistant Internal Audit Director/Renee Foley

**BY:** Financial Management Analyst/Valerie Florestal

**SUBJECT:** *Review of Cash Collections – Snyder Park and Parks and Recreation Administration Office*

### **BACKGROUND**

The City of Fort Lauderdale's (City) Parks and Recreation Department (PKR) provides residents and visitors the opportunity to participate in quality recreational programs and leisure activities in well-maintained parks, aquatic, and recreational facilities. Registration/payment for programs and activities is decentralized at various site locations throughout the City. Collection of daily receipts from these remote sites is facilitated by Assistant Park Manager and Park Rangers who deliver the bank bags to a drop safe at the PKR Administration Office. The Clerk II<sup>1</sup> opens the drop safe and prepares a consolidated deposit for remote site bank bags that is currently<sup>2</sup> transported by Brinks, Inc. (previously delivered to Treasury) for deposit to the City's bank account. On August 14, 2007, PKR staff discovered a Snyder Park bank bag containing \$731.60 from April 27, 2007 cash collections was missing and had not been prepared for deposit at PKR Administration Office. The Police and Internal Audit were notified of the missing bank bag on August 14, 2007.

### **SCOPE**

The objective of our review was to investigate the circumstances surrounding the missing bank bag totaling \$731.60 and evaluate the overall adequacy and effectiveness of the internal control environment for the cash collection process, including security systems. Judgmental sampling methods were used to perform a limited review of cash collections delivered to the PKR Administration Office from Snyder Park. Walkthroughs were

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<sup>1</sup> PKR Administration.

<sup>2</sup> Effective October 16, 2007.

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conducted at Snyder Park and PKR Administration Office. We discussed policies and procedures, processes, and reviewed transactions and documentation. The audit was performed during the months of September and October 2007 according to generally accepted government auditing standards.

### **OVERALL EVALUATION**

Lack of management oversight of the cash collection operations and severely deficient internal controls resulted in a bank bag discovered missing four months after the fact. Moreover, had it not been for a customer calling and requesting a refund for a pavilion rental whose check was in the missing bag, PKR would still be unaware that a bank bag was missing. No adequate system exists to ensure pre-numbered registration forms and bank bags are tracked, monitored and reconciled to properly account for sales activity and alert management to missing bank bags. PKR has not recovered \$552 in replacement payments from those customers who rented pavilions and whose original checks have not been presented for payment that were included in the missing bank bag. PKR eliminated weekday entrance fees resulting in lost potential revenue of approximately \$96,662. Entrance fee revenue cannot be verified since no mechanism exists to count traffic entering the park. The City has not established policies and procedures for Citywide change funds. Internal controls did not exist to restrict cashiers' ability to void transactions in the RecTrac system and to verify the required support documentation is evidenced. Chain of custody procedures for bank bags were not followed and do not require dual controls. Cash collections are not processed in a timely manner. Internal controls were not in place to properly track and monitor the adequacy of security measures at remote sites. Procedures were not followed at a remote site for the collection of replacement funds in the case of a check returned as insufficient funds. The newly installed security surveillance system at the PKR Administration Office safe room was not utilized to its full potential; and therefore, not fully effective to detect and deter criminal activity. Cashiers at the PKR Administration Office do not maintain cash drawer keys on their person at all times.

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### FINDING 1

***PKR did not establish an adequate system to track, monitor and perform a reconciliation of all pre-numbered registration forms and bank bags to properly account for sales activity and alert management to possible missing bank bags.***

*PKR Policies and Procedures - Registration Form Guidelines, Section J states, "All registration forms that are not distributed to the public through direct mailings, or passed out at schools, must be pre-numbered. The Finance Supervisor shall be accountable for all pre-numbered forms."*

*The control strength (accountability/fixed responsibility/completeness) inherent in the use of pre-numbered registration forms is completely diminished/lost if the disposition of all forms are not documented and reconciled.*

868 (79%) of 1,098 pre-numbered registration/revenue/permit/contract forms for the period January to May 2007 distributed to PKR remote sites and entered onto the Forms Issued Log have not been adequately tracked and monitored. As of November 2007, reconciliation of the log was six months behind. Furthermore, pre-numbered forms covering the period October 2005 to October 2007 distributed to Snyder Park were not recorded on the log. Pre-numbered bank bags are also not tracked and monitored by PKR and Treasury.

PKR Budget Coordinator stated reconciliation of the Forms Issued Log for period January to May 2007 to identify missing forms is presently underway. The PKR Budget Coordinator was also unaware forms were sent to Snyder Park; therefore, did not get entered on the log. Furthermore, no log was maintained for pre-numbered bank bags. Treasury has also not implemented the tracking of pre-numbered bank bags and stated in October 2007, they are investigating the cost-effectiveness of implementing a tracking system.

Pre-numbered forms and bank bags strictly controlled and inventoried timely strengthens accountability and provides a deterrent to misappropriation which would alert management that a bank bag was missing at a much earlier stage; thereby, assisting in the recovery/investigation process.

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### RECOMMENDATIONS AND MANAGEMENT COMMENTS

The *Assistant PKR Director* should:

**Recommendation 1.** *Immediately instruct the Finance Supervisor<sup>3</sup> (FS) to include all forms distributed to Snyder Park on the Forms Issued Log, complete a thorough reconciliation, and implement a daily reconciliation thereafter and research to resolution all missing forms identified.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "Clerk II will update the Forms Issued Log and management will reconcile regularly." Estimated completion date January 31, 2008.*

**Recommendation 2.** *Immediately update policies and procedures to reflect above reconciliation and perform periodic reviews to ensure implementation of Recommendation 1.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "Management will update policies and procedures to reflect above reconciliation and perform periodic reviews to ensure implementation." Estimated completion date January 31, 2008.*

**Recommendation 3.** *Develop a written policy and procedure to properly track and monitor all pre-numbered bank bags, including establishing instructions to perform a daily reconciliation of all pre-numbered bank bags.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "A written policy and procedure will be developed to account for all pre-numbered bank bags, including written instructions for reconciliation. A separate folder will be established under the Parks and Recreation finance office staff's S-drive. An Excel spreadsheet will log the distributed bags and the reconciled bags. Regular reconciliation will be conducted." Estimated completion date January 31, 2008.*

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<sup>3</sup> Finance Supervisor is the working title; however, position is Administrative Assistant I.

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The *Director of Finance* should require the *Treasurer* to:

**Recommendation 4.** *Immediately develop a written policy and procedure and implement a system to properly track and monitor all pre-numbered bank bags, including establishing instructions to perform a daily reconciliation of all pre-numbered bank bags opposed to completing a cost effectiveness study.*

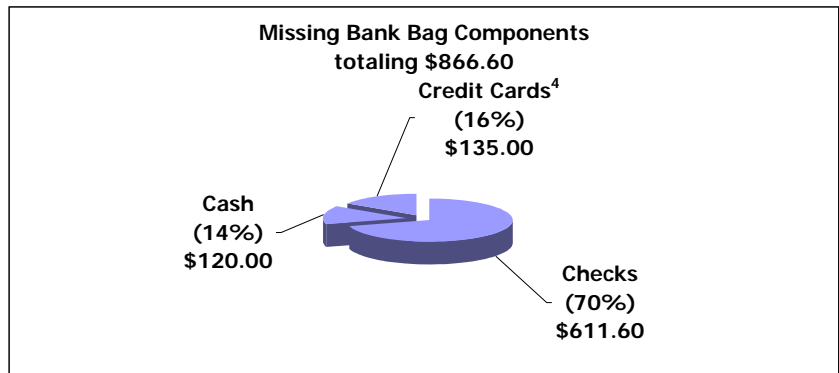
**Management Comment.** *Management concurred with the finding and recommendation and stated:* “The Treasurer will develop a cost effective procedure and written policy to control and monitor bank deposit bags for use by the Parks Department.” **Estimated completion date June 1, 2008.**

**FINDING 2**

***PKR has not recovered \$552 in replacement payments from customers that rented pavilions and whose original checks have not been presented for payment since they were included in the missing bank bag.***

*Parks and Recreation - Rules and Regulations (as posted on the City’s webpage), Section 8.0 - COLLECTION FEES states, “It is prohibited for any person to use any facility, land or area for which a fee or charge has been established by the City of Fort Lauderdale without payment of such fee or charge.”*

\$552 (90 %) of \$612 in missing checks has not been recovered. As a result of this review, the FS attempted to contact the four customers whose checks were not deposited to request duplicate payments resulting in the following:



<sup>4</sup> Credit card transactions totaling \$135.00 were included in total of missing bank bag; however, were previously processed.

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Customer	Check Amount	Status of Obtaining Duplicate Check as per FS
A <sup>5</sup>	\$360.00	Unable to make contact at both numbers listed on pavilion registration form
B	75.00	Customer presently in hospital, will call when she returns home
C	56.60	Left message awaiting return call
D	60.00	Cancelled original reservation due to rain and made arrangements to reschedule
Total	\$551.60	
Total recovered	\$0.00	

No written correspondence was sent to these customers to recover lost revenue. When questioned as to the measures taken to investigate/recover missing funds, Budget Coordinator indicated PKR had only contacted one customer whose check had not been presented and they would “work on the others.”

Immediate recovery of the sum of the checks contained in the missing bank bag will assist in minimizing the City’s loss of revenue.

### RECOMMENDATION 5

*The Assistant PKR Director should require the FS to immediately contact customer “A” by certified mail at the mailing address provided by Internal Audit Division to obtain a replacement check totaling \$360 and customers “B - D” at the addresses provided on the rental agreements to collect the remaining \$191.60.*

### MANAGEMENT COMMENT

***Management concurred with the finding and recommendation and stated:*** "Letters have been issued by certified mail to collect \$435.00 from customers A and B. Customer C has paid in full. Customer D did not utilize the reservation and it was approved by the Assistant Park Manager for her to reschedule. It has been noted in her RecTrac household account that there will be no permitted rescheduling due to lack of payment received." **Estimated completion date January 31, 2008.**

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<sup>5</sup> We researched customer “A” from address listed on the pavilion registration form and obtained from the Broward County Property Records the exact mailing address, not the site address customer provided on the agreement, to enable a certified letter to be mailed in order to obtain duplicate payment.



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**FINDING 3**

***PKR lost potential revenue of approximately \$96,662<sup>6</sup> in entrance fees by eliminating weekday entrance fees. Furthermore, entrance fee revenue cannot be verified since no mechanism exists to count traffic entering Snyder Park. Treasury posted \$566 of entrance fee revenue erroneously.***

*A routine analysis of revenue and expenditure projections with corresponding statistical analysis of prior years should be conducted on an annual basis.*

*City Code of Ordinances, Sec. 19-3. Authority to establish park and recreational user fees states, "The city manager or his designee is hereby empowered to establish all fees to be charged for the use of city parks and recreational facilities. In establishing the fee the city manager or his designee shall consider the following factors: ...(2) The value of that which is received for payment of the fee. (3) The cost of operation and maintenance of the facility or service for which the fee is to be charged...."*

*Traffic counters assist as a deterrent to embezzlement during transactions and provide statistical data for budgeted projections.*

\$96,662 (54%) of \$177,968 FY06/07 budget was not collected in revenue for entrance fees. Our review revealed weekday entrance fees were eliminated at Snyder Park on January 1, 2007. Furthermore, budgeted revenues at Snyder Park have increased through the years while actual revenues collected have decreased.

FY	Budget	Actual
2004/2005	\$170,000	\$171,274
2005/2006	\$170,000	\$116,540
2006/2007	\$177,968	\$ 81,306

No device/mechanism is in place at the park entrance to confirm the number of daily patrons. We also found during our review of collection reports that entrance fees totaling \$566 had been posted erroneously.

Community Program Supervisor stated weekday entrance fees were eliminated in an effort to reduce Snyder Park expenses of the Park Attendants collecting fees at the gate. However, staff expenditures were not reduced, thereby resulting in a loss of revenue. Furthermore, after making

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<sup>6</sup> This amount is the difference between budgeted and actual revenue for FY06/07 for Entrance Fees collected at Snyder Park.

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various attempts to obtain written evidence to substantiate the decision to eliminate entrance fees none was provided. No system is in place for PKR to verify the accuracy of revenues posted by Treasury to FAMIS.<sup>7</sup>

Budgeted projections based on prior history, current conditions, and cost analysis will provide for informed decision making based on realistic goals is paramount to the City's ability to maintain its parks and recreational activities for the use of citizens and visitors.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *PKR Director* should require the *Assistant PKR Director* to:

**Recommendation 6.** *Reinstitute charging weekday entrance fees to maximize revenues or perform a detailed cost benefit analysis to show otherwise.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "A decision was made to no longer collect gate fees during the week at Snyder Park to align our fees with the Broward County Park system, who only charges admission fees on the weekends. In addition to this, during this time frame, other dog parks have opened and to keep from losing customers, our fee was dropped. Dog parks are now in Oakland Park, Sunrise, Miami and Palm Beach. Since this report was issued, there are no longer gate attendants during the week at the park. A report will be prepared showing how these decisions have affected the city." **Estimated completion date February 15, 2008.**

**Recommendation 7.** *Establish policy and procedures for fee changes and/or discontinuation of fees to be documented and approved/authorized by the City Manager or designee.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Upon review of the cost benefit analysis, a written policy and procedure will be developed and approved/authorized by the City Manager or designee." **Estimated completion date February 29, 2008.**

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<sup>7</sup> Financial Accounting Management Information System

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**Recommendation 8.** *Instruct Community Program Supervisor to research the purchase of a traffic counter to enhance the controls at the entrance gate and provide statistics for future budgetary projections.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "Park Manager will research the purchase of a traffic counter and PKR Director will evaluate findings." Estimated completion date January 31, 2008.*

**Recommendation 9.** *Instruct the FS to develop a system to ensure reconciliations are performed of PKR collection reports to revenues posted to FAMIS.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "Senior Accounting Clerk will verify in FAMIS collection report line items in the amount of five hundred dollars (\$500.00) or more." Estimated completion date January 31, 2008.*

The *Director of Finance* should require the *Treasurer* to:

**Recommendation 10.** *Instruct Revenue Collection Supervisor to correct the error totaling \$566 of entrance fees that were posted to the wrong index code.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "Coding error will be properly adjusted by January 31, 2008."*

### **FINDING 4**

*The City has not established policies and procedures for Citywide change funds totaling \$17,940.*

*Change Funds are established to facilitate making change by entities that accept cash receipts. Change funds are not to be used to pay expenses. The amount of a change fund remains constant. Unlike a petty cash fund, a change fund does not require periodic replenishment.*

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*Petty Cash Funds are funds used for the payment of emergency and incidental expenses. Postage, express mail, and other incidental expenses may be paid from such monies when not otherwise obtainable by procurement card or other convenient means. Petty cash funds are not to be used to make change.*

We conducted a cash count on October 10, 2007, that revealed a \$5 shortage of a \$290 change fund.<sup>8</sup>

No policies and procedures exist for change funds. Furthermore, no system was in place to track and monitor the change fund at Snyder Park. The Assistant Manager was unable to explain why the change fund was short and further indicated the fund held in the Snyder Park office building is rarely used.

Establishment of policies and procedures together with periodic reviews of the City's change funds will reduce the possibility of error and fraud.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Director of Finance* should require the *Treasurer* to:

**Recommendation 11.** *Establish Citywide policies and procedures for "Handling Change Funds" providing guidance for establishing, reconciling by means of unannounced cash counts by custodians' Supervisors and the results documented using the sample form provided (Sample 1), increasing or closing a change fund, handling changes in custodians and locations, and recording cash overages/shortages.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "Policies and procedures need to be established for all city petty cash and change funds." Estimated completion date June 1, 2008.*

The *Assistant PKR Director* should require the *FS* to:

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<sup>8</sup> The change fund at Snyder Park was split between three different locations: \$100 is maintained at the gatehouse where change is frequently needed and two separate bags are located in the Snyder Park office building that contained \$85 and \$100, respectively.

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**Recommendation 12.** *Instruct the Custodian to prepare a memorandum of explanation to their Department Head and take immediate action to restore the account to its proper balance.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Custodian will prepare a memorandum of explanation to PKR Assistant Director and Park Manager will evaluate amount of change fund and provide justification for balance to remain as is or for reduction. Finance Supervisor will do necessary paperwork to correct records." **Estimated completion date January 31, 2008.**

**Recommendation 13.** *Utilize the Cash Count Form for Change Funds (Sample 1) when cash counts are performed for all remote sites, as well as reevaluate the amount needed for the change fund at Snyder Park and reduce the balance, if necessary.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Cash Count Form for Change Funds will be utilized for cash counts at all remote sites. Park Manager will evaluate amount of change fund and provide justification for balance to remain as is or for reduction." **Estimated completion date January 31, 2008.**

### **FINDING 5**

***Internal controls did not exist to restrict the ability of all cashiers to void transactions in the RecTrac system opposed to the Supervisor only. Furthermore, void reports were not completed and support documentation was not attached.***

*PKR Policies and Procedures - Void Policy, General Information: "It is the Cashiers responsibility to follow these void procedures in case an error occurs during the operation of a cash register. I. Procedure states, 4. Once the transaction is completed, complete the void report. The void report contains the following information: date, time, amount of void, reason for void, cashier's name, and cashier's signature. 5. Staple the receipt for the voided transaction onto the void report. 6. Place the void sheet in the bank bag. 7. At the end of a shift, submit all void reports with all of the daily paperwork."*

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Our review of transactions processed for the date of incident<sup>9</sup> revealed cashiers voided transactions on the cash register, which were not supported by a void report and backup documentation as required. Furthermore, all PKR cashiers have the ability to void their own transactions in the RecTrac system.

Management did not place the responsibility to void transactions with supervisors; thus, all PKR cashiers have the ability to cancel/void transactions in RecTrac. Furthermore, the Assistant Park Manager did not enforce the requirement for cashiers to attach all support documentation to voided transactions.

Restriction of access in RecTrac to supervisors to void transactions and enforcement of procedures established to complete and attach all supporting documentation will provide accountability for the completeness and accuracy of records and minimize compromising the integrity of the data and potential for fraud.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Assistant PKR Director* should:

**Recommendation 14.** *Immediately instruct the Community Program Supervisor to disable all PKR cashiers' abilities to void/cancel transactions in RecTrac.*

**Management Comment.** *Management concurred in principle with the finding and recommendation and stated: "A supervisor is not always present at the remote sites. Management will provide training and enforcement for the present policies in place." Estimated completion date February 29, 2008.*

**Recommendation 15.** *Revise the void policy to reflect the cashier can no longer void transactions and reassign the responsibility to each remote site supervisor or the FS at PKR Administration Office to provide for a segregation of duties between cash handling and posting transactions.*

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<sup>9</sup> April 27, 2007

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**Management Comment.** *Management concurred in principle with the finding and recommendation and stated:* "A supervisor is not always present at the remote sites. The policy will be amended to include a second signature on the Void Report from another employee or supervisor. Management will provide training and enforcement." **Estimated completion date February 29, 2008.**

**Recommendation 16.** *Enforce amended void policy, including completion of a "void report" and the attachment of void receipts to the report once approved by the supervisor.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Management will provide training and enforcement of the amended void policy." **Estimated completion date February 29, 2008.**

### **FINDING 6**

*Internal controls were not adequate to identify the chain of custody on the Safe Manifest Form to evidence that bag was actually placed in the drop<sup>10</sup> safe. As a result, responsibility could not be fixed for the missing bank bag. Moreover, procedures were inadequate since there is no requirement for two employees to evidence their signatures when placing bank bags into the drop safe.*

*PKR Policies and Procedures - Dropping Revenues for Deposit, II. Park Ranger Pickups states, "5.) Once money and backup is properly prepared in the deposit bag, the deposit bag is dropped into the deposit safe located at the facility. The staff person completing the drop completes the Safe Manifest, with date, time, bag #, amount said to contain, reason and signature. 5.)<sup>11</sup> The Park Ranger will pick up the deposit bag, also completing the Safe Manifest. The Park Ranger will complete the drop into the Clerk II safe at the Administration office, leaving a copy of the facility's signed manifest to backup the drop bags in the safe."*

Our review of the safe manifest form on 4/27/07 to ascertain chain of custody for the missing bank bag revealed the Park Attendant (PA) did not

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<sup>10</sup> A drop safe was purchased subsequent to incident. Previously, a combination safe was used to store bank bags. However, chain of custody issue was occurring regardless of type of safe used.

<sup>11</sup> Duplicate number; needs to be renumbered.

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keep both the original (white) and the yellow copy of the form available by the drop safe for the Park Ranger to sign when picking up and transporting the bags to the PKR Administration Office; thereby, transfer of custody of the bank bags was not evidenced. Furthermore, one employee opposed to two (dual controls) places bank bags in the drop safe.

The PA removed the yellow carbon copy of the safe manifest form before placing it by the drop safe for the Park Ranger to sign upon pickup. Instead, copy is maintained for PA's records along with the bag number details. PA was not required to obtain a second signature before placing the bank bag in the drop safe to evidence its existence. Furthermore, Assistant Park Manager was not verifying that all bank bags listed on Safe Manifest forms were transported which would have revealed that the bank bag was missing within 24 hours of the date of the incident.

Establishment of procedures and proper completion of the safe manifest form will fix responsibility/accountability providing an accurate chain of custody in safeguarding the City's assets.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Assistant PKR Director* should require the *FS* to:

**Recommendation 17.** *Revise Dropping Revenues for Deposit policy and procedures to include dual control of the bank bag when being placed into the drop safe by the PA to assist in fixing responsibility and safeguarding the City's assets.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Finance Supervisor will update the policy to reflect the requirement of dual control of the bank bag when being placed into the drop safe when second employee or supervisor is available."  
**Estimated completion date January 31, 2008.**

**Recommendation 18.** *Revise the Safe Manifest Form as attached in Sample 2 (e.g., include signatures for the cashier and supervisor, total, and remove location since it was already stated at the top of the form).*



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**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Finance Supervisor will revise the Safe Manifest Form to include signatures for the cashier and supervisor, total, and remove location. Dual signatures will be present when available." **Estimated completion date January 31, 2008.**

**Recommendation 19.** *Instruct the PAs to keep the safe manifest form intact until the signature of the person transporting the bank bag to the PKR Administration Office is evidenced; thereby, maintaining a record of the chain of custody.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Management will provide staff with proper instructions." **Estimated completion date February 29, 2008.**

The *Assistant PKR Director* should:

**Recommendation 20.** *Establish a policy and procedure requiring supervisors to perform a verification that bank bags listed on Safe Manifest forms agrees to bank bags dropped in safe and are ready for transport to the PKR Administration Office. If bank bag listed on Safe Manifest form did not appear in safe, immediately investigate and notify proper officials.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Park Rangers verify the bank bags listed on the Safe Manifest form agree to actual number of bags dropped in the safe. A written policy and procedure will be developed to address the procedures to be performed, investigation and proper notification, if a discrepancy exists. Management will provide training for all staff on policy." **Estimated completion date February 29, 2008.**

### **FINDING 7**

*Cash collections are not processed in a timely manner (Schedule).*

*PKR Policies and Procedures - Dropping Revenues for Deposit, I. Recreation Programmer Procedures, Section 2 states, "...Drops should be done daily, if*

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*money is collected.” Section 4 states; “No more than \$100 is to be kept on site over night. Once a facility is holding that amount, it is to be brought to the Recreation Clerk II office and dropped, if at all possible, depending on facility staffing and safety.”*

*PKR Policies and Procedures - Facility Safes dated June 22, 2000 Drop Safe Procedures, Paragraph 8 states, “Money is not to be held in a safe for an extended period of time. The City does not accept post dated checks and all money collected is to be deposited that day. Safety circumstances do allow for staff or Park Rangers to bring revenues collected after Administration building closes down the following working day.”*

Our review of cash receipts totaling \$7,868 for six (6) Safe Manifests covering a total of 10 days of cash collections revealed bank bags are not dropped daily at the PKR Administration Office; and the average time taken from point of sale through to posting in FAMIS was 33 days.

No adequate system exists for management to periodically track and monitor the cash collection process from remote sites through to transaction posted in FAMIS for timeliness.

Timely processing of revenue collections in the City’s accounting system serves as the basis for control in safeguarding the City’s assets and the reliability of the financial records.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Assistant PKR Director* should require the *FS* to:

**Recommendation 21.** *Require bank bags be dropped on a daily basis at the PKR Administration Office.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "Management will enforce present policy in place." Estimated completion date February 29, 2008.*

**Recommendation 22.** *Instruct the Senior Accounting Clerk to verify the accuracy and timely posting of cash receipts to FAMIS on a weekly basis.*

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**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Senior Accounting Clerk will verify in FAMIS collection report line items in the amount of five hundred dollars (\$500.00) or more on a weekly basis." **Estimated completion date January 31, 2008.**

**Recommendation 23.** *Conduct periodic reviews of the cash collection process from point of sale through to posting in FAMIS to ensure accuracy and timeliness.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Finance Supervisor will conduct a quarterly sample review." **Estimated completion date March 1, 2008.**

### **FINDING 8**

*No written procedures exist and internal control systems were not in place to properly track and monitor the adequacy of security measures at remote sites.*

*PKR Policies and Procedures - Facility Safes, No. 5 states, "If a staff person who had access to the facility safe has resigned and left City employment or has a change in position and no longer needs access to the safe, the safe's combination or lock must be changed immediately."*

Our review of Snyder Park alarm system and date combination safe was last changed revealed the following deficient conditions:

- Alarm system was not in good working order during our walkthrough after being rendered inoperative by Public Works employees during their construction of an ADA<sup>12</sup> restroom in the Snyder Park Office Building.
- Individual alarm codes were not established for each employee.

Management did not require periodic reviews of the security measures at remote sites. The Budget Coordinator advised that an annual review is not

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<sup>12</sup> Americans with Disabilities Act

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completed; however, indicated the Facility Safe Form was created for a one-time review to obtain an inventory of the facilities. Only one universal alarm code was established for all Snyder Park employees.

Periodic monitoring of safe access and security systems of PKR remote sites is vital for safeguarding the City's assets and ensuring actions are taken to restrict access.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Assistant PKR Director* should require the *FS* to:

**Recommendation 24.** *Immediately implement the use of the Facility Form (Sample 3) that reflects the sites security features.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Senior Accounting Clerk will perform semiannual visits to each remote site utilizing the Facility Form (Sample 3)." **Estimated start date March 1, 2008.**

**Recommendation 25.** *Immediately implement a semi-annual review at minimum of remote sites using the revised Facility Form.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Senior Accounting Clerk will perform semi-annual visits to each remote site utilizing the Facility Form (Sample 3)." **Estimated start date March 1, 2008.**

**Recommendation 26.** *Immediately establish separate alarm codes for each individual employee at Snyder Park in order to determine employee access opposed to all employees using same code.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Alarm system was rendered not in working order due to construction on October 9th and was repaired on October 15th by Public Services. Park Manager will establish separate alarm codes for each individual employee who requires one." **Estimated completion date January 31, 2008.**

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### FINDING 9

*Staff did not follow the “insufficient funds” policies and procedures at a program site for collection of a replacement payment for a check that had been returned by the bank.*

*PKR Policies and Procedures - Insufficient Funds Collection – Recreation Programmer Procedures Nos. 3 and 4 states, “If a check is returned from your program area due to insufficient funds, the person who wrote the check must pay the amount, as well as a service fee, in cash or money order to the City of Fort Lauderdale. The person should go to Treasury to pay; staff should not accept payments for insufficient checks at their program site.”*

Observations made during a walkthrough at PKR Administration Office revealed an envelope containing \$100 was housed in the drop safe. Senior Accounting Clerk advised that the funds were accepted by an employee at a remote site in payment for a check that had been returned by the bank due to insufficient funds opposed to informing the customer to go directly to Treasury in City Hall to make payment together with any service charges due.

Management has not taken the appropriate action to provide training to make certain that policies and procedures are followed at remote sites in connection with returned checks due to insufficient funds.

Training staff on policies and procedures is crucial to assure the City’s assets are properly safeguarded and audit trails are maintained to promote fixed responsibility and accountability.

### RECOMMENDATIONS AND MANAGEMENT COMMENTS

The *Assistant Director PKR* should require the *FS* to:

**Recommendation 27.** *Review contents of the drop safe at the PKR Administration Office to ensure the \$100 has been returned to the customer and correct instructions provided for payment of returned check.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "The contents of the drop safe have been*

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reviewed to ensure the \$100 has been returned to the customer and staff has been provided correct instructions for payment of a returned check." **Estimated completion date January 31, 2008.**

**Recommendation 28.** *Immediately provide the required training to all staff in the collection of payment in the event of a returned check.*

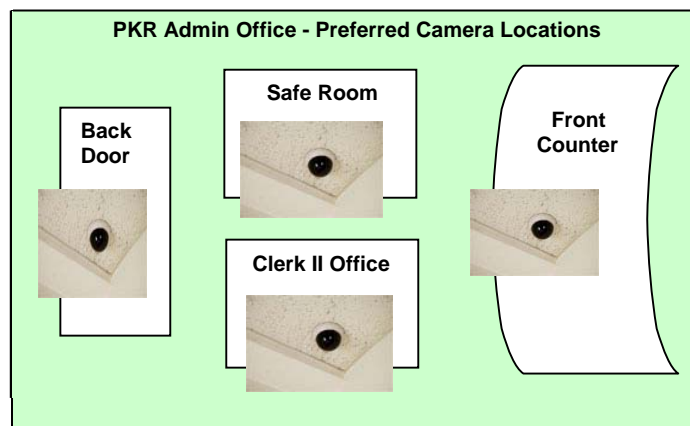
**Management Comment.** *Management concurred with the finding and recommendation and stated: "Management will provide the required training." Estimated completion date February 29, 2008.*

### **FINDING 10**

***PKR is not maximizing the potential of the newly installed security surveillance system in the Administration Office safe room. Surveillance system had the capability for installation of four camera locations; however, only one was installed.***

*Full utilization of the security system installed will assist in the enhancement of the overall security environment at a minimal cost.*

During our walkthrough, we observed the newly installed security camera system in the PKR Administration Office safe room. The system works well; however, it is not being utilized to its full potential. The system could be monitoring the following four locations, but is presently set up for only one.



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Management has implemented the surveillance system to monitor the safe room; however, did not consider utilizing the remaining three cameras available.

Maximizing the use of surveillance system will enhance the security environment and assist in providing law enforcement with concise descriptions of suspects and possibly deterring crime.

### **RECOMMENDATION 29**

*The PKR Director should arrange for a camera to be installed in the Clerk II's office and the remaining two: one at the front counter and back door area to fully utilize the security system available. Furthermore, relocate the monitor from the Clerk II's office to the FS's office to perform periodic monitoring of the four locations.*

### **MANAGEMENT COMMENT**

*Management concurred with the finding and recommendation and stated:* "Management will install cameras in the recommended locations and the monitor will be relocated to the Finance Supervisor's office. Management will observe regularly." **Estimated completion date February 15, 2008.**

### **FINDING 11**

*PKR Administration Office cashiers do not maintain their cash drawer keys on their person at all times which allows easy access to City funds by unauthorized personnel.*

*Custody of keys should be restricted to the sole user in order to safeguard the City's assets.*

We noted during our walkthrough cashiers at the PKR Administration Office maintained their cash drawer keys in the following locations:

- Overhead cabinet that was opened with a key housed in an unlocked desk drawer.

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- Unlocked desk drawer.

No system was in place to train cashiers in the maintenance/custody of keys to the cash drawers.

Cash drawer keys properly secured and kept in the custody of and used under the sole control of the cashier responsible will assist in safeguarding the City's assets.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Assistant PKR Director* should:

**Recommendation 30.** *Establish a written policy and procedure to require cashiers maintain cash drawer key on their person at all times.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "Finance Supervisor will develop a written policy and procedure to address this requirement." **Estimated completion date January 31, 2008.**

**Recommendation 31.** *Instruct the FS to conduct a training session for the cashiers on cash handling and safeguarding the City's assets distributing the newly written policy and procedure from the above recommendation.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "A training session will be conducted for cashiers and newly written policy addressing cash drawer key will be distributed." **Estimated completion date February 29, 2008.**

### **EVALUATION OF MANAGEMENT COMMENTS**

Management comments provided and actions taken and/or planned are considered responsive with the exception of recommendations 14, 17, and 18, respectively. A dual control/signature should be required, not only when available. It is the responsibility of a supervisor to properly review and monitor transactions of staff for appropriateness.



**Cash Count Form For Change Funds**

DEPARTMENT \_\_\_\_\_  
FUND \_\_\_\_\_  
PERSON RESPONSIBLE \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_  
DATE \_\_\_\_\_  
TIME \_\_\_\_\_

**CASH ON HAND**

	<u>QTY</u>		<u>SUBTOTAL</u>	<u>TOTAL</u>
<b>BILLS:</b>				
	_____	\$100	_____ 0.00	
	_____	50	_____ 0.00	
	_____	20	_____ 0.00	
	_____	10	_____ 0.00	
	_____	5	_____ 0.00	
	_____	1	_____ 0.00	
<b>A</b>	<b>TOTAL BILLS</b>			<b>\$ 0.00</b>

<b>COINS- ROLLED:</b>				
	_____	QUARTERS \$10	_____ 0.00	
	_____	DIMES \$5	_____ 0.00	
	_____	NICKELS \$2	_____ 0.00	
	_____	PENNIES 0.50	_____ 0.00	
<b>B</b>	<b>TOTAL COINS- ROLLED</b>			<b>\$ 0.00</b>

<b>COINS- LOOSE:</b>				
	_____	0.50	_____ 0.00	
	_____	0.25	_____ 0.00	
	_____	0.10	_____ 0.00	
	_____	0.05	_____ 0.00	
	_____	0.01	_____ 0.00	
<b>C</b>	<b>TOTAL COINS- LOOSE</b>			<b>\$ 0.00</b>

<b>D</b>	<b>TOTAL CASH*</b>		<b>A+B+C</b>	<b>\$ 0.00</b>
<b>E</b>	<b>AMOUNT OF FUND *</b>			<b>\$ 0.00</b>
<b>F</b>	<b>CASH OVER OR (SHORT) *</b>		<b>E-F</b>	<b>\$ 0.00</b>

*I certify that the above cash for which I am responsible for was verified and is in the Change Fund as of this date.*

\_\_\_\_\_  
PERSON RESPONSIBLE \*

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
SUPERVISOR'S SIGNATURE \*

\_\_\_\_\_  
DATE

\* Amounts and signatures must be in ink.

**City of Fort Lauderdale  
Parks and Recreation Department**

Sample 2

**Snyder Park  
SAFE MANIFEST**

ITEM NO.	DATE	CASHIER'S SIGNATURE	SUPERVISOR'S SIGNATURE	BAG NUMBER	SAID TO CONTAIN
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
				<b>TOTAL AMOUNT</b>	

SAMPLE

*I certify via my signature that I have received the "said to contain" deposit bag(s) from the named individuals listed.*

**Number of Bags** \_\_\_\_\_

**Snyder Park Staff** \_\_\_\_\_

**Date** \_\_\_\_\_

**Park Ranger** \_\_\_\_\_

**Date** \_\_\_\_\_

**City Parks & Recreation Staff** \_\_\_\_\_

**Date** \_\_\_\_\_

**Timeline of Snyder Park Cash Collections from Point of Sale through to Posting in FAMIS**

Total Amount of Cash Collection	Safe Manifests			Bank Bag/Deposit Manifest						Collection Report						Total Timeline from Snyder to FAMIS (Safe Manifests + Collection Report)
	Cash Collection Period			Snyder to the Clerk II at PKR Admin Office		Clerk II to Treasury		Treasury to the Bank		Clerk II to Senior Accounting Clerk		Senior Accounting Clerk to Treasury		Treasury posted to FAMIS		
\$ 1,399.60	Dates:	01/08/07 - 01/09/07	01/09/07 - 01/10/07	01/10/07 - 01/11/07	01/11/07 - 01/12/07	01/10/07 - 01/26/07	01/26/07 - 01/29/07	01/29/07 - 02/01/07	1/8/2007 - 02/01/07							
	No. of Days	2	1	1	1	16	3	3								
		2	3			22		24								
\$ 726.00	Dates:	04/25/07 - 04/27/07	04/27/07 - 04/27/07	04/27/07 - 04/30/07	04/30/07 - 05/01/07	04/27/07 - 04/27/07	04/27/07 - 05/07/07	05/07/07 - 05/14/07	4/25/07 - 05/14/07							
	No. of Days	3	0	3	1	0	10	7								
		3	4			17		20								
\$ 819.00	Dates:	04/28/07 - 04/29/07	04/28/07 - 04/29/07	04/30/07 - 04/30/07	04/30/07 - 05/01/07	04/30/07 - 04/30/07	04/30/07 - 05/18/07	05/18/07 - 05/29/07	4/28/07 - 5/29/07							
	No. of Days	2	2	0	1	0	18	11								
		2	3			29		31								
\$ 2,253.20	Dates:	11/11/06 - 11/12/06	11/11/06 - 11/12/06	11/13/06 - 11/13/06	11/13/06 - 11/14/06	11/13/06 - ND	ND - ND	ND - 12/20/06	11/11/06 - 12/20/06							
	No. of Days	2	2	0	1	ND	ND	ND								
		2	3			37		39								
\$ 1,034.00	Dates:	06/20/07 - 06/20/07	06/20/07 - 06/21/07	06/22/07 - 06/22/07	06/22/07 - 06/25/07	06/22/07 - 06/22/07	06/22/07 - 06/25/07	06/25/07 - 06/29/07	06/20/07 - 06/29/07							
	No. of Days	1	1	0	3	1	3	4								
		1	4			8		9								
\$ 1,636.68	Dates:	06/21/07 - 06/24/07	06/23/07 - 06/24/07	06/25/07 - 06/26/07	06/26/07 - 06/27/07	06/24/07 - 06/25/07	06/25/07 - 08/16/07	08/16/07 - 09/07/07	06/21/07 - 09/07/07							
	No. of Days	3	1	1	1	1	52	22								
		3	3			75		78								
\$ 7,868.48	<b>Average Amount of Days</b>															
	Bank Bags Not Dropped Daily	PKR Admin Office to the City Bank Account-			Clerk II to Senior Accounting Clerk for Review	Senior Accounting Clerk to Treasury	Treasury for posting to FAMIS	Point of Sale through Posting to FAMIS -								
	2	3			3	17	9	33								

Legend:  
ND Not Documented

**City of Fort Lauderdale  
Parks and Recreation Department**

**FACILITY FORM**

Facility \_\_\_\_\_

Date of Visit \_\_\_\_\_

<b>SAFE(S)</b>	Number/Kind of Safes	_____	
	Location of Safes	_____	
	Using Safe Manifest	Yes _____	No _____
	Who has combo/keys	_____	
	Safes bolted to floor?	Yes _____	No _____
	Employee(s) Terminated/Resigned since Last Visit?	Yes _____	No _____
		Name	Date Terminated/Resigned
		_____	_____
		_____	_____
		Date combo last changed	_____
	New safe procedures received?	Yes _____	No _____
<b>ALARM SYSTEM</b>	Alarm System Working?	Yes _____	No _____
	Surveillance Camera(s) Working?	Yes _____	No _____
<b>CHANGE FUND</b>	Change Fund Amount	_____	
	Where stored?	_____	
	Change Fund Count Conducted?	Yes _____	No _____

Updates/Comments-items followup:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

P&R Finance Staff making visit (signature) \_\_\_\_\_

P&R Dept. Staff consulted (signature) \_\_\_\_\_