



ALEX ALFORD

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CLERK OF COURTS & COUNTY COMPTROLLER, WALTON COUNTY, FLORIDA

Walton County Board of County Commissioners  
Recreation Department  
Follow-up Review

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Clerk of the Courts and  
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Report 17-04  
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# ALEX ALFORD

CLERK OF COURTS & COUNTY COMPTROLLER, WALTON COUNTY, FLORIDA

October 20, 2017

Walton County Board of County Commissioners

The Internal Audit Department ("IA") has conducted a follow-up review of our audit of the Recreation Department. The review was conducted for the period of October 1, 2015 through September 30, 2016 to determine if recommendations provided in our December 2014 report have been implemented.

Internal Audit appreciates the cooperation of the personnel of the Recreation Department ("Department") during the completion of this follow-up review.

Johnny Street  
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c: Shane Supple, Recreation Director  
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## EXECUTIVE SUMMARY

## Executive Summary

The Internal Audit Department (“IA”) conducted a follow-up review of our December 2014 audit of the Walton County Recreation Department (“Department”). Our follow-up included an examination of program activities for the period of October 1, 2015 through September 30, 2016 and an assessment of the implementation of recommendations provided by IA as part of our 2014 review. The objectives of this follow-up review were to determine:

1. Whether controls over recreation program fees have been established;
2. Whether County receipt books are utilized and maintained properly;
3. Whether controls over park/facility rentals have been improved;
4. Whether Department contracts are now properly monitored;
5. Whether Fee Resolution 2014-37 has been amended to include all parks and facilities available for rent; and,
6. Whether fee waivers and seasonal employees are brought before the Board for approval.

IA notes that strides have been made to improve controls in the areas noted above, including the discontinuance of registration and receipt issuance by seasonal directors at the fields and implementing the use and maintenance of a single receipt book. However, based on staff interviews and documentation reviewed, IA is of the opinion additional measures should be taken to fully implement the recommendations for improvement presented in our 2014 audit. IA notes that the lack of adequate staffing in the Department contributed to the inability to fully execute all prior recommendations. We have outlined each of our previous recommendations and the results of our follow-up procedures herein.

# INTRODUCTION

**Background**

IA had previously performed an audit of the Walton County Recreation Department (“Department”) and issued a report dated December 2014. The Department provides youth recreation programs in Walton County (“County”). During fiscal year 2016, these programs included basketball, spring soccer, and fall soccer. The County offers four regional leagues which include Paxton, DeFuniak Springs, Freeport, and South Walton. However, spring soccer programs are only offered in DeFuniak Springs and South Walton. In addition to these programs, the Department manages facility/park rentals. The park facilities available include: Gene Hurley Park, Wee Care Park, Helen McCall Park, 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 includes preparing the fields, coordinating the leagues, collecting the fees for participation (“program fees”), and collecting facility rental fees. The Parks Department provides maintenance for the parks and facilities. The Department encourages the payment of all fees via their website which interfaces with Authorize.net for credit card processing. Payments of cash and checks are still accepted but must be presented in person at the Public Works office where a manual receipt is issued.

The Recreation Department consists of the Recreation Director and an Administrative Assistant; both of which are full-time positions. 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, coach assistants and occasionally scorekeepers. All volunteers are required to sign a release allowing the County to conduct background checks. The Department outsources basketball referees via Hub City Sports Officials. These individuals are pre-screened by Hub City.

As a result of our 2014 audit, certain recommendations for enhancement of controls were provided. In order to perform a follow-up to assess the implementation of recommendations provided in our report, IA conducted interviews with Department and County personnel, reviewed fiscal year 2016 rosters, reviewed all applicable receipt books, and reviewed documentation provided by Department staff to substantiate implementation of our recommendations.

**Scope**

Our follow-up review of the Recreation Department audit was conducted for the period of October 1, 2015 through September 30, 2016. Program fees are recorded when received prior to the start of each season and as such the 2016 basketball, 2016 spring soccer, and 2016 fall soccer programs were reviewed.

**Objectives**

The objectives of our inquiries and examination of records were to determine:

1. Whether controls over recreation program fees have been established;
2. Whether County receipt books are utilized and maintained properly;
3. Whether controls over park/facility rentals have been improved;
4. Whether Department contracts are now properly monitored;
5. Whether Fee Resolution 2014-37 has been amended to include all parks and facilities available for rent; and,
6. Whether fee waivers and seasonal employees are brought before the Board for approval.

**Methodology**

The methodology utilized in this follow-up was to first interview the Department Director in order to gain an understanding of current policies and procedures and how IA's recommendations have been implemented. This interview included discussion of activities since IA's previous review and what procedures have been implemented to strengthen controls. The Administrative Assistant employed during the period of IA's follow-up audit is no longer a County employee and thus could not be interviewed. IA did not consider this an impediment to our audit procedures.

IA prepared a list of documentation needed to perform our assessment of recommendation implementation. This request included official 2016 rosters, all written policies and procedures, the listing and location of all receipt books, details of all park and facility rentals for fiscal year 2016, a listing of all temporary employees utilized for 2016 programs, access to the Department's credit card payment system, and access to the Department's program registration system.

IA reviewed all documentation and responses received from the Department and also performed interviews with the Clerk of Courts Finance Department. The results of our review are outlined at section, "Recommendation Review."

**Overall Conclusion**

Based on the results of the work performed, controls over recreation program fees are still in need of improvement. IA estimates that there was approximately \$6,900 in program fees that IA could not account for during fiscal year 2016. The Department has made strides to improve controls including the discontinuance of onsite field registration and cash receipting. At the date of IA's report, the Department is utilizing a single receipt book and appears to be implementing adequate controls over cash receipts; however, during the audit period multiple receipt books were outstanding and controls were not adequate. Controls previously recommended regarding park/facility rentals and contract monitoring are still in need of implementation. Updates to the fee resolution are also still needed in order to have all parks/facility represented. IA believes that the delay in implementation of these control recommendations can be attributed to the lack of proper staffing in the Department.

**Management Response**

The Initial audit was conducted while the current full time Director was a part-time employee (2014). Multiple receipt books were used and onsite registrations were conducted prior to the current Director's employment and were discontinued within 6 months of current management taking over and online website and registration were created. The follow up audit was conducted one year into the current Director becoming full-time and policies were still being implemented and adapted. The administrative assistant was given the task of auditing the registrations during this time period to match up payments with registrations. The administrative assistant resigned to take another job two weeks before the follow up audit was conducted, so was not available. Audit of the registrations was/is difficult at times to complete in a timely manner as the new/old administrative assistant has many other duties outside of recreation job description, these include but are not limited to: custodial payroll, parks payroll, parks work logs, parks maintenance requisitions, second in line to answer main phone line in at public works, etc.

RECOMMEDATION  
REVIEW

Below we have outlined the conditions and recommendations as reported in our December 2014 report along with the results of our follow-up assessment of the implementation of such recommendations.

**1. Condition**

Controls over recreation program fees were inadequate.

**Recommendation**

Internal audit recommends that 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.

**Follow-up Results**

IA reviewed program fees as reported on the general ledger for fiscal year 2016 and attempted to reconcile recorded fees to the applicable rosters. Program fees are recorded when received prior to the start of each season and as such the 2016 basketball, 2016 spring soccer, and 2016 fall soccer rosters were reviewed along with all credit card payments and cash/check payments received during the fiscal year. Based on IA's reconciliation procedures we believe that approximately \$6,900 in program fees were not accounted for during fiscal year 2016, as denoted below.

Total Program Fees for Rostered Sports per	
General Ledger	<u>\$73,540</u>
Anticipated Basketball Program Fees	26,160
Anticipated Spring Soccer Program Fees	21,840
Anticipated Fall Soccer Fees	<u>32,400</u>
	<u>\$80,400</u>
<b>IA's Calculation of Uncollected Program Fees</b>	<b><u>\$ 6,860</u></b>

In order to calculate what IA believes to be uncollected program fees we obtained each final roster from management, a complete detail of all credit

card payments received for fiscal year 2016 from Authorize.net, and all receipt books utilized during fiscal year 2016. IA reviewed each roster and discussed any participants in question with management and made necessary adjustments to headcounts as denoted below. IA then attempted to agree all payments received to the rosters in order to determine any participants listed that did not pay the \$40 registration fee. IA has outlined items noted during review of each roster and the supporting payment documentation and provided any recommendations below.

**Rosters:****Basketball - Winter 2016**

Total Participants per Final Roster	685
Add: Payments in Receipt Book not Included on Final Roster	3
Add: Credit Card Payments not Included on Final Roster	1
Less: Refunded Participants Not Removed From Final Roster	(7)
Less: Withdrawn Non-Paying Participants Not Removed From Final Roster	(2)
Less: Duplicated Participants	(26)
Total Active Participants	654
Registration Fee	\$ 40
<b>Anticipated Basketball Fees</b>	<b>\$26,160</b>

**Soccer - Spring 2016**

Total Participants per Final Roster	581
Add: Payments in Receipt Book not Included on Final Roster	2
Less: Refunded Participants Not Removed From Final Roster	(2)
Less: Duplicated Participants	(35)
Total Active Participants	546
Registration Fee	\$ 40
<b>Anticipated Spring Soccer Fees</b>	<b>\$21,840</b>

**Soccer - Fall 2016**

Total Participants per Final Roster	873
Add: Payments in Receipt Book not Included on Final Roster	1
Less: Refunded Participants Not Removed From Final Roster	(6)
Less: Duplicated Participants	(58)
Total Active Participants	810
Registration Fee	\$ 40
<b>Anticipated Fall Soccer Fees</b>	<b><u>\$32,400</u></b>

As noted above, during IA's review of the final rosters for each sport, we noted numerous instances where the same participant was listed multiple times (basketball 26, spring soccer 35 and fall soccer 58). Duplicate participants on the rosters are occurring due to the current online registration system allowing unlimited registration of the same name. IA recommends that the Department attempt to identify a method where the registration system would perform a cross-check and disallow any additional registrations for the same participant name. Duplicate participants are easily identifiable as no payment would be located during Department Staff's reconciliation of payments received to the rosters.

During IA's review of the final rosters for each sport, we noted instances where credit card numbers were included. It appears that this occurs when parents/guardians enter their credit card number instead of their name when registering participants. IA noted the following number of occurrences per sport:

<b>Roster</b>	<b>Card Number Included</b>	<b>Total Participants</b>
Basketball	1	654
Spring Soccer	10	546
Fall Soccer	12	810
<b>Total Credit Card Numbers Included</b>	<b><u>23</u></b>	

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**RECOMMENDATION  
REVIEW****Follow-up Review of Walton County  
Recreation Department Audit**

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While the number of instances noted is relatively low compared to total participants, credit card numbers should not be retained as this can lead to improper use or distribution. IA recommends that Department Staff perform reviews of the rosters, purge any credit card information included, and update the field with the correct information for each participant.

After eliminating any duplicate participants identified on each roster, IA attempted to vouch each participant to a payment received via credit card through Authorize.net or via a cash/check payment and detailed in the Department's receipt books. Based on our review we noted a total of 190 participants that could not be agreed to a recorded payment as denoted below.

<b>Roster</b>	<b>Participants with Unvouched Payment</b>	<b>Total Participants</b>
Basketball	70	654
Spring Soccer	44	546
Fall Soccer	76	810
Total Unvouched Participants	190	
Registration Fee	\$ 40	
<b>Participants Unable to Agree to Payments Received</b>	<b>\$ 7,600</b>	

Based on discussions with management, it appears that for some instances where payment could not be determined by IA a waiver of fees was administered by the County. Typically fees were waived for a participant when they were unable to obtain a scholarship via Tri-County. IA discusses this process and our recommendation for improvement further at Recommendation 6.

The final rosters provided by management also included the payment method utilized for each participant. IA notes that this is a tool which should be utilized to assist with reconciliation of payments to participants. IA noted the following instances where incorrect payment information was denoted on the final rosters:

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**RECOMMENDATION  
REVIEW**

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**Follow-up Review of Walton County  
Recreation Department Audit**

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<b>Roster</b>	<b>Incorrect Payment Method</b>	<b>Total Participants</b>
Basketball	181	654
Spring Soccer	23	546
Fall Soccer	45	810
<b>Total Incorrect Payment Methods</b>	<b>249</b>	

IA recommends that Department Staff perform a daily reconciliation of the final rosters to both receipt book and credit card payments. This will ensure that any non-payments are identified and resolved timely and that no duplicates are included on the rosters. This should include ensuring that the proper payment method is denoted. As an additional control, Department Staff should include the credit card transaction identification number or receipt number for each participant. The addition of this information will help to identify participants for which payment has not been verified and also help to facilitate supervisor review.

IA noted instances on the final rosters where only limited information was provided for a participant. IA recommends that certain information such as participant's full name, parent/guardian name, parent/guardian contact information, location, etc. be included for each participant. This will assist Department Staff in the daily reconciliation of payments to the rosters.

IA also recommends that Department Staff work with the Clerk's Finance Department to perform a monthly reconciliation of payments to the general ledger account to ensure that all payments received have been recorded. Additional Department staff would help to facilitate the implementation of these controls and allow for proper segregation of duties.

**General Ledger:**

The Department, with the assistance of the Clerk's Finance Department, maintains general ledger accounts for both program fee income and park rental income. Per review of the general ledger detail, IA notes that fees other than payments for rostered sports are included in program fee income. Authorize.net wires credit card payments to the County each day they are received. When these credit card payments are received by the County they include payments for rostered sports, park rentals, light payments, etc. Each month, the Clerk's Finance Department records all credit card payments received in the program fee income account.

**RECOMMENDATION  
REVIEW**

**Follow-up Review of Walton County  
Recreation Department Audit**

IA performed the following reconciliation to determine program fees attributable to only fiscal year 2016 rostered sports:

Total Fees per General Ledger	\$ 76,091
Less: Fiscal Year 2015 Late Payment	(40)
Less: Batting Cage Income	(816)
Less: Soccer Camp Revenues	(85)
Less: Returned Check Fees	(50)
Less: Park Rentals and Light Usage Fees Included in Credit Card Deposits	(1,280)
Less: Overpayments	(280)
<b>Total Program Fees for Rostered Sports</b>	<b><u>\$ 73,540</u></b>

As noted above, IA recommends that the Department work with the Clerk's Finance Department to perform a monthly reconciliation of fees received to the final rosters. In order to properly capture program fees and ease the Department's ability to reconcile to the rosters, only fees for rostered sports should be included in program fees, all park rentals should be included in the park rentals income account and ancillary revenues should have their own general ledger account. IA recommends that the Department work with the Clerk's Finance Department to segregate income streams by type in order to facilitate reconciliation.

**Online Registration and Payment Processing:**

After obtaining a detail from Authorize.net of all credit card payments received and all receipt books utilized during fiscal year 2016, IA attempted to agree each payment received to a participant on the final rosters. Based on our review we noted a total of 23 payments that could not be agreed to a participant:

<b>Roster</b>	<b>Payments Not Agreed to Participant</b>
Receipt Books	7
Credit Card Payments	16
Total Payments Not Agreed	23
Registration Fee	\$ 40
<b>Payments Unable to Agree to Participant</b>	<b><u>\$ 920</u></b>

As discussed above, IA recommends that Department Staff perform a daily reconciliation of payments to the final rosters which would allow for timely identification and resolution of discrepancies between rosters and payments received.

IA notes that the current online registration system first sends parents/guardians to the sport's registration page where participant information (name, sport, location, uniform size, etc.) is provided. This information is immediately saved on the Department's webhosting site and downloaded by the Department Staff into the final roster. Once the form is complete, the parent/guardian is sent to Authorize.net for payment. Authorize.net will allow the parent/guardian to exit without providing a credit card payment. This results in participants included on the rosters that have not paid. Ideally, participants should not be added to a roster until payment is received. IA recommends that the Department devise a method where credit card payment is required prior to the parent/guardian having access to the registration form. This will help to eliminate nonpaying participants. In the meantime, Department Staff should perform a daily reconciliation of payments to the rosters to identify any non-payments. At that time, Department Staff should contact the parent/guardian to obtain payment. IA recommends that a cutoff date for payment be established for each season at which time any participant without payment would be removed from the roster. This date should be prior to ordering uniforms.

During the period of IA's audit, we noted that refunds were approved by the Director and any credit card refunds were also processed by the Director or Department Staff. IA notes that the Department has since established controls that require all refunds to be processed by the Clerk's Finance Department. IA commends the Department on establishing this segregation of duties but noted that the Director still has administrator rights on Authorize.net that include the ability to issue refunds. In order to further strengthen internal controls, we recommend that refund authority on Authorize.net be limited to the authorized user in the Clerk's Finance Department.

### **Management's Response**

The uncollected funds occurred in two ways.

1. The person registered child and clicked submit, this then takes them to the checkout page where they pay, from time to time people forget or just simply chose not to pay. To mitigate this, the administrative assistant job was/is to audit registrations and catch these. The former assistant did not fully complete audits due to workload resulting in some non-collected fees from registers.

2. The Applicant signed up child and applied for Tri-County funds. The County would typically not find out whether or not applicant qualified for Tri-County funds until after season had started. When a child did not qualify, the County still allowed the child to play as not to embarrass citizen or child by removing them from team, since games and practices had already commenced.

Going forward the new administrative assistant conducts audits and checks with Tri-County daily. Also, if a child does not qualify for Tri-County, The Board has approved the director to have the option to grant waiver as long as they have attempted to acquire scholarship through Tri-County. Also, the department is actively looking for new software to only allow people to register if they have paid. The department now handles very little funds, and most are online payments. Also, a new employee has been hired (Feb 2018) and will be stationed in South Walton. This new employee will audit all South Walton leagues as well as enforce the field schedule set by management. She will also actively pursue a new software application to eliminate registrations without payment as she is highly skilled in computer technology.

## **2. Condition**

County receipt books not always used or controlled properly.

### **Recommendation**

Internal audit recommends the Department discontinue the practice of allowing seasonal directors to issue receipts. The use of on-line payments 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.

### **Follow-up Results**

IA commends the Department's initiative to minimize cash and check payments and improve receipt book controls. We noted a significant increase in online payments when compared to our previous audit. This is the result of the Department eliminating onsite registrations at the fields and only accepting cash/checks at the Department's office.

During the period of our follow-up audit we noted that eleven receipt books were outstanding, however only two receipt books were utilized for payment processing with only one book utilized at a time during the period. Based on our review and discussion with management nine of the receipt books were included in those noted during our previous audit that should be returned to the Clerk's Finance

Department. The nine previously identified books were returned during February 2016 and August 2017 upon location by current management. These nine books were utilized prior to the tenure of current management. IA notes that all eleven books had been returned to the Clerk's Finance Department and at the time of our review and only one receipt book was in the possession of the Department.

IA notes that 106 receipts were issued during fiscal year 2016. IA reviewed each receipt and noted the following:

- A receipt book utilized during fiscal year 2016 was missing a page which should contain three unused receipts. Neither the original receipts nor yellow carbon copies could be located, nor could IA locate the receipts in the accounting software. Missing receipts could be indicative of the misappropriation of assets. IA recommends that the Director periodically inspect the receipt book in use to ensure that all pages are intact.
- IA noted one instance where the Department Staff made a payment and created their own receipt. In order to maintain adequate segregation of duties, IA recommends that the Department Director receipt any payments that are made by a Department employee.
- A check for \$80 dated September 1, 2015 was found in one of the receipt books reviewed. IA reviewed the receipt books and accounting software noting that this check was never deposited. IA recommends that Department Staff perform a daily reconciliation of payments received to the roster and a monthly reconciliation to program fees per the general ledger. This would identify any participants per the roster for which payment has not been recorded.
- Current procedures require timely delivery of all cash/checks to the Clerk's Finance Department for processing. Per discussion with management any cash/check payments should be delivered to the Clerk's Finance Department on the day received or locked in the Department's office and delivered the next morning. Upon delivery, the applicable receipts in the book should be stamped and initialed by the Clerk's Finance Department to evidence receipt. The Clerk's Finance Department should also review the receipts to ensure sequential numbering since last receipt.

IA noted 43 out of 106 receipts were not date-stamped or initialed as received by the Clerk's Finance Department. The Department Staff delivering cash and checks received is responsible for ensuring that funds are counted and initialed on each receipt. This is a significant control to ensure that the chain of custody of funds is documented.

IA noted that for 3 out of 63 stamped receipts (106 total receipts less the 43 unstamped noted above) the cash or check received by the Department was not timely delivered to the Clerk's Finance Department for recording and bank deposit. In each instance the delay between receipt and delivery to Clerk's Finance was a week or more. IA recommends that management ensure that Department Staff is remitting all cash and checks received to Finance on the day received.

- IA noted that 14 out of 106 receipts, or \$640, did not include enough detail to vouch to the final sports rosters. The Department Staff issuing receipts should include enough information to determine where to apply payments (participant name, parent/guardian name, sport and location).
- IA noted 3 receipts for basketball, 2 receipts for spring soccer, and 1 receipt for fall soccer, or \$240, where the participant was not included on the respective roster. Per discussion with management, this typically occurs when the participant registers late and is inadvertently omitted from the roster. IA recommends Department Staff perform a daily reconciliation of payments to the rosters.
- Coins collected from batting cages at Wee Care Park are currently recorded as part of program fees. Batting cage revenues for fiscal year 2016 were \$861. Based on interviews with management, IA notes that collection of coins from the cages is currently performed by a single employee from Parks Maintenance and delivered to Department Staff at the Recreation Department where a receipt is prepared once coins are counted. As a control measure, IA recommends that two employees be involved in both the collection and the counting/receipting of the coins.
- IA noted one instance where a receipt appeared to be voided in the receipt book but no documentation was available. IA recommends that the Department establish procedures for voiding of receipts that would require supervisor approval.

IA notes that additional Department staff would help to facilitate the implementation of these controls and allow for proper segregation of duties.

### **Management's Response**

The Department's only receipt book is kept locked at the desk of the administrative assistant. All monies received at Public Works are deposited at the end of each business day. Some receipts were not stamped because Finance had informed Public Works that receipts and money could be couriered over with a copy of the

receipt. When the Director was made aware of this, he discontinued this practice immediately and instructed the new administrative assistant to get each receipt stamped as received as per department policy.

**3. Condition**

Controls over park/facility rentals need improvement.

**Recommendation**

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.

**Follow-up Results**

Park rental revenue for fiscal year 2016 was reported as \$8,260. IA was unable to agree park rental payments per the general ledger to Department records.

IA notes that applications for park/facility rentals are considered to be the rental requests maintained online via Weebly. However, during the period of IA's audit, park/facility rentals for Padgett Park were still administered by another department via paper applications and were not maintained via Weebly. Applications for the entirety of fiscal year 2016 could not be provided for Padgett Park. As such, IA was unable to substantiate the accuracy of park rental revenue.

Per discussion with management, effective January 2017 all park rentals, including Padgett Park, are now administered by the Department and requests must be made via Weebly. IA commends the Department for strengthen controls by consolidating this process to a single department. Department staff should perform a reconciliation of payments received to both the reservation calendar and the general ledger to ensure that all fees are properly recorded.

A record of days rented for each park/facility in calendar form is not available. Based on the review of the online reservation system and discussions with management, IA notes that an online request and payment can be made for a date

where the park/facility is already reserved. The Department updates the recreation website with dates that each park/facility is reserved, however the registration and payment system will process a payment for an unavailable date. Department Staff must review every reservation request and payment to determine if that date is available and resolve any double-bookings. IA recommends the Department devise a reservation system that is linked to an online calendar that will disallow bookings on days that are already reserved. This reiterates IA's previous recommendation of the implementation of an unalterable calendar.

IA noted 43 instances where park rentals fees were less than the \$75 fee per Resolution 2014-37. In some instances it appeared that this was due to fees being paid net of the cleaning fee deposit, while in other instances it appeared that the reduced fee was the result of the use of outdated fees which allowed for half-day rentals. This also included Sunday rentals of the Portland Community Center in three-month intervals for \$300. IA recommends that the Department adhere to the fees as outlined in Resolution 2014-37. Fees should also be paid in full and refunds of the \$25 cleaning deposit only be issued upon inspection of the facility.

IA notes that for facility rentals, the renter receives a key to the door or a key code. Issuing of keys presents a risk of lost or duplicated keys. Number pads are installed on certain facilities requiring the renter to obtain the code to enter the building; however, the code is not changed after each rental. This would allow for re-entry into the facility at a later, unauthorized, date. IA recommends that the Department periodically change locks and change keypad codes after each rental.

During our previous audit, IA recommend that the County ensure that the duties of booking parks and facilities, accepting and approving applications, issuing receipts, and remitting fees for deposit be segregated so that one employee does not complete all procedures. IA notes that due to the limited staffing currently in place at the Department segregation of these processes is not possible.

### **Management's Response**

Management agrees that codes should be changed and community centers that are rented out should be rekeyed to keys that can't be copied. Department has to make these request to Parks Maintenance Department and are at their discretion on how quickly these changes take place. Also, the Director agrees with and is in the process of making recommendations to change rental fee to flat fee of \$75 per community center with no clean up fee of \$25 returned, as Parks Maintenance Department has custodians that clean community centers after every use, even on weekends.

**4. Condition**

The Department's contracts were not properly monitored.

**Recommendation**

Internal audit recommends that the County ensure 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.

**Follow-up Results**

IA notes that the Department no longer has an Inter-local Agreement with the City of Freeport. The Department Director and Department Staff are both full-time employees of Walton County thus a portion of IA's prior recommendation is no longer applicable.

During our review, IA noted that the Board does not currently approve temporary employees. For each sport season, IA recommends that the Department provide the Board with a listing of all temporary employees (directors, referees, scorekeepers, etc.) along with the anticipated pay for each prior to their hire.

IA notes that Authorize.net is utilized as the credit card processing company for online payments. While this company has been utilized for several years, IA recommends that the Department obtain formal approval from the Board.

**Management's Response**

All seasonal employees will be submitted to the Board for approval as well as any agreement with organization to officiate sports. Management was not aware this required board approval. The Department will also obtain Board approval for the use of Autorize.net or any subsequent payment software.

**5. Condition**

Fee Resolution 2014-37 for Parks and Facilities is not complete.

**Recommendation**

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 websites 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.

### **Follow-up Results**

IA notes that Department's website ([www.waltonrec.com](http://www.waltonrec.com)) now references Fee Resolution 2014-37 throughout, however the Walton County website ([www.co.walton.fl.us/861/FacilitiesParks](http://www.co.walton.fl.us/861/FacilitiesParks)) still has a link to an outdated park rental application that lists fees that do not agree with Resolution 2014-37. IA recommends that the outdated application be removed from the County website since all applications should be routed through the Recreation Department website.

As noted in Recommendation 3 above, IA noted 43 instances where park rental fees were less than the \$75 fee per Resolution 2014-37. In addition, Resolution 2014-37 has not been amended since IA's previous audit and remains incomplete. IA notes that three parks (Portland Community Center, Children's Home Community Center, and Darlington Community Center) are still omitted from the resolution. IA recommends that the resolution be amended to include all parks/facilities available for rent.

IA noted credit card payments of \$1,280 and cash/check payments of \$290 for light rentals during our audit period. It appears that light rental payments are sporadic and IA could not define the parameters for when payments are required versus waivers accepted. IA recommends that policies be more specific regarding light rental payments and waivers.

### **Management's Response**

The County website, [co.walton.fl.us](http://co.walton.fl.us), is administered by the Public Information Director. Management will coordinate with him to make appropriate changes.

## **6. Condition**

Certain items should be reviewed by the Board.

### **Recommendation**

Internal Audit recommends the Department provide 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 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.

### **Follow-up Results**

Typically fees were waived for a participant when they were unable to obtain a scholarship via Tri-County. During the audit period, authority to waive program fees was not approved by the Board. IA notes that Resolution 2017-84 was approved by the Board on September 25, 2017 which provides the Director with authority to waive fees and charges of up to \$40 when deemed to be in the best interest of the County. IA recommends that additional parameters be set as to when a waiver of program fees is permissible. Once specific criteria for whom would qualify for a waiver is determined and approved by the Board, the Department should ensure that proper documentation is maintained to substantiate each waiver. Any waivers granted should be provided to the Clerk's Finance Department to ensure proper recording.

Current policies and procedures do not include Board approval of seasonal employees and their pay rates. IA recommends that a list of seasonal employees for each sport and season, along with their proposed pay, be provided to the Board for approval prior to the start of each season.

### **Management's Response**

Management will work with Board to determine waiver criteria and approval of seasonal employees.