



ALEX ALFORD

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CLERK OF COURTS & COUNTY COMPTROLLER, WALTON COUNTY, FLORIDA

**Walton County  
Recreation Department Audit**

**Alex Alford  
Clerk of the Circuit Court and County Comptroller**

**Internal Audit Department**

Johnny Street  
Internal Audit Manager

Tori Waters  
TDT Collections Specialist

Report 1401  
December 2014

571 U.S. HIGHWAY 90 EAST • P.O. Box 1260 • DEFUNIAK SPRINGS, FLORIDA 32435-1260  
(850) 892-8115 • FAX (850) 892-8130

31 COA571 U.S. HIGHWAY 90 EAST • P.O. Box 1260 • DEFUNIAK SPRINGS, FLORIDA 32435-1260  
(850) 892-8115 • FAX (850) 892-8130



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CLERK OF COURTS & COUNTY COMPTROLLER, WALTON COUNTY, FLORIDA

December 12, 2014

Board of County Commissioners

The Internal Audit Department has conducted an audit of the Walton County Recreation Department. The program accounts were reviewed for the period of October 1, 2012 to September 30, 2013 to determine if internal controls for the Recreation Department were adequate and working as intended. Also, to determine if the Department was in compliance with applicable statutes, laws, rules, regulations, policies, and procedures.

The audit was conducted in accordance with generally accepted government auditing standards, and included such tests as considered necessary for the area under review. These standards require the audit to be planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions. Based on the audit objectives, Internal Audit believes the evidence obtained provides a reasonable basis for the findings and conclusions.

Responses to our Recommendations were received from the Recreation Director and are incorporated herein and also included as Attachment A & B.

Internal Audit appreciates the cooperation of County personnel and the Recreation Director during the completion of this audit.

Johnny Street  
Internal Audit Manager

Approved:

Alex Alford  
Clerk of Circuit Court  
And County Comptroller

c: Shane Supple, Recreation Director  
County Administration

## EXECUTIVE SUMMARY



## Executive Summary

The Internal Audit Department conducted a review of the Walton County (County) Recreation Department (Department). The review included an examination of the Department's internal controls for the period of October 1, 2012 through September 30, 2013. The objective of the audit was to determine if adequate controls existed over the financial operations that would ensure that revenue and expenditures were accurate, legitimate, and for official county business. Also, policies and procedures were reviewed to ensure that the Department complied with applicable state statutes, county ordinances, and county policies and procedures.

The County does not have the staff necessary to provide the recreation programs that the Director has been able to develop for the County. This includes not having the ability or time to properly supervise and provide the controls necessary to ensure the program is operating efficiently and effectively with minimal risk to County assets. The Inter-Local Agreement requires the director to dedicate 60% of his time to the City, which is his first priority. At the time of this report issue, Internal Audit has been informed that the Director is now a full time County employee. The recreation director has already implemented certain controls and taken other corrective action on several of the issues noted below.

Based on the results of the work performed, it was determined that written operating procedures would be beneficial to the Department in achieving its objectives and goals. In the opinion of Internal Audit, controls over the department's revenue were not adequate during the audit period. The department did not properly document and record program revenue, resulting in an insufficient audit trail. Opportunities for improvement were recognized and are included in this report. Internal Audit's recommendations are summarized as follows:

1. The County did not properly monitor the department's contracts. The Inter-Local Agreement between the City of Freeport (City) and Walton County required the County to provide a part-time assistant working a maximum of 24 hours per week. The part-time position was changed to full-time without an amendment to the agreement.

The County entered into an on-line payment agreement without the Board's review or approval.



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2. The department did not provide adequate control over the County receipt books. Internal Audit reviewed the receipt book entries as part of the revenue review. The department issued 310 receipts for program activities during the audit period. It was noted that these receipts were issued from 15 different receipt books. Additional issues were noted and are listed below:
  - a) Part-time seasonal employees were allowed to issue receipts.
  - b) Non-county employees issued several receipts from one book.
  - c) A director wrote their own receipt.
  - d) Certain receipt copies were illegible.
  - e) No receipt copies were retained in one book.
  - f) One receipt did not have a name to go with it.
  - g) County receipts were not issued for most Padgett Park rentals.
  - h) Some receipts were not stamped received by Finance.
  - i) Some players were charged up to a 50% late registration fee.
  - j) Unapproved coaches discount were allowed.
  
3. The procedures and controls of park and facility rentals need to be improved. A park or facility may be rented for use by filling out an application and making a reservation. Several issues were noted after review of the process and applications;
  - a) A renter could request a portion of the rental fee be refunded as a cleaning deposit. Refunds were requested and received without verification that the facility was cleaned.
  
  - b) Renters were issued a key or a key code to enter the facility. This increases the risk of a duplicate key being made. If a key code was issued, the code was not changed after each rental.
  
  - c) Not all rental applications were retained in the department's files. Some of the applications that were available did not have an approval signature, and over half of the applications were approved by someone other than a supervisor or manager. Twenty applications or 39% were not charged the appropriate fee. For most applications the same employee accepted and approved the application, made the reservation, accepted payment and delivered the fee for deposit.
  
  - d) County employees outside of the Recreation Department were given the task of renting Padgett Park. Rental fees that were retained overnight were not properly secured.



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4. Internal Audit could not account for approximately \$12,000 in Program revenue. The department reported approximately \$73,081 in program revenue for FY 2013. Internal Audit's goal was to compare the revenue collections to the deposits to ensure all collections were deposited. In addition, an attempt was made to compare the number of participants in each program to the program fees recorded. This would ensure that all revenue collected was recorded and deposited. The best method was to compare program rosters to the program revenue collections. Internal Audit determined that the rosters were inaccurate and incomplete. Next step was to compare the number of uniforms purchased to the amount reported. This method resulted in over \$18,000 in unaccounted for revenue. Because of the lack of verifiable documentation, Internal Audit cannot ensure the accuracy of the revenue data.
5. The County has not implemented a fee resolution enacted by the Board six months prior. The Board passed resolution 2014-37 on March 25, 2014 which changed the rental fees and conditions for park and facility rental. However, the County's park web site and Recreation web site still display Resolution 2009-50.

Internal Audit noted that Resolution 2014-37 listed rental fees under the park or facility name; however, the resolution did not include all the parks and facilities that are listed on the web site as available for rent. Four of the eight available for rent are listed on the new resolution.

6. The department did not seek Board approval for certain items that, in the opinion of Internal Audit, should have received Board review and approval. Certain recreation program participants were allowed to play without paying the required fees. In addition, the director established the fees without Board review and approval. Finally, the director was requested by management to determine the amount to be paid to seasonal temporary employees of the department.

The Internal Audit Department commends the efforts of the director in ensuring that Walton County has an efficient and effective recreation program that is available to all County citizens. In addition, the controls over department expenditures appeared to be adequate.

# INTRODUCTION



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## INTRODUCTION

## Recreation Audit

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### Background

The Walton County Recreation Department provides youth recreation programs in Walton County. These programs have included soccer, basketball, flag football, and summer sports camps. The summer camps were discontinued due to lack of participation. The county offers four regional leagues which include Paxton, Defuniak Springs, Freeport, and South Walton in Santa Rosa Beach; however, an additional spring soccer league is only offered in South Walton. In addition to these programs, the department manages facility/park rentals. The facilities available include; Gene Hurley Park, Wee Care Park, Helen McCall Park, Freeport Sports Complex, and Padgett Park. Other facilities available include; Portland Community Center, Children's Home Community Center, and Darlington Community Center. The department administers the recreation programs, which include preparing the fields, coordinating the leagues, and collecting the fees for participation and facility rentals. The Parks Department provides maintenance for the parks and facilities. Fee payment transactions were recorded using a county receipt book or on-line through Authorize.Net and formerly through PayPal.

On June 24, 2011, the County entered into an interlocal agreement with the City of Freeport to consolidate resources and services. This allowed the city and the county to share the services of the city's Recreation Director and share the expenses associated with this position. The position title was City/County Recreation Director (director). The director remains an employee of the city with the city being first priority. The city pays 60% of the salary and the county 40%. This agreement also requires the county to provide a part time employee to assist the director for a maximum of 24 hours per week. In addition, the county hires part-time temporary employees to function as program directors, coordinators, and scorekeepers. These employees are subject to the same background and drug screening as regular employees. Volunteers are accepted for team coaches and assistants and occasionally scorekeepers. All volunteers are required to sign a release allowing the county to conduct background checks. The department uses Hub City Sports Officials for basketball referees. These individuals are prescreened by Hub City. All remaining officials were part-time employees or volunteers.



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## INTRODUCTION

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### Scope, Objectives, and Methodology

The review of the Recreation Department was conducted for the period of October 1, 2012 through September 30, 2013. The objective of the review was to determine if the department's internal controls and accounting procedures were adequate. The proper segregation of duties for the receipt of money, documenting and recording of transactions, and the deposit of funds was examined. Additionally, the review was completed to ensure that the department's expenditures were proper, accurate, and for the benefit of the county.

Samples of Department's revenue and expenditures were selected from the Account Activity Listing recorded in the Naviline Accounting System; however, because of a lack of a proper audit trail, Internal Audit chose to review all revenue receipts in addition to all expenditures. Internal Audit attempted to trace revenue receipts to program participants. Due to the lack of an accurate roster and proper documentation supporting the participation fees, Internal Audit compared revenue received with the number of uniforms and trophies purchased. A close approximation of the number of participants was obtained through these methods. This information was compared to program revenue.

Internal Audit also reviewed expenditures to ensure the purchases were for departmental needs and adhered to proper controls and policies. In addition, revenue from facilities rentals was also reviewed. Internal Audit reviewed rental contracts to ensure the proper amount was charged and all rental fees were deposited.

### Overall Conclusion

Based on the results of the work performed, the Recreation Department did not provide adequate internal control over the recording and documenting of cash receipts for program activities; however, the department did materially comply with applicable laws, rules, and regulations and policies and procedures. In the opinion of Internal Audit, the system of internal controls employed by the Recreation Department needs to be improved. Recommended improvements are included in this report.

**RECOMMEDATIONS FOR  
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**1. Controls Over Recreation Program Fees were Inadequate.**

Internal Audit conducted a review of the department's collection, recording, and deposit of program fees. The total program fees recorded, deposited, and posted to the general ledger for fiscal year 2013 was approximately \$73,081. To ensure the correct amount was deposited, Internal Audit reviewed the collections recorded in the department's cash receipt books and the amount collected through the on-line PayPal service. It should be noted that the department issued 310 receipts from 15 different receipt books during the audit period.

To ensure the actual amount collected from participants was the amount recorded, Internal Audit attempted to compare the amount recorded via the two payment methods listed above to the total number of participants in each sports program. The program rosters were found to be unreliable. The department had the program rosters on Excel spreadsheets; however, there were more than one spreadsheet for each sports program. The employee that created the spreadsheets had taken a medical leave and then resigned her position; therefore, Internal Audit was unable to determine which roster was considered to be the official program roster. In addition, the rosters reviewed had certain participants listed as many as three times on the same roster. An attempt was made to match payments to names on the roster. This also proved to be inaccurate and unreliable. Internal Audit could not match certain participants to a receipt payment or PayPal invoice and could not match payments received, to a participant's name on the program roster.

Since the rosters proved to be inaccurate, Internal Audit compared the number of uniforms ordered to the number of payments received for the related program. The director informed the auditor that the department orders one additional uniform for each team. The number of uniforms purchased was closer to the roster total than the number of payments. Based on the roster to payment comparisons, Internal Audit could not account for approximately \$11,885 or 16% of the program revenue. Based on the number of uniforms purchased compared to the total payments, Internal Audit could not account for approximately \$18,000 of program fees. Since the documentation did not allow Internal Audit to determine the number of teams for each program, the \$18,000 does not exclude extra uniforms.



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The County did not provide adequate controls over program fees that would ensure all fees received were properly recorded and deposited. The department consisted of a part-time director and full time recreation coordinator. By contract, the director allocated 40% of his time to the County. This did not afford the time necessary to operate the County's recreation program and also provide proper supervision over the coordinator. It also did not allow for a separation of duties between the receipting, recording, and depositing of County funds. In addition, the coordinator did not develop and maintain the proper documentation that would allow payments to be matched to participants and also ensure that all payments are recorded and deposited. The documentation did not provide a proper audit trail; therefore, Internal Audit could not ensure that all funds collected were deposited.

**Internal Audit Recommends** the department establish controls to ensure all payments are properly receipted, recorded and deposited. This would include documents that afford an audit trail that will ensure all payments can be matched to a participant and subsequently deposited. Team rosters should be maintained with a list of all participants that is certified by the team coach and the program roster which includes all participants should be certified by the program director. The County needs to provide adequate personnel that will allow a separation of duties and adequate supervision of department personnel.

**Management's Response:**

The former recreation coordinator was solely in charge of rosters and deposits. The part time recreation director was in charge of putting teams together, securing officials, coaches, attending game days, spraying soccer fields, gym prep, securing local directors, implementing rules for leagues, solving any disputes, etc. The Recreation Department has traditionally in the past had four ways kids make it onto a recreation team.

1. Online with Debit or Credit Card
2. At main office with check or cash\*(new policy requires check or money order)
3. Tri County Scholarship
4. Walton Recreation office waiver

The first three have a fee associated with them, the last one there is no fee involved as it is waived. We typically have 8-10% of 650-700 players who come to our office and demonstrate a financial need for a fee waiver. These citizens are either hardworking people who can't afford the fee and have an income that is slightly too much for Tri County scholarship OR have several kids and simply can't afford \$200 for all them to play. The Departments goal has always been to



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make sure EVERY CHILD THAT WANTS TO PARTICIPATE IN OUR COUNTY SPONSORED PROGRAMS HAVE THE OPPORTUNITY TO DO SO. Former recreation coordinator was instructed to document this, employee did not do this before she took medical leave. Now that Recreation Director is a full time employee we no longer grant County waivers. We have lowered fee to \$40 to account for this. If the department has erred it would be in the documentation of these county waivers, we now have a system in place to do so and have been using it the past two full rec seasons. We keep extra uniforms on hand for kids that have wrong sizes or kids that loose them during season.

**2. County Receipt Books not Always Used or Controlled Properly.**

The Clerk of Court and County Comptroller's Finance Department (Clerk's Finance) maintains a supply of County receipt books for issue to the County. Once the book is completely used or no longer needed, it is returned to Clerk's Finance. As part of the internal control evaluation, the county receipt books issued to the department were reviewed. A list of receipt books issued was obtained from Clerk's Finance. Internal Audit also requested all receipt books from the department. A total of 26 receipt books had been issued to the department since 2006, seven books had been returned, and seven books were unaccounted for.

After Internal Audit reviewed the books that were located, it was determined that the department had issued receipts from 15 different books during the audit period. It should be noted that each book contains 188 receipts and 310 had been issued during the period. Internal Audit also noted the following issues pertaining to the receipts;

- a. Part-time seasonal program directors were allowed to accept money and issue receipts without a county facility to secure the funds until deposited.
- b. Non-county employees were allowed to issue receipts for program fees from a county receipt book.
- c. One director issued their own receipt.
- d. Some receipt book copies were completely illegible.
- e. One receipt book had numerous yellow copies removed from the book leaving no back-up receipt for that number.
- f. One receipt did not list a name to go with the payment.
- g. Padgett Park rental receipts were issued by County employees outside the department. In addition, County receipt books were not used.
- h. Funds collected but not deposited were not properly secured in a locked desk or file cabinet.



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- i. Some receipts were not stamped received by Clerk's Finance.
- j. Some players were required to pay a late registration fee of up to 50% of the fee while other late registrants were not charged.
- k. Unauthorized coaches discounts were given to some players; however, it could not be determined if the payer was a coach.

The use of County receipt books should be limited as to the number of employees issuing receipts. These employees should be properly supervised and the duties of writing receipts, collecting cash, recording the transaction, and depositing the cash should be separated between two employees at a minimum. Because of the limitation of personnel, the department was unable to provide proper controls over the use of the receipt books. It is the understanding of Internal Audit that the department is using a single receipt book for fiscal year 2015, and it is controlled by the director.

**Internal Audit Recommends** the department discontinue the practice of allowing seasonal directors to issue receipts. The use of on-line payment should be encouraged for the program payments. The department should return some of the receipt books to Clerk's Finance or at a minimum secure receipt books until they are needed.

**Management's Response:**

The majority of issues noted are no longer relevant as we do not conduct onsite registration anymore and only have one receipt book kept at our main office (only office). At director's initiative, department has been transferring to complete online registration for approximately 2 years and are at a 85-90% usage rate. The issues noted were the result of registration being in four different towns (Paxton, South Walton, Freeport and Defuniak) at the same time on the same day. Local directors and usually their spouses were onsite at each town and received payments and issued receipts to citizens, sometimes it would get really busy and to expedite things there would be two receipt books and local director's spouse would issue a receipt. This practice, as stated above, is obsolete. Padgett Park rentals are handled at District Five Commissioner's office at their request as their office is near the facility and we don't have an office south of bay. Late registration charges and coach discounts were approved through then Support Services Director Brady Bearden as a way to encourage people to coach and register on time as we have an issue with both every season, neither worked nor have been discontinued. Also, 16 of the 26 receipt books listed were checked out before current Recreation Director started, the seven unaccounted for were



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checked out between 2006 & 2007(4-5 years before current director started working part time, July 2011). Current director checked out 8 total receipt books from 2011-2013, the reason was to get a receipt book for each of the four towns we conduct sports in and keep them separate. As stated above all receipt books associated with current director have been turned in save one for our main office.

**3. Controls Over Park/Facilities Rentals Need Improvement.**

The department is charged with the rental of certain County parks and facilities. The rental fees are established by fee resolution. The renter must complete a rental application, which can be done on the County website. The fee was based on the number of hours the reservation was requested (\$50 for 4 hours or \$75 for 8 hours). If the facility or park was cleaned up afterward a \$25 cleaning refund could be obtained for the facilities or \$100 refund for sports fields. This refund was not initiated by the department. To obtain a refund, the renter would have to request it. For all of the cleaning fee refunds that were requested and returned, there was no evidence the facility or park was cleaned. If the renter requested a refund from the department, an e-mail was sent to Clerk's Finance and the refund was automatically issued.

For the facilities, the renter would receive a key to the door or a key code when they paid for their rental. Issuing keys presented the risk lost keys or duplicates made by the renter. Number pads are installed on certain facilities, requiring the renter to obtain the code to enter the building; however, the code was not changed after each rental. This could allow the renter to re-enter the facility at any time until the code was eventually changed.

Internal Audit reviewed the department's rental application file. The file contained only 40 of the 51 rental applications determined by receipts. Eleven or 22% of the applications were missing. In addition, eight of the applications did not have an approval signature and 26 of the applications were not approved by a supervisor or manager. The same employee would accept and approve the application, make the reservation, accept the rental fee and deliver it to Clerk's Finance for deposit. Twenty of the rentals or 39% were not charged the correct amount for the time period rented. The department did not maintain a rental calendar with the reservations notated. This resulted in at least two double bookings.



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Finally, it was noted that several departments or County entities booked rentals for the period reviewed. The rentals for Padgett Park were placed with an office that was not under the authority of the Recreation department. The staff did not have a County receipt book or proper cash storage area. As with the department, the procedures used did not provide an appropriate audit trail that would ensure that all rentals were collected and the fees remitted to Clerk's Finance for deposit. To minimize the risk associated with cash collection and increase internal controls, park and facility rentals should be centrally located at one location.

**Internal Audit Recommends** that all park and facility rentals be completed at one authorized location that is under the supervision of a single department, supervisor, and/or manager. The County must ensure that the duties of booking parks and facilities, accepting and approving applications, issuing receipts, and remitting fees for deposit are separated so one employee does not complete all the procedures. The department should maintain an unalterable reservation calendar as well as a copy of all applications to ensure that all rental fees are receipted. In addition, the department should develop a park/facility cleaning check-off list to be maintained with the applications to ensure the renters are properly caring for County Assets.

**Management's Response:**

Recreation director stated he personally didn't inspect facility before issuing refund for cleaning deposit **BUT** facilities maintenance does two times a week and reports to recreation director if there is a problem. It should be noted that we have never had an issue with facilities not being cleaned or taken care of in last three years as our rentals are minimal for community centers and are usually repeat renters (Portland, Children's Home, & Darlington). To change the key and code after each rental is not necessary as facilities are checked twice a week and code at Padgett Park is changed monthly. We feel we would be aware very quickly of unauthorized usage. Former recreation coordinator handled community center reservations and deposits for Portland Community center, Children's Home, Darlington School House. District Five handled Padgett Park Rentals. Reoccurring rentals were charge \$25 instead of \$50 at Finance Departments approval as to not have to issue a \$25 cleaning refund every Monday by check. We had on organization rent Portland Community Center for church services for several consecutive Sundays at a time. Former recreation coordinator was tasked with the organization of these rental, she did not do so, department now keeps a separate book for each facility with rentals recorded. Department now maintains a calendar online for citizens to view openings.



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4. **The Department's Contracts were not Properly Monitored.**

The County entered into an Interlocal Agreement on June 24, 2011, with the city of Freeport in order to consolidate resources and services by sharing a Recreation Director. The director would be a city employee with the City paying 60% of the salary and benefits and the County would pay 40%. As part of this agreement, section 11, the County would provide a part-time employee to assist the director. This employee was to work a maximum of 24 hours per week. In October of 2012, the part-time employee was changed to full time status without a change in the contract or properly informing the Board.

In addition, the department accepts on-line payment of program and rental fees. In 2013, a decision was made to change on-line payment vendors from PayPal to Authorize.net. The County entered into this contract without prior approval of the Board. The Board should be aware of all contractual obligations to include contracts for services. When contracts are changed or modified, these contracts should be properly vetted by staff and approved by the Board.

**Internal Audit Recommends** that the County ensures all contracts are monitored and amended when necessary. It is also the department's responsibility to ensure the County is aware of contractual changes. In addition, the department should ensure that the Board has the opportunity to review and accept all contracts.

**Management's Response:**

Part time was changed to full time during budget meetings in 2012, budget was approved by WCBC. Full time was needed as South Walton soccer was brought back into department as well as HMC scheduling. Online payment agreement was entered into through Finance Department approval as they control they financial aspect of it. Finance Director is only person who can access and make changes to main online merchant account information.



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**5. Fee Resolution 2014-37 for Parks and Facilities is not Complete.**

As part of the rental fee review, Internal Audit reviewed fee Resolution 2009-50 to determine if the department was charging the appropriate fee for the park or facility. As noted in (Recommendation 3) above 20 or 39% of the rentals were charged the incorrect fee. On March 25, 2014, the Board approved Resolution 2014-37 which changed the rental fees and certain rental options; however, as of September 30, 2014, the fee resolution listed on the County's Park and Recreation web sites has not changed. The County cannot implement the new fee schedule until Resolution 2009-50 is replaced by the new resolution. In addition, Internal Audit noted that Resolution 2014-37 was not complete. The new resolution lists each park and corresponding fee separately and provides for reduced fees and Board approved waivers. The County's website indicates that there are eight parks and facilities available for rent; however, the new resolution only has four of the parks and facilities listed on the fee schedule.

Internal Audit did not identify any sports teams that had paid for use of the facilities or use of field lighting during the audit period. Since most fields do not have locks, it is more difficult to enforce the resolution on field activities than it is on locked community centers.

**Internal Audit Recommends** the department amend the new resolution and include all parks and facilities that are available for rent. The resolution should be placed on the web sites so the proper fee is charged for rentals. Finally, since the new resolution allows waivers available through the Board, a copy of the waiver should be required each occasion that the field is reserved. The person obtaining the waiver should have it available for inspection each time they use the facility. Finally, the County should provide monitoring of the fields for misuse and unauthorized use.

**Management's Response:**

Fee resolution has been enacted and is displayed on both websites, there was lag time to give proper notice to long time users of park that new policy was taking effect and county ordinance was going to be followed. Prior to current recreation director, Helen McCall park was run by local citizens with no one following ordinance or paying appropriate fee for light/field usage. At current directors initiative, new fee schedule was implemented (written by current director) and



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online field scheduling process started. Now, when someone request use of fields or lights they are sent: Ordinance, Fee structure, waiver information and Light usage agreement. Security cameras have been installed at HMC and department is able to monitor usage of facilities remotely. Also, WCSO is sent a detailed schedule of usage for Helen McCall Park and they patrol park twice nightly to make sure citizens using complex lights are on our official schedule. All of these park usage documents have had WCBCC approval.

**6. Certain Items should be Reviewed by the Board.**

The County hires part-time temporary employees to serve as program directors, co-directors, referees, and scorekeepers. The recreation director was given the responsibility of determining the pay. The pay for referees and scorekeepers is based on the number of games covered during the pay period. Since the recreation director cannot be present for all games throughout the County, he must rely on these employees to provide accurate information. The amount each director or co-director receives is based on the number of teams in their respective program.

In addition, the program fees are also determined by the director. The director has been trying to provide a recreation program that is cost effective and available to anyone in the County. The director's goal is keep revenue and expenditures as close as possible in order to keep the programs affordable; however, certain participants were allowed to play for free. The parents of these participants were unable to afford the fee required or could only pay for one child and not all. Tri-County Community Counsel would provide scholarships for some of these participants, but not all. If Tri-County would not pay, some of the participants were provided County scholarships, allowed to play for free. No documentation was maintained indicating why they could not pay to participate. These County scholarships have exceeded \$4,000 for an individual program. At a minimum, allowing certain individuals to play without paying can give the appearance of impropriety.

The pay plan for the seasonal employees and the program fees do not go before the Board for review or approval. The Board should be allowed to review the fees that are to be charged to the participants and determine if they are appropriate. Also, the Commissioners should know who is directing the recreation programs in their district as well as the compensation received.



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**Internal Audit Recommends** the Department provide the anticipated program fees in addition to the budgeted revenue and expenditures to the Board. In addition, a fee resolution should be developed and approved by the Board indicating the program fees and the policies and procedures for providing scholarships for participation. The Department should also provide a list of seasonal employees involved in the programs along with the planned compensation. Since the County Administrator is ultimately responsible for an employee's hiring and compensation, at a minimum, County Administration should approve these items.

**Management's Response:**

HR is provided a detailed list of local directors, refs, & scorekeepers for each season with their compensation, this is also budgeted into operating expenses each year. We have allowed children to play that "fall between the cracks" of being able to pay fee or qualifying for a Tri County Scholarship, some people can't meet either requirements, these citizens demonstrated a need to us and we used our best judgment in granting the request. Our goal has been to allow children to play no matter their circumstances. We have since stopped this practice, but it is important to remember that the program exist not to make a profit, but to provide a service. Fees are established by estimating participants based on previous seasons and dividing that into estimated expenses (officials, local directors, insurance, equipment, etc.). **Fees have not increased in 8 years and are actually lower now than they were in 2008.** Right now it is \$40 to play in our 6 week rec season for soccer or basketball. We conduct fall soccer, winter basketball and spring soccer with approximately 700 kids in each season (350 for spring soccer) Local directors fees were in place when current recreation director started and have since been lowered in certain areas with no increases.

## Attachment A

### **Management's Response to Recommendation 1.**

The former recreation coordinator was solely in charge of rosters and deposits. The part time recreation director was in charge of putting teams together, securing officials, coaches, attending game days, spraying soccer fields, gym prep, securing local directors, implementing rules for leagues, solving any disputes, etc. The Recreation Department has traditionally in the past had four ways kids make it onto a recreation team.

1. Online with Debit or Credit Card
2. At main office with check or cash\*(new policy requires check or money order)
3. Tri County Scholarship
4. Walton Recreation office waiver

The first three have a fee associated with them, the last one there is no fee involved as it is waived. We typically have 8-10% of 650-700 players who come to our office and demonstrate a financial need for a fee waiver. These citizens are either hardworking people who can't afford the fee and have an income that is slightly too much for Tri County scholarship OR have several kids and simply can't afford \$200 for all them to play. The Departments goal has always been to make sure EVERY CHILD THAT WANTS TO PARTICIPATE IN OUR COUNTY SPONSORED PROGRAMS HAVE THE OPPORTUNITY TO DO SO. Former recreation coordinator was instructed to document this, employee did not do this before she took medical leave. Now that Recreation Director is a full time employee we no longer grant County waivers. We have lowered fee to \$40 to account for this. If the department has erred it would be in the documentation of these county waivers, we now have a system in place to do so and have been using it the past two full rec seasons. We keep extra uniforms on hand for kids that have wrong sizes or kids that loose them during season.

### **Management's Response to Recommendation 2**

The majority of issues noted are no longer relevant as we do not conduct onsite registration anymore and only have one receipt book kept at our main office (only office). At director's initiative, department has been transferring to complete online registration for approximately 2 years and are at a 85-90% usage rate . The issues noted were the result of registration being in four different towns (Paxton, South Walton, Freeport and Defuniak) at the same time on the same day. Local directors and usually their spouses were onsite at each town and received payments and issued receipts to citizens, sometimes it would get really busy and to expedite things there would be two receipt books and local director's spouse would issue a receipt. This practice, as stated above, is obsolete. Padgett Park rentals are handled at District Five Commissioner's office at their request as their office is near the facility and we don't have an office south of bay. Late registration charges and coach discounts were approved through then Support Services Director Brady Bearden as a way to encourage people to coach and register on time as we have an issue with both every season, neither worked nor have been discontinued. Also, 16 of the 26 receipt books listed were checked out before current Recreation Director started, the seven unaccounted for were checked out between 2006 & 2007(4-5 years before current director started working part time, July 2011). Current director checked out 8 total receipt books from 2011-2013, the reason was to get a receipt book for each of the four towns we conduct sports in and keep them separate. As stated above all receipt books associated with current director have been turned in save one for our main office.

## Attachment A

### **Management's Response to Recommendation 3**

Recreation director stated he personally didn't inspect facility before issuing refund for cleaning deposit **BUT** facilities maintenance does two times a week and reports to recreation director if there is a problem. It should be noted that we have never had an issue with facilities not being cleaned or taken care of in last three years as our rentals are minimal for community centers and are usually repeat renters (Portland, Children's Home, & Darlington). To change the key and code after each rental is not necessary as facilities are checked twice a week and code at Padgett Park is changed monthly. We feel we would be aware very quickly of unauthorized usage. Former recreation coordinator handled community center reservations and deposits for Portland Community center, Children's Home, Darlington School House. District Five handled Padgett Park Rentals. Reoccurring rentals were charge \$25 instead of \$50 at Finance Departments approval as to not have to issue a \$25 cleaning refund every Monday by check. We had on organization rent Portland Community Center for church services for several consecutive Sundays at a time. Former recreation coordinator was tasked with the organization of these rental, she did not do so, department now keeps a separate book for each facility with rentals recorded. Department now maintains a calendar online for citizens to view openings.

### **Management's Response to Recommendation 4**

Part time was changed to full time during budget meetings in 2012, budget was approved by WCBCC. Full time was needed as South Walton soccer was brought back into department as well as HMC scheduling. Online payment agreement was entered into through Finance Department approval as they control they financial aspect of it. Finance Director is only person who can access and make changes to main online merchant account information.

### **Management's Response to Recommendation 5**

Fee resolution has been enacted and is displayed on both websites, there was lag time to give proper notice to long time users of park that new policy was taking effect and county ordinance was going to be followed. Prior to current recreation director, Helen McCall park was run by local citizens with no one following ordinance or paying appropriate fee for light/field usage. At current directors initiative, new fee schedule was implemented (written by current director) and online field scheduling process started. Now, when someone request use of fields or lights they are sent: Ordinance, Fee structure, waiver information and Light usage agreement. Security cameras have been installed at HMC and department is able to monitor usage of facilities remotely. Also, WCSO is sent a detailed schedule of usage for Helen McCall Park and they patrol park twice nightly to make sure citizens using complex lights are on our official schedule. All of these park usage documents have had WCBCC approval.

## Attachment A

### **Management's Response to Recommendation 6**

HR is provided a detailed list of local directors, refs, & scorekeepers for each season with their compensation, this is also budgeted into operating expenses each year. We have allowed children to play that “fall between the cracks” of being able to pay fee or qualifying for a Tri County Scholarship, some people can't meet either requirements, these citizens demonstrated a need to us and we used our best judgment in granting the request. Our goal has been to allow children to play no matter their circumstances. We have since stopped this practice, but it is important to remember that the program exist not to make a profit, but to provide a service. Fees are established by estimating participants based on previous seasons and dividing that into estimated expenses (officials, local directors, insurance, equipment, etc.). **Fees have not increased in 8 years and are actually lower now than they were in 2008.** Right now it is \$40 to play in our 6 week rec season for soccer or basketball. We conduct fall soccer, winter basketball and spring soccer with approximately 700 kids in each season (350 for spring soccer) Local directors fees were in place when current recreation director started and have since been lowered in certain areas with no increases.

## Attachment B

General Response:

**Previous:**

The current Walton County Recreation Director was hired part time in July of 2011, at that time there was a part time employee who had been in charge of recreation for approximately 12-15 months. The Department had fallen into complete disorder, the large majority of receipt books mentioned in report were already checked out by previous employees dating back several years, approximately ten were found by new part time recreation director and new part time recreation assistant in fall of 2011. All registration was done onsite by local, seasonal directors at Paxton, South Walton, Freeport and DeFuniak with receipt books for each site on two consecutive Saturdays from 10am-2pm. Background checks for coaches were local only. There was not a county soccer program in South Walton (the former county program was turned over to a private entity to run and fees were raised 100% and a season added resulting in that private citizen making a substantial profit as there are approximately 350 players each season). Helen McCall park had completely fallen into disarray as a local organization was again given power by previous recreation department to schedule field space and light usage, resulting in bias field space preference and no one following County ordinance in regards to field scheduling and payment for light usage (no one was paying for anything and there was no schedule for anyone to know what was going on) this resulted in mass confusion and angry confrontations over park usage. This is the only County Park in South Walton and field space is extremely coveted by a wide array of citizens and this policy made it impossible to comply with Ordinance

**NOW:** After 6 months (spring of 2012) and two registration periods the current recreation director formed a standalone website with online registration, resulting in no longer a need for multiple receipt books or onsite registration (every receipt book we had in our possession was turned in save one for our main office, this was kept for citizens that did not have access to use online registration). The effect of our online registration was County citizens having access to registration for a full month 24 hours a day and also took approximately 90% of funds directly deposited into Finance Department account at end of every business day as well as recreation programs seeing an increase of approximately 40-50% in participation. Recreation department took back over the South Walton Soccer program in spring of 2012 and immediately lowered fee back to previous number. Background checks were raised to a complete national database search for all coaches coming into contact with kids. Previously there was no policy indicating whether you could coach or not, now if you are a convicted Felon or been convicted of misdemeanor in past 7 years you are not eligible, this policy was taken straight from The National Youth Standards. Helen McCall Park scheduling was taken back over by County Rec office in spring of 2012 and New Fee Policy was created by Recreation director and passed in March of 2014. We now schedule all field space and light usage and citizens pay online for field usage and an official schedule is posted on [www.waltonrec.com](http://www.waltonrec.com) as well as onsite. Official Schedule is also provided to WCSO as they make their rounds through the park to prevent confrontations with citizens over field usage. Also, a new security system was installed with cameras at HMC to help ensure safety of citizens.

## Attachment B

Response to Executive Summary:

### **Section 1.**

Part time was changed to full time during budget meetings in 2012, budget was approved by WCBCC. Full time was needed as South Walton soccer was brought back into department as well as HMC scheduling. Online payment agreement was entered into through Finance Departments approval as they control they financial aspect of it. Finance Director is only person who can access and make changes to main online merchant account information.

### **Section 2.**

The majority of issues noted are no longer relevant as we do not conduct onsite registration anymore and only have one receipt book kept at our main office (only office). The issues noted were the result of registration being in Four different towns (Paxton, South Walton, Freeport and Defuniak) at the same time on the same day. Local directors and usually their spouses were onsite a each town and receive payments and issued receipts to citizens, sometimes it would get really busy and to expedite things there would be two receipt books and local directors spouse would issue receipt. This practice, as stated above, is obsolete. Padgett Park rentals were handled at District Five Commissioner's office at their request as their office is near the facility and we don't have an office south of bay. Late registration charges and coach discounts were approved through then Support Services Director Brady Bearden as a way to encourage people to coach and register on time as we have an issue with both every season, neither worked nor have been discontinued.

### **Section 3**

Recreation director stated he personally didn't inspect facility before issuing refund for cleaning deposit **BUT** facilities maintenance does two times a week and reports to recreation director if there is a problem. It should be noted that we have never had an issue with facilities not being cleaned or taken care of in last three years as our rentals are minimal for community centers and are usually repeat renters. To change the key and code after each rental is not necessary as facilities are checked twice a week and code at Padgett Park is changed monthly, we feel we would be aware very quickly of unauthorized usage. Former recreation coordinator handled community center reservations and deposits for Portland Community center, Children's Home, Darlington School House. District Five handled Padgett Park Rentals. Reoccurring rentals were charge \$25 instead of \$50 at Finance Departments approval as to not have to issue a \$25 cleaning refund every Monday by check. We had on organization rent Portland Community Center for church services for several consecutive Sundays at a time.

## Attachment B

### Section 4

The former recreation coordinator was solely in charge of rosters and deposits. The part time recreation director was in charge of putting teams together, securing officials, attending game days, spraying soccer fields, gym prep, securing local directors, implementing rules for leagues, solving any disputes, etc. The Recreation Department has traditionally Four ways kids make it onto a recreation team.

1. Online with Debit or Credit Card
2. At main office with check or cash\*(new policy requires check or money order)
3. Tri County Scholarship
4. Walton Recreation office waiver

The first three have a fee associated with them, the last one there is no fee involved as it is waived. We typically have 8-10% of 650-700 players who come to our office and demonstrate a financial need for a fee waiver. These citizens are either 1. Hardworking people who can't afford the fee and have an income that is slightly too much for Tri County scholarship OR have several kids and simply can't afford \$200 for all them to play. The Departments goal has always been to make sure EVERY CHILD THAT WANTS TO PARTICIPATE IN OUR COUNTY SPONSORED PROGRAMS HAVE THE OPPORTUNITY TO DO SO. If the department has erred it would be in the documentation of these county waivers, we now have a system in place to do so and have been using it the past two full rec seasons.

### Section 5

Fee resolution has been enacted and is displayed on both websites, there was lag time to give proper notice to long time users of park that new policy was taking effect and county ordinance was going to be followed. Now, when someone request use of fields or lights they are sent : Ordinance, Fee structure , waiver information and Light usage agreement. All of these have had WCBC approval. Last part of section 5 refers to recreation director trying to explain why department was implementing new policies at HMC as a way to show Internal audit great improvement is being made in that area.

### Section 6

This again goes back to allowing children to play that “fell between the cracks” of being able to pay fee or qualifying for a Tri County Scholarship, some people can't meet either requirements. Our goal has been to allow children to play no matter their circumstances. The program exist not to make a profit, but to provide a service. Fees are established by estimating participants based on previous seasons and dividing that into estimated expenses(officials, local directors, insurance, equipment, etc.). **Fees have not increased in 8 years and are actually lower now than they were in 2008.** Right now it is \$40 to play in our 6 week rec season for soccer or basketball. We conduct fall soccer, winter basketball and spring soccer with approximately 700 kids in each season (350 for spring soccer)Local directors fees were in place when current recreation director started and have since been lowered in certain areas with no increases.