

Report on Audit Parks and Recreation Department May 2010

Internal Audit has completed an audit of the Parks and Recreation Department. The scope of the audit is considered full, as all aspects of the department were subject to inspection and review. Thanks to Finance Director, Pamela Hodge, for the loan of a Financial Analyst, Steven Elmore, for assistance with the audit. This audit took approximately eight months to complete, due the size of the Parks and Recreation Department and the numerous operations and programs contained therein, and the limited staff available to perform the audit.

The Parks and Recreation Department, headed by Director, Tony Adams, and Assistant Director, Cammy Currie, consists of Park Services, Recreation, Athletics, Aquatics, Tennis Center, Marina, Cultural Arts, Senior Citizen, and Therapeutic Recreation. It includes developmental and recreational league sports teams and Innovative Sports Programs with travel teams. The Department provides oversight of several dozen parks and sporting complexes, recreation centers, linear parks, walking trails, a skate park, meeting facilities and the A.J. McClung Memorial Stadium and Golden Park. A natatorium is also forthcoming to accommodate swim competitions and recreational swimming. During the peak summer season, the department employs more than 300 employees, including part-time and seasonal workers. The department has an operating budget of over \$10 million per year.

Park Services

Park Services is responsible for the maintenance of all buildings and grounds operated by the Parks and Recreation Department and for housing its equipment, supplies and chemicals used to perform its duties. Specialized building and equipment maintenance is supported by Public Services. Public Services also maintain the Chattahoochee River Walk for the Department. **(1) Park Maintenance, mowing, and trash removal is accomplished by maintenance teams dedicated to specific parks** such as South Commons, Lakebottom Park, Cooper Creek Park, Flatrock Park and the Woodruff Farm Soccer Complex. Park Services also assists with City and Sports Council-sponsored athletic tournaments.

A review of the parks found them to be well maintained and mowed. Several downed trees at Cooper Creek Park were awaiting removal after the floodwaters from recent heavy rain subsided. Heavier than normal rains during 2009 and early 2010 have provided numerous challenges to the Department for park maintenance and the operation of outdoor facilities and programs. Chemicals and supplies were found to be properly stored and an inventory of Parks and Recreation Equipment was found to be accurate. Several items that had been salvaged remained on the equipment listings and are in process of being removed. Mr. Groce and his staff were very helpful in locating the

equipment and arranging the delivery of rolling stock to a centralized point at the equipment yard.

Department Response:

1. Parks Services does not have a dedicated crew at Cooper Creek Park or Flat Rock Park.

Department Recommendation: No Change

2. For information: There is no mention of a financial audit performed on this division. Parks Services full time staff counts money, complete deposit slip, transport deposit to bank and turn completed miscellaneous receipts in. It should be further noted that none of the vehicles in this division were audited as done in other divisions.

City Manager's Response:

1. No response required as no financial audit was performed even though the division handles money/cash and has a fleet of vehicles.

This matter is considered closed.

Parks Services Audit Summary

Audit Issues:

- (1) **Park Maintenance, mowing, and trash removal is accomplished by maintenance teams dedicated to specific parks** such as South Commons, Lakebottom Park, Cooper Creek Park, Flatrock Park and the Woodruff Farm Soccer Complex.

DEPT Parks Services does not have a dedicated crew at Cooper Creek Park or Flat Rock Park.

CM No response required as no financial audit was performed even though the division handles money/cash and has a fleet of vehicles.

This matter is considered closed.

Aquatics

The Aquatics Program, supervised by Carson Revell, operates four swimming pools/water parks with concessions, and a small pool at the Gallops Senior Center. The others are Rigdon Park, located in Southwest Columbus; Shirley Winston, located in Southeast Columbus; Psalmomd Road, located in Northeast Columbus; and Double Churches, located in Northwest Columbus. Mr. Revell is responsible for staffing the facilities, ensuring that lifeguards and other personnel are properly trained and certified and that the pool equipment and chemicals are properly maintained and administered, and the concession operations are adequately stocked and food preparation areas are kept clean. He is also responsible to ensure that funds collected from swim fees, swim lessons and concession sales are accounted for and deposited into City accounts. Finally, log books that record hourly chemical readings are maintained by the staff at each pool and are subject to inspection and monitoring by the Public Health Department.

The audit included a visual inspection of pool operations during a payroll audit in the summer of 2009, a review of the pool chemical maintenance logs, an analytical review of attendance, fees earned, and pool concessions.

All lifeguards were found to hold current certifications as required. Concession profitability and gross margins were also reviewed and analyzed. During the summer payroll audits, it rained at two of the pools just prior to and during the audits. (1) The staff was huddled in the concession stand at the Shirley Winston pool and several employees were rapidly consuming food items, including hot dogs and candy. Upon realization that an auditor and a member of management were present, attempts were made to trash a partially consumed hot dog in the trash can, behind the can liner and to return several packages of unopened candy to the candy rack. In all likelihood, the staff was consuming food concessions for which they had not paid. (2) The lights in the concession stand were also off, which was unusual due to the darkness caused by the overcast skies. (3) A subsequent analytical review revealed that the concession stand operated at a loss for the season, contributing to a collective loss for all pools on concessions. (4) A similar review at the Rigdon Park pool found the food preparation area to be unclean and the trash cans reeked of the smell of stale food items, indicating that it had not recently been emptied. (5) A cursory review of the pool chemical log (lying on the food preparation table) indicated that several pool chemical samples had been missed for that day, and the pages were loose on the table. The management at both of these pools was much more lax and yielded poorer results when compared to the management and operation of the Psalmomd Road and Double Churches Pools, which were much better organized and supervised. (6) A subsequent review of pool logs, during the audit revealed missing pages, possibly reconstructed records, and (7) the logbook for the Rigdon Park pool was missing completely. Mr. Revell opined that the maintenance crew might have disposed of it when doing their final clean-up following the pool season. At any rate, there was not a successful handoff by all pool managers to Mr. Revell at the end of the season. (8) A review of cash handling/deposit procedures revealed that a significant change had been made from the 2007 season, when cash controls were exceptionally strong. Pool managers no longer made their own deposits (9) and logged their daily collections for

admission revenue, swim lesson fees and concession revenues into a spreadsheet on the a shared drive, which was used to compare reported totals from daily balancing, with actual deposits by the Revenue Division of the Finance Department, when the deposit slips were returned to them by the bank, at which time any discrepancies were noted and promptly investigated. (10) Now, the pools bag their cash, less start-up funds, along with the z-tape (daily cash register total) and the bag is collected by a Park Services driver, (11) who delivers the cash for each of the pools and the Cooper Creek Tennis Center (12) to the Parks and Recreation Finance Manager, located at the Lake Oliver Marina. She then counts the money and (13) prepares a bank deposit and delivers the deposit to the bank, after consolidating the funds from the various locations. (14) Several large variances existed during the summer of 2009 at the pools, but there was no evidence that any of them were investigated nor resolved. (15) This methodology for handling cash eliminates virtually all cash controls, displaces proper separation of duties, and disables the ability of the Revenue Division to monitor results and alert management of discrepancies. Controls are deemed very weak to non-existent. (16) The Finance Manager initiated this change with the alleged approval of the Department Director as a means to simplify the work of the staff. (17) When asked, the Director stated that he did not intend for the pools to send their cash, uncounted and unbalanced. (18) Although no theft was detected, such a system enables the Finance Manager the opportunity for skimming (19) (theft of funds before they are recorded in the Accounting Records of the City) and the opportunity perform both the cash handling/deposit preparation and to perform the recording function, or preparation of the documents that are subsequently recorded in Accounting. To disarm proper cash controls, is not a decision that a competent, trained financial manager would recommend or implement.

Department Response:

1. There is no supporting data such as an inventory audit or check of cash register to see if the items were paid for. The site Supervisor was Maria Hunter (daughter of City Councilor Julius Hunter – [See Exhibit I](#)). Please note that it is not unusual to dispose of left over food, excluding candy at the end of the day. It was raining on the day in question and the pool was closed for the day. Rather than throw leftover food in the garbage, an employee is allowed to consume the food rather than trash it. The Internal Auditor did not bring these accusations to the attention of the department Director for further investigation at that time.

Department Recommendation: No change.

2. Lights turned off in concession stands are not unusual. When it rains all pools are closed. However, we keep staff on site for a couple of hours to see if reopening is a possibility. Lights are turned off in these areas for several reasons, i.e. danger of lightening in electrical storms, make sure the public is aware the pools are closed, and cost savings for unnecessary utilities.

Department Recommendation: No change.

3. During the FY08 season, the pools were under the management of the Assistant Director, Cammy Currie. For FY08 the pool concessions costs were \$40,110.55 and the revenue was \$33,579.40 for a deficit of \$6,531.15.

FY08 Concession Expenditures	FY08 Concession Revenue	Difference
\$40,110.33	\$33,579.40	\$6,531.15

For FY09 new management was placed at the pools and the financial procedures changed. For FY09, pool concession costs were \$40,963.07 and concession revenue was \$38,737.35 for a deficit of \$2,225.72.

FY09 Concession Expenditures	FY09 Concession Revenue	Difference
\$40,963.07	\$38,737.33	\$2,225.72

The pools also saw an increase in revenue of 15% once the financial procedures changed hands.

FY08 Pool Revenue	FY09 Pool Revenue	Increase
\$95,478.38	\$109,396.55	15%

(See Attachment “A”)

Department Recommendation: No change.

4. The Aquatics Section has a “Facility Opening Check List” and a “Facility Closing Check List” that addresses these issues and is performed daily. (See Attachment “B”)

Department Recommendation: No change.

5. While subjective in nature, it is felt that the Internal Auditor should have brought this to the attention of management in order to evaluate and answer this issue at that time.

Department Recommendation: No change.

6. Parks and Recreation Department would like to know what this finding was based upon.

Department Recommendation: No change.

7. In order for pools to open for the season, the Health Department must inspect all pools and all logs. All pools have opened successfully for all past seasons. In addition, spot checks are done by the Health Department for all pools and logs and these have also passed inspection. The pools have never been closed for violating Health Department procedures or log books. The only time the pools are closed is for maintenance issues on our part and weather. The logbooks have generally been kept at the pools. However, in January of 2010, Rigdon Pool was broken into and vandalized. Several things were stolen. While it is not known whether or not the book in question was stolen or if staff

accidentally threw it away while clearing and cleaning due to vandalism, it was decided at that time in January of 2010 to keep all log books in the aquatics office during the off season. (See Attachment C)

Department Recommendation: No change.

8. These changes were made in mid FY08 when the Revenue Office of Finance contacted our department about numerous errors and problems with the daily pool deposits. Upon investigation, we found many errors and miniscule reporting procedures in place. After the change, pool managers still counted their own money at that time and did their deposit slips and made their own deposits. The only change was that they had to send those items to the Finance Manager for review.

Department Recommendation: No change.

9. Problems persisted with allowing the pool personnel to count the money. Each day the deposit slips and miscellaneous receipts were incorrect. However, the pool money was balanced at each pool each day for the entire pool season. Since this is known to be impossible, the department decided to spot-check the deposits. At certain points the Finance Manager and staff would count the money and never found them to be balanced. To make sure that force balancing was not occurring, the decision was made by the department Director to move the counting of the money to the Finance Manager.

Department Recommendation: No change.

10. The money is actually collected by our three Aquatics Supervisors. These supervisors are responsible for ensuring that the pools run smoothly daily by collecting all money from the pool, in a sealed bag, making change for the pools, obtaining inventory items for the pools and performing small maintenance.

Department Recommendation: No change.

11. This is an incorrect statement. The Finance Manager does not count Cooper Creek money and has not since she left Cooper Creek and was assigned to the Marina in 2007/2008

Department Recommendation: No change.

12. Along with the Fiscal Tech and/or Employment Coordinator

Department Recommendation: No change.

13. Monies deposited are not consolidated. Each pool has its own deposit slip and each deposit is kept separately. Since Cooper Creek money is not actually brought to the Marina as stated, there is no option for “consolidating funds”. (See Attachment “D”)

Department Recommendation: No change.

14. All discrepancies were noted, promptly investigated and thoroughly investigated.

Department Recommendation: No change.

15. The department is unaware of the meaning of this statement. Since these changes were made, the Revenue Division has not advised the department of any problems as stated before. This department works closely with the Revenue Division on all aspects of revenue. *As Attachment C* is reviewed; it reflects that all cash handling procedures are not only done separately, but properly. All funds are separated and prepared with a daily balance sheet for accuracy.

Department Recommendation: No change.

16. All pool staff members are seasonal. No other division allows part time employees to count the money from their division except for Community Schools. The Finance Manager made this change with the full approval of the department director and was not done to simplify work for staff but to correct numerous problems and put some controls in place.

Department Recommendation: No change.

17. The department contends that if a proper audit process had occurred and an exit interview held with the director, these types of accusations could be answered. If the Director had been given this interview, he would have had his entire management staff in the room with him and most of the issues that are unfounded in this report would have been properly addressed.

Additional changes are forthcoming in the Aquatics Section. Immediately after last pool season management met with the IT Department to get point of sale systems at all pools. The FY11 pool season will have all systems in place.

Department Recommendation: No change.

18. No documentation to substantiate or support such an allegation.

Department Recommendation: No change.

19. When the Finance Manager was assigned to Cooper Creek in 2005, there were little to no controls in place. An external auditor was brought in to aid the Finance Manager in putting controls in place and preparing necessary cash handling reports. At this time, the external auditor advised to the use the daily balance sheets that we show [\(See Attachment D\)](#). This was created by the external auditor for Cooper Creek, and this is what the Finance Manager currently uses. Additionally, when the Finance Manager was assigned the pool money and the marina, she incorporated those forms into those areas as well. Additionally, she has assigned this to the Pottery Studio.

Department Recommendation: No change.

City Manager's Response:

There appears to be much misunderstanding between what the Auditor reports and what is actually taking place in Aquatics. Communication between the Auditor, Director and appropriate staff during the audit process, at the exit interview or in a written response prior to releasing the audit findings would have cleared up misunderstanding.

I intend to meet with the Auditor and appropriate Parks and Recreation staff to clear up misunderstanding and ensure appropriate systems/processes are in place to ensure proper controls.

Audit Summary

Audit Issues:

- (1) The staff was huddled in the concession stand at the Shirley Winston pool and several employees were rapidly consuming food items, including hot dogs and candy. Upon realization that an auditor and a member of management were present, attempts were made to trash a partially consumed hot dog in the trash can, behind the can liner and to return several packages of unopened candy to the candy rack. In all likelihood, the staff was consuming food concessions for which they had not paid.

DEPT There is no supporting data such as an inventory audit or check of cash register to see if the items were paid for. The site Supervisor was Maria Hunter (daughter of City Councilor Julius Hunter – See Exhibit I). Please note that it is not unusual to dispose of left over food, excluding candy at the end of the day. It was raining on the day in question and the pool was closed for the day. Rather than throw leftover food in the garbage, an employee is allowed to consume the food rather than trash it. The Internal Auditor did not bring these accusations to the attention of the department Director for further investigation at that time.

- (2) The lights in the concession stand were also off, which was unusual due to the darkness caused by the overcast skies.

DEPT Lights turned off in concession stands are not unusual. When it rains all pools are closed. However, we keep staff on site for a couple of hours to see if reopening is a possibility. Lights are turned off in these areas for several reasons, i.e. danger of lightening in electrical storms, make sure the public is aware the pools are closed, and cost savings for unnecessary utilities.

- (3) A subsequent analytical review revealed that the concession stand operated at a loss for the season, contributing to a collective loss for all pools on concessions.

DEPT During the FY08 season, the pools were under the management of the Assistant Director, Cammy Currie. For FY08 the pool concessions costs were \$40,110.55 and the revenue was \$33,579.40 for a deficit of \$6,531.15.

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- (4) A similar review at the Rigdon Park pool found the food preparation area to be unclean and the trashcans reeked of the smell of stale food items, indicating that it had not recently been emptied.

DEPT The Aquatics Section has a “Facility Opening Check List” and a “Facility Closing Check List” that addresses these issues and is performed daily. (See Attachment “B”)

- (5) A cursory review of the pool chemical log (lying on the food preparation table) indicated that several pool chemical samples had been missed for that day, and the pages were loose on the table. The management at both of these pools was much more lax and yielded poorer results when compared to the management and operation of the Psalmound Road and Double Churches Pools, which were much better organized and supervised.

DEPT While subjective in nature, it is felt that the Internal Auditor should have brought this to the attention of management in order to evaluate and answer this issue at that time.

- (6) A subsequent review of pool logs, during the audit revealed missing pages, possibly reconstructed records, and

DEPT Parks and Recreation Department would like to know what this finding was based upon.

- (7) the logbook for the Rigdon Park pool was missing completely. Mr. Revell opined that the maintenance crew might have disposed of it when doing their final clean-up following the pool season. At any rate, there was not a successful handoff by all pool managers to Mr. Revell at the end of the season.

DEPT In order for pools to open for the season, the Health Department must inspect all pools and all logs. All pools have opened successfully for all past seasons. In addition, spot checks are done by the Health Department for all pools and logs and these have also passed inspection. The pools have never been closed for violating Health Department procedures or log books. The only time the pools are closed is for maintenance issues on our part and weather. The logbooks have generally been kept at the pools. However, in January of 2010, Rigdon Pool was broken into and vandalized. Several things were stolen. While it is not known whether or not the book in question was stolen or if staff accidentally threw it away while clearing and cleaning due to the vandalism, it was decided at that time in January of 2010 to keep all log books in the office during the off season. (See Attachment C)

- (8) A review of cash handling/deposit procedures revealed that a significant change had been made from the 2007 season, when cash controls were exceptionally strong. Pool managers no longer made their own deposits

DEPT These changes were made in mid FY08 when the Revenue Office of Finance contacted our department about numerous errors and problems with the daily pool deposits. Upon investigation, we found many errors and miniscule reporting procedures in place. After the change, pool managers still counted their own money at that time and did their deposit slips and made their own deposits. The only change was that they had to send those items to the Finance Manager for review.

- (9) and logged their daily collections for admission revenue, swim lesson fees and concession revenues into a spreadsheet on the a shared drive, which was used to compare reported totals from daily balancing, with actual deposits by the Revenue Division of the Finance Department, when the deposit slips were returned to them by the bank, at which time any discrepancies were noted and promptly investigated.

DEPT Problems persisted with allowing the pool personnel to count the money. Each day the deposit slips and miscellaneous receipts were incorrect. However, the pool money was balanced at each pool each day for the entire pool season. Since this is known to be impossible, the department decided to spot-check the deposits. At certain points the Finance Manager and staff would count the money and never found them to be balanced. To make sure that force balancing was not occurring, the decision was made by the department Director to move the counting of the money to the Finance Manager.

- (10) Now, the pools bag their cash, less start-up funds, along with the z-tape (daily cash register total) and the bag is collected by a Park Services driver,

DEPT The money is actually collected by our three Aquatics Supervisors. These supervisors are responsible for ensuring that the pools run smoothly daily by collecting all money from the pool, in a sealed bag, making change for the pools, obtaining inventory items for the pools and performing small maintenance.

- (11) who delivers the cash for each of the pools and the Cooper Creek Tennis Center

DEPT This is an incorrect statement. The Finance Manager does not count Cooper Creek money and has not since she left Cooper Creek and was assigned to the Marina in 2007/2008.

- (12) to the Parks and Recreation Finance Manager, located at the Lake Oliver Marina. She then counts the money and

DEPT Along with the Fiscal Tech and/or Employment Coordinator

- (13) prepares a bank deposit and delivers the deposit to the bank, after consolidating the funds from the various locations

DEPT Monies deposited are not consolidated. Each pool has its own deposit slip and each deposit is kept separately. Since Cooper Creek money is not actually

brought to the Marina as stated, there is no option for “consolidating funds”. (See Attachment “D”)

- (14) Several large variances existed during the summer of 2009 at the pools, but there was no evidence that any of them were investigated nor resolved.

DEPT All discrepancies were noted, promptly investigated and thoroughly resolved.

- (15) This methodology for handling cash eliminates virtually all cash controls, displaces proper separation of duties, and disables the ability of the Revenue Division to monitor results and alert management of discrepancies. Controls are deemed very weak to non-existent.

DEPT The department is unaware of the meaning of this statement. Since these changes were made, the Revenue Division has not advised the department of any problems as stated before. This department works closely with the Revenue Division on all aspects of revenue. *As Attachment C* is reviewed, it reflects that all cash handling procedures are not only done separately, but properly. All funds are separated and prepared with a daily balance sheet for accuracy.

- (16) The Finance Manager initiated this change with the alleged approval of the Department Director as a means to simplify the work of the staff.

DEPT All pool staff members are seasonal. No other division allows part time employees to count the money from their division except for Community Schools. The Finance Manager made this change with the full approval of the department director and was not done to simplify work for staff but to correct numerous problems and put some controls in place.

- (17) When asked, the Director stated that he did not intend for the pools to send their cash, uncounted and unbalanced.

DEPT The department contends that if a proper audit process had occurred and an exit interview held with the director, these types of accusations could be answered. If the Director had been given this interview, he would have had his entire management staff in the room with him and most of the issues that are unfounded in this report would have been properly addressed.

Additional changes are forthcoming in the Aquatics Section. Immediately after last pool season management met with the IT Department to get point of sale systems at all pools. The FY11 pool season will have all systems in place.

- (18) Although no theft was detected, such a system enables the Finance Manager the opportunity for skimming

DEPT No documentation to substantiate or support such an allegation.

- (19) (theft of funds before they are recorded in the Accounting Records of the City) and the opportunity perform both the cash handling/deposit preparation and to perform the recording function, or preparation of the documents that are

subsequently recorded in Accounting. To disarm proper cash controls, is not a decision that a competent, trained financial manager would recommend or implement.

DEPT When the Finance Manager was assigned to Cooper Creek in 2005, there were little to no controls in place. An external auditor was brought in to aid the Finance Manager in putting controls in place and preparing necessary cash handling reports. At this time, the external auditor advised to the use the daily balance sheets that we show (See Attachment D). This was created by the external auditor for Cooper Creek and this is what the Finance Manager currently uses. Additionally, when the Finance Manager was assigned the pool money and the marina, she incorporated those forms into those areas as well. Additionally, she has assigned this to the Pottery Studio.

City Manager's Response:

There appears to be much misunderstanding between what the Auditor reports and what is actually taking place in Aquatics. Communication between the Auditor, Director and appropriate staff during the audit process, at the exit interview or in a written response prior to releasing the audit findings would have cleared up misunderstanding.

I intend to meet with the Auditor and appropriate Parks and Recreation staff to clear up misunderstanding and ensure appropriate systems/processes are in place to ensure proper controls.

Cultural Arts

Program Supervisor, Lisa Castile, leads the Cultural Arts program. The program is based at the Cultural Arts Facility located at Britt David Park, in North Columbus. The facility houses a studio for pottery, photography and other types of artwork. Some of the artwork produced is available for sale. Satellite pottery programs exist at the Northside Super Center and at the Psalm Road Super Center. Pottery programs have not proved as successful at south side locations. Pottery participation remains strong and growing, whereas photography/film development has waned with the advent of the digital camera.

A review of the operations, budgetary and financial records revealed a program that is proactively managed by a skilled person with a passion for quality and accuracy. Ms. Castile not only (1) provided accurate records of participation, but maintained financial records that easily enabled the tracking of daily receipts and timely deposits. Daily totals readily linked to the financial records maintained at the center.

Department Response:

1. Auditor is correct.
Department Recommendation: No change.

City Manager's Response:

No response required.

Cultural Arts Audit Summary

Audit Issues:

- (1) provided accurate records of participation, but maintained financial records that easily enabled the tracking of daily receipts and timely deposits. Daily totals readily linked to the financial records maintained at the center.

DEPT Auditor is correct.
CM No response required.

Therapeutic Recreation

The Therapeutic Recreation program offers a variety of programs and activities to persons that are mentally and/or physically challenged. Pamela Lee assumed the supervisory role following the retirement of Annette Gibney. The program was recently relocated to the Northside Supercenter during the renovation of their former location at the Pop Austin Recreation Center. The program has a consistent base of participants, many of which have participated for many years. The program participations have suffered slightly during the time it has been relocated to Northside due to the lack of public transportation service. To compensate, Parks and Recreation shuttles participants from their Comer Gym location to Northside for those participants needing transportation. In the afternoon, the TR van transports the participants to their homes or the transport station. This consumes approximately 2 hours each afternoon. (1) **The van used by the program is very old and needs replacement.** Program staff provides a monthly newsletter and calendar of events to its participants. The newsletter is also posted on the City's website. The program has a relatively small staff that is augmented by family members of some of the participants.

(2) **Long-term, the program needs to be relocated to a more central location, with public transportation available, and a newer van for their activities and trips.**

Department Response:

1. While this is a correct statement and the TR van is in dire need of replacing, questions arise as to why the Internal Auditor did not do such an audit of Recreation vans, which has several vans that need replacing. (See [Vehicle Replacement Log – Attachment E](#))

Department Recommendation:

All Parks and Recreation vehicles with over 100,000 miles will be placed in Mid-Year Budgets FY11 and/or FY12.

2. It has always been the intent of the Parks and Recreation Department to move that program back to Pop Austin after renovations are complete.

Department Recommendation: No change.

3. For Information: There is no mention of a financial audit on the section.

City Manager's Response:

No response required.

Therapeutic Audit Summary

Audit Issues:

- (1) The van used by the program is very old and needs replacement.

DEPT While this is a correct statement and the TR van is in dire need of replacing, questions arise as to why the Internal Auditor did not do such an audit of Recreation vans, which has several vans that need replacing. (See [Vehicle Replacement Log – Attachment E](#))

Department Recommendation:

All Parks and Recreation vehicles with over 100,000 miles will be placed in Mid-Year Budgets FY11 and/or FY12.

- (2) Long-term, the program needs to be relocated to a more central location, with public transportation available, and a newer van for their activities and trips.

DEPT It has always been the intent of the Parks and Recreation Department to move that program back to Pop Austin after renovations are complete.

CM No response required. (All)

Senior Citizens

Senior Citizen Programs are offered at four primary locations, the Marianna Gallops Center in Central Columbus, the South Columbus Center, located at the Frank Chester Supercenter in South Columbus, the Edgewood Senior Center, located in East Columbus, and the Fox Senior Center, located in Northwest Columbus. Each location has Parks and Recreation staff and provides some common activities, and most of the locations have a club with elected officers and active volunteers. Programming varies based on the desires of the group at each location. Participation is strong in the mornings and through lunch, with some decline in the afternoons. Many of the participants have been active with their group for much of their senior adult life.

Activities at the centers include bingo, board games, meals, crafts, pottery -making, billiards and dancing. Seniors also enjoy physical activity to include chair aerobics, indoor and outdoor games, swimming and travel trips. Surprisingly, no shuffleboard courts were noted at any of the center. This is a favorite of seniors in a number of communities.

The facilities and participation varies by location, but each seems to utilize their available space. The facilities, equipment and furnishings are showing their age and will need to be replaced or refurbished in the coming years. With many of the baby boomers nearing retirement age, centers will probably need to be expanded or additional ones created to accommodate the needs of a growing aged population.

Department Response:

1. For Information: There is no mention of a financial audit done on this division. The Senior Section full time staff counts the money, makes their own deposit slips, takes the deposit slips and money to the bank and then turns in their completed miscellaneous receipts.

City Manager's Response:

No response required.

**Senior
Audit Summary**

Audit Issues:

No Issues Identified

Lake Oliver Marina

The Lake Oliver Marina was demolished in 2008 and replaced with a larger, modern structure, better designed to accommodate the needs of patrons. Space for food preparation and service was increased and a meeting room (available for rental) was constructed.

(1) The facility is managed by Becky Glisson, Administrative Operations/Finance Manager, and is staffed by one full-time, 3 part-time and 2 seasonal employees. The Marina serves food and beverage items, operates a restaurant and a bait and tackle shop, sells fuel to boaters and rents the meeting room to the public. Staff is also responsible for cleaning and maintaining the facility. Operating hours for the marina are adjusted seasonally. Staffing should be evaluated and adjusted according based on daily volume of business. (2) At some point, the supervision of the marina should be vested in the one full-time employee and the Administrative Operations/Finance Manager relocated to the Administrative Division Headquarters for Parks and Recreation.

The volume of customer traffic varies considerably according to season and the weather. The volume increases in the spring, peaks in summer and declines slightly during the early Fall. Winter is the slowest time of the year for marina volume due to the colder temperatures and reduced hours of daylight.

(3) A review of the gross profit margin on items sold at the marina yielded a small profit of approximately 5%. This is very low for margin on prepared foods and convenience items. It is recommended that the pricing structure for all items sold at the marina be reviewed and compared to other such vendors and adjust pricing accordingly. (4) Fuel margins are typically low at competitive stations, but such is not usually true at limited supply points, such as marinas. It is not uncommon for fuel to be marked up considerably more at such locations. (5) Fuel margins were difficult to determine, as month-end inventories were not being garnered and recorded by marina personnel. (We were told that Public Services stick the fuel inventory periodically and at month end.) The reading is needed to accurately account for fuel margins and to evaluate shrinkage. Fuel is prone to a small amount of shrinkage due to evaporation. If periodic evaluations are not performed, it could result in a sizable and unexplained shrinkage at the end of the fiscal year.

(6) All cash registers should be balanced daily, (7) any shortages or overages identified and explained, and deposits of funds made to the bank on a daily basis. Further, the spreadsheet on the shared drive should reflect the daily revenues and deposits, which can then be verified by the Revenue Division of Finance when the deposit slips are received from the bank. (8) Revenue should be annotated for any changes to deposited amounts to the spreadsheet and marina personnel account for the differences. (9) For proper internal controls to exist, personnel handling monies and preparing deposits should be separate from those recording or entering the amounts into the city's books of accounts and records. (10) The introduction of Point of Sale terminals will aid this process, provided the transactions are reported directly to the City's Finance Department.

Department Response:

1. While the Finance Manager currently oversees the day-to-day operations of the Marina, it is actually daily managed by a Marina Technician II. The Marina is open 105 hours a week during the peak months of March through November and open 69 hours a week during the off peak months of December through February. So, of course at this time hours for employees are cut due to the fact that there is no opportunity to work as many hours during this time. Before the new building was built, one part time employee did not work during those months. With the new building both part time Marina Technicians changed from working daily to just working weekends only.

Department Recommendation: No change.

2. At the present time the Marina is short on staff. There should be at least two employees there at all times. This is due to the size of the building, workload of cooking and cleaning and the volume of customers. Additionally, due to the fact that the marina provides a grill area and we must have an employee to cook and one to run the store, gas pumps, point of sale system, etc. At the present time there is not enough staff to accommodate this schedule and often times employees are alone in the building. Due to the lean budget years and the economy, the department has left it as is with the Finance Manager working on site in case the need arise. The department has full intentions of asking for more staff and moving the Finance Manager to the new administrative building when built. It should be noted that the Finance Manager has been assigned to different locations due to budget cuts and other issues and her job performance has not suffered due to these changes

Department Recommendation: No change.

3. The Finance Manager informed the internal auditor that the lowest mark-up used at the present time is approximately 30%. However, most items are sold at a much greater mark-up. If the Internal Auditor had performed a spot audit on these items it would have shown the following: corn dogs have a 144% mark up, hot dogs a 105% mark up, hamburgers a 170% mark up. This is done with adding staff costs, condiments, etc. Additionally, all bait and store items are at least 30%. (See Attachment F)

It is not the department's intent to gouge the citizens we serve or have so much of a mark up that we will not be able to sell the items. Therefore, before the new building opened the Finance Manager and the employee that would be marina manager went to Highland Marina in Lagrange, Georgia and The Landing Marina in Valley, Alabama to tour the facilities and see how they operated, how the food was priced and prepared and to see how the store items were priced and marketed. This staff also went to other places that sold bait and tackle items such as Dick's Sporting Goods, Wal-Mart and K-Mart to get comparable prices and marketing ideas. The marina does charge slightly more than these places on some items due

to the convenience of getting these items right on the water. However, on some items we are at a lower rate. This is due to demand for these items and other factors.

Department Recommendation: No change.

4. This is not uncommon at most privately owned facilities due to the convenience of getting gas on the water and to make a large profit from fuel. However, it was decided that we compare prices on the street for gas and come up with an average price around Columbus. At that point, we added 25 cents to that average and that is the price we use to sell fuel. This is done at least three times a week to keep comparable with other vendors. Approximately 88% of our fuel is sold to citizens who bring their boats to the water. Therefore, if gas prices are marked up too high, they will simply stop at a gas station on the way to the marina and fuel their boats.

Department Recommendation: No change.

5. Marina personnel record these totals at the end of each month. There is a book at the marina that must be kept for state and federal audits that highlights all gas purchased, all gas sold as well as any work done on the pumps. This book is available for review at the Marina. At no time did the Internal Auditor request information about gas or to see the book.

Department Recommendation: No change.

6. The marina has one point of sale system and does not utilize cash registers.

Department Recommendation: No change.

7. This is done on a daily basis. We are unaware of any spreadsheet on the shared drive. Revenue receives our miscellaneous receipts daily with the deposit slip from the bank and the credit card batch attached. This way Revenue can ensure that all balances.

Department Recommendation: No change.

8. If there are any discrepancies with deposits, they should be found while making the actual deposit at the bank, otherwise, the Revenue Division will inform the department of any discrepancies. While this has not happened with Marina deposits, the correct procedures should be noted.

Department Recommendation: No change

9. This is already in place in that Finance/Revenue record the amount into the City's books of accounts and records and not Parks and Recreation staff.

Department Recommendation: No change.

10. The marina had a point of sale system at the time of the audit and has done so since the new building opened in March 2009.

Department Recommendation: No change.

11. For Information: Here is a summary of total revenue at Lake Oliver Marina

FY08 Revenue	FY09 Revenue	FY10 Revenue (to date)
\$51,590.35	\$73,481.89	\$103,014.95

It should also be noted here that in FY08 the marina did not have a budget and was housed in the old building and in a trailer.

In FY09 \$43,569.11 was spent on items for resale and \$54,926.04 was the amount of revenue generated for that amount. In FY10 to date \$56,603.68 has been spent on items for resale and \$87,753.87 has been generated as revenue from that amount.

FY09 Expenditures on Concessions	FY09 Revenue Generated from Concessions	FY10 Expenditures on Concessions (to date)	FY10 Revenue Generated from Concessions (to date)
\$43,569.11	\$54,926.04	\$56,603.86	\$87,753.87

(See Attachment "G")

Additionally, the marina is currently stocked with thousands of dollars in merchandise that has yet to be sold.

City Manager's Response:

1. No response required. I have confidence that the director will appropriately schedule employees to meet the staffing requirements of the Marina.
2. I am leaving the decision of staff location to the Parks and Recreation Director.
3. The Auditor should work with Parks and Recreation Director to agree on what is a reasonable profit margin if we are going to operate concession at this site. Another option is to contract out concessions.
4. I agree with Department response
5. No response required based on Parks and Recreation response.
6. No response required. The Marina does not use cash registers, but use a point of sales system.
7. No response required. Suggest auditor sit down with Parks and Recreation to discuss any concerns.
8. No response required.
9. No response required.
10. No response required. Should have been discussed and cleared during audit process, exit interview.

Lake Oliver Audit Summary

Audit Issues:

- (1) The facility is managed by Becky Glisson, Administrative Operations/Finance Manager, and is staffed by one full-time, 3 part-time and 2 seasonal employees. The Marina serves food and beverage items, operates a restaurant and a bait and tackle shop, sells fuel to boaters and rents the meeting room to the public. Staff is also responsible for cleaning and maintaining the facility. Operating hours for the marina are adjusted seasonally. Staffing should be evaluated and adjusted according based on daily volume of business.

DEPT While the Finance Manager currently oversees the day-to-day operations of the Marina, it is actually daily managed by a Marina Technician II. The Marina is open 105 hours a week during the peak months of March through November and open 69 hours a week during the off peak months of December through February. So, of course at this time hours for employees are cut due to the fact that there is no opportunity to work as many hours during this time. Before the new building was built, one part time employee did not work during those months. With the new building both part time Marina Technicians changed from working daily to just working weekends only.

CM No response required. I have confidence that the director will appropriately schedule employees to meet the staffing requirements of the Marina.

- (2) At some point, the supervision of the marina should be vested in the one full-time employee and the Administrative Operations/Finance Manager relocated to the Administrative Division Headquarters for Parks and Recreation.

DEPT At the present time the Marina is short on staff. There should be at least two employees there at all times. This is due to the size of the building, workload of cooking and cleaning and the volume of customers. Additionally, due to the fact that the marina provides a grill area and we must have an employee to cook and one to run the store, gas pumps, point of sale system, etc. At the present time there is not enough staff to accommodate this schedule and often times employees are alone in the building. Due to the lean budget years and the economy, the department has left it as is with the Finance Manager working on site in case the need arise. The department has full intentions of asking for more staff and moving the Finance Manager to the new administrative building when built. It should be noted that the Finance Manager has been assigned to different locations due to budget cuts and other issues and her job performance has not suffered due to these changes

CM I am leaving the decision of staff location to the Parks and Recreation Director.

- (3) A review of the gross profit margin on items sold at the marina yielded a small profit of approximately 5%. This is very low for margin on prepared foods and convenience items. It is recommended that the pricing structure for all items sold at the marina be reviewed and compared to other such vendors and adjust pricing accordingly.

DEPT The Finance Manager informed the internal auditor that the lowest mark-up used at the present time is approximately 30%. However, most items are sold at a much greater mark-up. If the Internal Auditor had performed a spot audit on these items it would have shown the following: corn dogs have a 144% mark up, hot dogs a 105% mark up, hamburgers a 170% mark up. This is done with adding staff costs, condiments, etc. Additionally, all bait and store items are at least 30%. (See Attachment F)

It is not the department's intent to gouge the citizens we serve or have so much of a mark up that we will not be able to sell the items. Therefore, before the new building opened the Finance Manager and the employee that would be marina manager went to Highland Marina in Lagrange, Georgia and The Landing Marina in Valley, Alabama to tour the facilities and see how they operated, how the food was priced and prepared and to see how the store items were priced and marketed. This staff also went to other places that sold bait and tackle items such as Dick's Sporting Goods, Wal-Mart and K-Mart to get comparable prices and marketing ideas. The marina does charge slightly more than these places on some items due to the convenience of getting these items right on the water. However, on some items we are at a lower rate. This is due to demand for these items and other factors.

CM The Auditor should work with Parks and Recreation Director to agree on what is a reasonable profit margin if we are going to operate concession at this site. Another option is to contract out concessions.

- (4) Fuel margins are typically low at competitive stations, but such is not usually true at limited supply points, such as marinas. It is not uncommon for fuel to be marked up considerably more at such locations.

DEPT This is not uncommon at most privately owned facilities due to the convenience of getting gas on the water and to make a large profit from fuel. However, it was decided that we compare prices on the street for gas and come up with an average price around Columbus. At that point, we added 25 cents to that average and that is the price we use to sell fuel. This is done at least three times a week to keep comparable with other vendors. Approximately 88% of our fuel is sold to citizens who bring their boats to the water. Therefore, if gas prices are marked up too high, they will simply stop at a gas station on the way to the marina and fuel their boats.

CM I agree with Department response

- (5) Fuel margins were difficult to determine, as month-end inventories were not being garnered and recorded by marina personnel.

DEPT Marina personnel record these totals at the end of each month. There is a book at the marina that must be kept for state and federal audits that highlights all gas purchased, all gas sold as well as any work done on the pumps. This book is available for review at the Marina. At no time did the Internal Auditor request information about gas or to see the book.

CM No response required based on Parks and Recreation response.

(6) All cash registers should be balanced daily

DEPT The marina has one point of sale system and does not utilize cash registers.

CM No response required. The Marina does not use cash registers, but use a point of sales system.

(7) any shortages or overages identified and explained, and deposits of funds made to the bank on a daily basis. Further, the spreadsheet on the shared drive should reflect the daily revenues and deposits, which can then be verified by the Revenue Division of Finance when the deposit slips are received from the bank.

DEPT This is done on a daily basis. We are unaware of any spreadsheet on the shared drive. Revenue receives our miscellaneous receipts daily with the deposit slip from the bank and the credit card batch attached. This way Revenue can ensure that all balances.

CM No response required. Suggest auditor sit down with Parks and Recreation to discuss any concerns.

(8) Revenue should be annotated for any changes to deposited amounts

DEPT If there are any discrepancies with deposits, they should be found while making the actual deposit at the bank, otherwise the Revenue Division will inform the department of any discrepancies. While this has not happened with Marina deposits, the correct procedures should be noted.

CM No response required.

(9) For proper internal controls to exist, personnel handling monies and preparing deposits should be separate from those recording or entering the amounts into the city's books of accounts and records.

DEPT This is already in place in that Finance/Revenue record the amount into the City's books of accounts and records and not Parks and Recreation staff.

CM No response required.

(10) The introduction of Point of Sale terminals will aid this process, provided the transactions are reported directly to the City's Finance Department.

DEPT The marina had a point of sale system at the time of the audit and has done so since the new building opened in March 2009.

CM No response required. Should have been discussed and cleared during audit process, exit interview.

Cooper Creek Tennis Center

The Cooper Creek Tennis Center was audited and reviewed in the summer of 2009. Numerous recommendations were made at that time and are now being implemented by the staff under the supervision of the Assistant Director of Parks and Recreation, Cammy Currie. The Assistant Director and the Tennis Center Supervisor have initiated regular meetings with CORTA to improve relations and understanding of facility operations. The auditors encourage the implementation of the previous recommendations and the continued dialog with CORTA. The earlier report is inserted below to be included as a part of this audit report, since implementation of the audit recommendations is on-going.

Cooper Creek Tennis Center Special Study August 2009

Executive Summary

The Columbus Regional Tennis Association (CORTA) recently proposed to assume management of the Cooper Creek Tennis Facility. Some of the reasons given for doing so include a need to improve the maintenance of courts, lengthen hours of operation and utilize its large membership to provide volunteers to assist with the operation and maintenance. Subsequently, preparation of an acceptable management agreement between CORTA and the City are underway, with most of the concerns addressed. Thus far, a detailed operating plan for the facility has not been provided by CORTA to the City. In its current form, the City would be required to make an \$80,000 annual subsidy toward its operating cost, pay for all utilities and garbage collection and carry the salaries of any displaced tennis employees until they could be slotted in other City positions.

Following a request by two Council members and approval by the mayor, the Internal Auditor has performed a study of the Cooper Creek Tennis Facility and its operation to provide Council with additional information about the center's operation and what can be done to remedy the issues.

The 30 clay courts at the Cooper Creek Tennis Center are heavily played on a daily basis. The heavy play coupled with the inherent high-maintenance nature of clay (Rubico) courts requires extensive and continuing maintenance on a daily basis. Such requires a commitment to supplies, equipment and labor to perform the tasks. As a part of general government, the tennis facility competes with numerous other departments for limited capital funds, which results in many projects and purchases having to be deferred until funding becomes available. A strong case can be made for considering the tennis center as an enterprise whereby it generates its own funding through user fees and

membership dues. Currently, the revenue side falls short, due to the current fee levels. Fees and dues have not been increased for nearly two decades. The current fees and membership dues are half to two-thirds of what other comparable Georgia and Alabama cities charge. Many of those cities charge more for very low maintenance hard surface courts than CCG charges for the high-maintenance clay courts. Adjusting the fees to a market level and treating the tennis center as an enterprise could remedy most of the concerns of CORTA and the public. The City would continue to offer free tennis court availability on each of its hard court facilities located in south, central and north Columbus. A modestly priced software package designed for tennis court management could also enhance the timely renewal of memberships and collection of those fees. This could also minimize administrative workloads and allow staff to expend more time on maintenance.

Access control to court is another issue that needs to be addressed. Currently, the concessions/check-in stand is on the second floor of a building near one end of the center. Numerous gates are left open and unlocked permitted players to enter and play without registering their attendance and paying their fees. The original check-in location in the older, one-story building (now occupied by CORTA) provided much better control over unpaid court entry, as entry required passing through the building. Closing the other gates and requiring entry through a single point is the best method to control access. This could be accomplished by swapping the second floor space in the new building for the one-story building currently occupied by CORTA. Also, that building is much more centrally located between the large bank of courts and the small complex on the other side of the park entry road.

CORTA is a strategic partner with the City and certainly contributes to the demand for court and the success of the Cooper Creek Tennis Center. It promotes tennis through leagues and tournaments and conducts tennis clinics to educate and attract new tennis players. League practice and play heavily occupy the courts most weekday evenings and tournaments usually occur on weekends. At many time slots, all of the 30 courts were occupied for these purposes. Considering it is a public facility, provision needs to be made to set aside some courts for non-league play by the general public.

Due to the heavy play, courts need to be laser graded and resurfaced periodically. Considering the level of play and Cooper Creek, this should likely occur every 5 to 7 years. Approximately \$15,000 per year needs to be accrued to cover the magnitude of the expense when it occurs.

As an enterprise, it would be helpful to have a Tennis Center Advisory Board created, with members appointed by Council to ensure that attention is paid to the current and future needs of the center, including potential expansion of the number of courts and heavy maintenance issues, such as court resurfacing. A fairly equal representation of CORTA, the general public (non-league tennis participants) and City management, representing its City ownership could provide a balance of power and diversity needed to focus energies, talents and resources of all stakeholders to achieve the best tennis facilities and opportunities for the community.

It is believed that addressing the aforementioned issues and trying it for at least a twelve to eighteen month period is appropriate. If a subsequent review at that time continued to reflect inadequate maintenance and a budgetary shortfall, then it might be appropriate to contract out the management or leasing the facility to another party.

Summary of Recommendations Cooper Creek Tennis Facility

1. Increase fees to provide adequate revenues to fund appropriate daily and periodic maintenance of courts.
2. Staff the facility to provide heavy maintenance (early morning) and mid-day maintenance.
3. Exchange space with CORTA and relocate check-in/concessions facility to restrict entrance to courts to one location through the check-in facility.
4. Obtain Tennis Management software to facilitate notification and membership billing of tennis members.
5. Change the Cooper Creek Tennis Center into an Enterprise Fund and allow its revenues to support its operational and minor capital needs. Issue bonds or secure other financing for major expansion and re-build projects.
6. Create a Tennis Center advisory Board to monitor the on-going and long-term needs of the facility. A balance of CORTA, non-CORTA tennis players and City representatives provide strategic guidance to Council for the facility.
7. Defer any change in management control until the aforementioned items have been implemented and evaluated (12 to 18 months)

Detailed Report

Recently, CORTA (Columbus Regional Tennis Association) appeared before City Council proposing to assume the management responsibility for the Cooper Creek Tennis Facility operated by the Parks and Recreation Department of the City. Subsequently, a proposed management agreement was developed and is still being negotiated and fine-tuned. Some of the concerns expressed by CORTA officials include issues with court maintenance, operating hours, court availability, and the operating deficit/funding availability of the facility.

Public forums were conducted in July 2009 to hear citizen input and concerns regarding the proposed agreement. Councilors Allen and Baker attended those meetings and requested additional study of the proposal by the Internal Auditor. Mayor Wetherington authorized the requested study to be performed.

The study began with the auditor conducting interviews with involved members of the Parks and Recreation management team, Cooper Creek Tennis staff and management, with CORTA's Executive Director, current and past tennis players,

including some that are/were CORTA members and others that were not. Visits to the tennis center at various times and days of the week also provided some insight as to court conditions, general cleanliness of the surroundings and the demand for courts in relation to availability.

CORTA, founded in 1952, has a membership of over 3,100 and regards its mission as “to promote the development of tennis as a means of healthy recreation and lifelong physical fitness.” To this end, it organizes tennis leagues and tournaments and conducts tennis clinics to acquaint and teach tennis to new participants. These are valuable services and certainly help to enlarge the local tennis community and create demand for the Cooper Creek Tennis Center and other area tennis facilities. Cooper Creek is currently the largest municipally owned and operated clay court tennis facility in the United States, with its 30 courts. CORTA is a strategic partner with the Cooper Creek Tennis Center and each is mutually beneficial to the other. However, Cooper Creek is a public facility and it is important that the public have access to clay courts with reasonable regularity.

After requests for longer operating hours were expressed at the public forums, CCTC management responded by lengthening the hours by opening at 8am rather than 9am on weekdays and Saturdays.

Through the interview process and subsequent analysis, the auditor confirmed that court maintenance is a valid concern as is the operating deficit of approximately \$80,000 per year. The very high utilization of the courts at the facility support the need for additional courts in the near to distant future, while the City struggles financially to provide funding for the existing maintenance of the facility, including periodic laser grading and resurfacing.

The auditor considered the high level of play at the Cooper Creek Tennis Facility and the continuing financial deficit. A quick phone/internet survey of hourly rates and membership fees readily identified the cause of the deficit. Fees at the facility have not increased in more than 10 years, while the age criteria for senior citizen rates was lowered from 65 to 55 during that time, further reducing fee income. The center currently charges \$2.50/hr for daytime play and \$3.00/hr for night play. Clay courts are high maintenance as compared to hard surface courts. Fees at other mayor cities in Georgia and Alabama were consistently higher than those of Columbus, with some communities charging more for hard surface courts (requiring minimal maintenance) than Columbus charges for the higher-maintenance clay courts. Other cities ranged from \$2.50/hr. to \$6.75/hr for clay courts and from free to \$6.00/hr for hard courts. The most common clay court rates were in the range of \$3.00/hr to \$4.50/hr for day play and about \$.50/hour more for night play. Hard courts averaged about \$3.00/hr. with a \$0.50/hr additional for night play. Membership fees in Columbus are even less in proportion to the other cities. Clay court memberships in other cities were 150% to 200% of Columbus rates and several cities charged more for hard court memberships than Columbus does for clay courts. Remember, hard court play is free in Columbus, with 8 courts available at the Frank Chester Center on Benning Drive, 4 courts at Lakebottom Park and 3 courts at

Double Churches Park. The deficit could easily be overcome by raising our user fees to market rates. This could also provide funding for improved daily maintenance and periodic resurfacing. It is recommended that fees for hard surface tennis courts in the city remain free, that hourly rates for the clay courts at Cooper Creek be increased to \$3.50/hr. during the day and to \$4.00/hr. at night. (The price differential is to cover the cost of lighting the courts at night.) It is also recommended that annual membership fees be increased. It is recommended that annual memberships for junior members (less than age 18) be increased to \$180, senior members (Age 55 and over) be increased to \$180, Individual Adult members (age 18 to 55) be increased to \$300 and family memberships be increased to \$450. The rate for a senior family member (both over age 55) would also increase to \$300. It is further recommended that hourly fees and membership fees be reviewed by management each year as budgets are prepared. Any recommended fees changed should then be considered and adopted by Council if deemed appropriate and consistent with those of other area facilities.

Another issue that contributes to the financial shortfall is the physical location of the court rental office/concessions and unrestricted access to the courts through numerous open gates. Many participants enter through the numerous open gates and slip onto courts and play or practice without paying. The most logical solution to this control issue is to close the gates and permit entry through only one entrance, that requires passing the cash register attendant. While this could be accomplished by moving the "check-in" window and concessions to the first floor of the two-story building, it would make more sense to relocate this function to its original location in the one story building located between the two sets of courts where CORTA is now located. Perhaps a space swap with CORTA of the upstairs space for the one story building would be feasible. Also, to ensure that all players pay or present their membership card, the cashier could issue a payment receipt to each patron that would be displayed on a clipboard outside the entrance to the court. Tennis attendants could quickly traverse the corridor and check receipts with the number of players occupying the court. These changes could minimize the opportunity for players to play without paying.

Recognizing that the Cooper Creek Tennis Facility is a publicly owned facility, it is essential that ample public access be available for court play during the facility's hours of operation. To this end, it is recommended that 20% of the courts be held open for non-league play at all times, except during tournament play. This would equate to 6 courts being held open for public play, based on the current 30 total courts at the facility. As future expansion occurs, additional court would be available for league play and non-league, public play.

Management needs to invest in a PC-based tennis court management software package. The tennis supervisor indicated that he had researched some good ones for about \$1,000. Such is needed to track membership dues, notify members when memberships are expiring, render dues statements and other information to members. Some of the software packages also enable the tracking of court maintenance and costs. Such would be a vast improvement over the Access database that is currently used. It is recommended that appropriate software be researched, purchased and implemented to

improve member communications and the timely collection of membership dues, and to reduce the amount of staff time spent performing such tasks.

Maintenance could be improved by having the maintenance staff begin heavy court maintenance in the early morning, several hours before the courts open. The crew court also ensure that the facility is cleaned and that all trash is containerized and that trash receptacles are emptied into a dumpster. Likewise, restrooms and other public areas could be checked and tidied as needed until Park Services handles their duties at the park. Mid-day, light court maintenance could be performed between noon and 3 PM. Ten courts could be dragged and swept each hour during the slackest period of the day. Twenty courts would remain in service during those hours. As courts were finished, they could be returned to service.

The auditor was told that CORTA recently obtained a quotation for re-surface the courts. Although the auditor has not reviewed the quotation, it was reported that the price was about \$70,000. If so, this would be a bargain and should be pursued during these slow economic times when prices are lower. Based on the level of play at Cooper Creek, such a resurfacing should probably occur every 5 to 7 years. To this end, approximately \$15,000 should be accrued and reserved each year for this purpose. Implementation of the aforementioned recommendation should resolve the current financial issues, court fee collection, and address needed current and deferred maintenance requirements.

Finally, it is recommended the Cooper Creek Tennis Facility be structured as an enterprise fund and its finances segregated from that of general government. It should meet the qualifications as it is or should be funded from user fees and membership dues paid by the tennis users. It would not then be a burden to the taxpayers of the community, but would be self-sustaining. It is also recommended that a Tennis Facility Advisory Board be established to access ongoing and future needs of the facility. Such would include an assessment of the mid to long-range plans for the facility to meet the tennis needs of the community. It is suggested that Council appoint members with equal representation of 1/3 CORTA members; 1/3 public, non-CORTA members; and 1/3 City staff, to afford fair representation to all users and owners of the facility. This committee should also develop plans and recommendations for achieving and funding its projected future needs and how to make the public/private partnership between the City and CORTA work best for the community. An 18-month trial of this structure should be used before any agreement is executed with CORTA or any other organization interested in managing the facility.

Exhibit A

Tennis Hourly Fees Of Georgia and Alabama Cities

	Columbus	Macon	Atlanta	Savannah	Augusta
Clay court, day rate/hour.	\$2.50	N/A	\$6.00	\$2.50	N/A
Clay court, night rate/hour.	\$3.00	N/A	\$6.50	\$3.00	N/A
Hard court, day rate/hour.	Free	\$3.50	\$3.00	Free	\$2.50
Hard court, night rate/hour.	Free	\$4.50	\$5.00	Free	\$3.00

	Montgomery	Mobile	Birmingham
Clay court, day rate/hour.	N/A	N/A	\$4.50
Clay court, night rate/hour.	N/A	N/A	\$4.50
Hard court, day rate/hour.	\$3.00	\$3.00	\$3.00
Hard court, night rate/hour.	\$3.00	\$4.00	\$4.50

Exhibit B

Tennis Membership Fees Of Georgia and Alabama Cities

	Columbus	Macon	Atlanta	Savannah	Augusta
Clay Court Memberships					
Junior Member	\$130	N/A	\$350	N/A	N/A
Senior Member	\$130	N/A	\$200	N/A	N/A
Adult	\$200	N/A	\$350	N/A	N/A
Family	\$350	N/A	N/A	N/A	N/A

Senior Family	\$200	N/A	N/A	N/A	N/A
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	Montgomery	Mobile	Birmingham		
Clay Court Memberships					

Junior Member	N/A	N/A	\$250		
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Senior Member	N/A	N/A	\$250		
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Adult	N/A	N/A	\$300		
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Family	N/A	N/A	\$450		
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Senior Family	N/A	N/A	N/A		
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	Columbus	Macon	Atlanta	Savannah	Augusta
Hard Court Memberships					

Junior Member	Free	\$125	\$120	Free	\$300
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Senior Member	Free	\$125	\$ 50	Free	\$300
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Adult	Free	\$255	\$120	Free	\$300
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Family	Free	\$455	N/A	Free	N/A
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Senior Family	Free	N/A	N/A	Free	N/A
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	Montgomery	Mobile	Birmingham		
Hard Court Memberships					

Junior Member	\$150	\$240	\$250		
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Senior Member	\$100	\$336	\$250		
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Adult	\$150	\$420	\$300		
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Family	\$225	\$540	\$450		
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Senior Family	N/A	N/A	N/A		
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Department Response:

The Cooper Creek Audit Report was submitted and presented to the Mayor and Council in August of 2009. Since this time, the Parks and Recreation Department and CORTA have been working closely together to ensure that many of the recommendations of the Internal Audit report are implemented, where feasible.

One of the most important aspects of the report were the maintenance issues. We are pleased to say that funding has been identified and bids will be going out for the resurfacing of the Tennis Courts within the next 30-45 days.

Again, improvements are ongoing with frequent meetings and communications with CORTA as we work hand in hand to maintain our Class-A facility.

City Manager's Response:

No response required as this audit matter was presented to the Mayor/Council and discussed at length in August 2009. Don't understand why it is included in this audit.

Cooper Creek Audit Summary

Audit Issues – Previously addressed.

Department Response:

The Cooper Creek Audit Report was submitted and presented to the Mayor and Council in August of 2009. Since this time, the Parks and Recreation Department and CORTA have been working closely together to ensure that many of the recommendations of the Internal Audit report are implemented, where feasible.

One of the most important aspects of the report were the maintenance issues. We are pleased to say that funding has been identified and bids will be going out for the resurfacing of the Tennis Courts within the next 30-45 days.

Again, improvements are ongoing with frequent meetings and communications with CORTA as we work hand in hand to maintain our Class-A facility.

City Manager's Response:

No response required as this audit matter was presented to the Mayor/Council and discussed at length in August 2009. Don't understand why it is included in this audit.

Community Schools

The Community Schools Division offers before and after school programs for children and youth up to age 12, in 26 of the 35 elementary schools in the City. Currently, there are no programs offered in the middle schools. The program is fee-based, with fees based on household income and the number of children enrolled. With a maximum fee per child of \$51 per week, it offers an economically competitive alternative to most commercial operations, while providing a safe environment that gives parents peace of mind about the safety of their children and knowledge of their whereabouts outside of their school hours. The program consistently generates about \$1.5 million per year. The program operates during the 9-month school year and offers summer camps at some locations during the summer months.

The program provides a variety of activities including arts and crafts, dancing, games and playground physical activities and sports. Snacks are provided during the pre-school and after-school programs. Pre-school programs start at approximately 6:30am and continue until school begins. After-school programs start at 3pm and end at 6pm, Monday through Friday.

The division currently is working with the ASPYN grant to provide care for military dependent children. Currently, this program is offered in three schools, with plans to expand to others to accommodate the increasing military population due to the BRAC expansion of Ft. Benning. The military pays \$2,000 for the first year and \$1,000 per child for each year thereafter. Centers that are more than 50% military dependents can obtain additional funding for the center. ASPYN Program requirements are more stringent and require additional training for the staff and some additional program materials and a more structured program.

(1) The audit of collections and payment status at a sample of school programs found almost every child's account to be current or paid ahead, with a few minor exceptions. One item that has been a problem in the past is the number of bad checks the division has received. (2) Ms. Muniz and the administrative staff have strengthened their procedures and the Department Finance Manager is assisting them with collection of returned checks.

Overall, customer relations and school relations are viewed as positive. They do encounter an occasional problem, which the administrative staff attempts to resolve when it extends beyond the scope and authority of the site manager.

(3) The program has been successful and in high demand for almost two decades. Ideally, it would be better if the program could be offered in all elementary and middle schools, for program consistency and to aid in crime prevention. Middle school is a pivotal time in the life of a child as they move to adolescence, and a time when peer pressure can cause a move down the wrong path. A few more years of after school supervision could be instrumental in bridging a child to maturity.

Department Response:

1. There is no mention in this Internal Audit report as to what the “exceptions” were in the accounts of children in our program. As it was not turned over to the department director, questions should be asked as to whether or not the Auditor acted on any of those exceptions.

On February 25, 2010, the Parks and Recreation Finance Manager, Assistant Director and Community Schools District Supervisor met with representatives from the IT Department, the Finance Director and her staff. This meeting was held to discuss parents paying online in the After School Program. One of the reasons that the Finance Department called this meeting was due to the extremely high volume of returned checks to the After School program. At this time the Finance Manager learned that in FY09 Parks and Recreation had 248 returned checks and in FY10 to date there were 131 returned checks. Additionally, 72% or 154 out of 216 warrants for the City for returned checks are for Parks and Recreation and almost 95% of those are for the After School Program. At this time the Parks and Recreation Director and Finance Manager met with the Finance Director to discuss these issues and at that time the department Director informed the Finance Director that due to the fact there was such a large number of checks and that no action had been taken thus far, he was turning over all aspects of the returned checks to the Finance Manager effective that date.

Department Recommendation: No change.

2. At that time, (February 2010) the Director turned over all handling of the returned checks to the Finance Manager and took the Community Schools Division out of this process. The intent was to have the Finance area of the department handle the checks. Since the time it was taken away from the Community Schools Division and assigned to the Finance Manager, we have seen a tremendous reduction of returned checks. (See Attachment H)

It should be noted that the Internal Audit never performed an exit interview with the department director to go over the audit as the Auditor has suggested. However, he did drop in to the director’s office in March of 2010 and gave him a short list of issues he was concerned with. The Auditor did not mention the returned checks at this time. Actually, the department director informed the Auditor that this department was having major issues with returned checks in the After School Program and then informed the Auditor what he was doing to rectify that situation. After auditing the department, the Internal Auditor was unaware of the returned checks until brought to his attention by the Director.

Department Recommendation: No change.

3. At one time the department was in all elementary schools and several of the middle schools. However, lack of participation at certain sites has caused us to discontinue service at certain schools. During the FY06 budget cuts process we

closed nine after school programs due to lack of participation. If interest in these certain schools improves, then they are added back to the program. One such example would be that in FY06 we closed Key Elementary and for FY10 it is an open site.

Department Recommendation: No change.

City Manager's Response:

1. No response required.
2. No response required.
3. No response required.

Community Schools Audit Summary

Audit Issues:

- (1) The audit of collections and payment status at a sample of school programs found almost every child's account to the current or paid ahead, with a few minor exceptions. One item that has been a problem in the past is the number of bad checks the division has received.

DEPT There is no mention in this Internal Audit report as to what the "exceptions" were in the accounts of children in our program. As it was not turned over to the department director, questions should be asked as to whether or not the Auditor acted on any of those exceptions.

On February 25, 2010, the Parks and Recreation Finance Manager, Assistant Director and Community Schools District Supervisor met with representatives from the IT Department, the Finance Director and her staff. This meeting was held to discuss parents paying online in the After School Program. One of the reasons that the Finance Department called this meeting was due to the extremely high volume of returned checks to the After School program. At this time the Finance Manager learned that in FY09 Parks and Recreation had 248 returned checks and in FY10 to date there were 131 returned checks. Additionally, 72% or 154 out of 216 warrants for the City for returned checks are for Parks and Recreation and almost 95% of those are for the After School Program. At this time the Parks and Recreation Director and Finance Manager met with the Finance Director to discuss these issues and at that time the department Director informed the Finance Director that due to the fact there was such a large number of checks and that no action had been taken thus far, he was turning over all aspects of the returned checks to the Finance Manager effective that date.

CM No response required.

- (2) Ms. Muniz and the administrative staff have strengthened their procedures and the Department Finance Manager is assisting them with collection of returned checks.

DEPT At that time, (February 2010) the Director turned over all handling of the returned checks to the Finance Manager and took the Community Schools Division out of this process. The intent was to have the Finance area of the department handle the checks. Since the time it was taken away from the Community Schools Division and assigned to the Finance Manager, we have seen a tremendous reduction of returned checks. (See Attachment H)

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Auditor that this department was having major issues with returned checks in the After School Program and then informed the Auditor what he was doing to rectify that situation. After auditing the department, the Internal Auditor was unaware of the returned checks until brought to his attention by the Director.

CM No response required.

- (3) The program has been successful and in high demand for almost two decades. Ideally, it would be better if the program could be offered in all elementary and middle schools, for program consistency and to aid in crime prevention. Middle school is a pivotal time in the life of a child as they move to adolescence, and a time when peer pressure can cause a move down the wrong path. A few more years of after school supervision could be instrumental in bridging a child to maturity.

DEPT At one time the department was in all elementary schools and several of the middle schools. However, lack of participation at certain sites has caused us to discontinue service at certain schools. During the FY06 budget cuts process we closed nine after school programs due to lack of participation. If interest in these certain schools improves, then they are added back to the program. One such example would be that in FY06 we closed Key Elementary and for FY10 it is an open site.

CM No response required.

Recreation

Parks and Recreation operates a number of recreation centers throughout the City. During the 1990's, a strategic decision was made to move away from the small, neighborhood recreation facilities, to a larger super-center facility. Conceptually, these centers could offer a broader range of programming, with a gymnasium to house indoor sports, interior space for games, computer labs, and a fitness center. Outdoor sports could be played on adjacent fields and courts. The Recreation Division, headed by Margaret Brown, operates four super-centers; Shirley Winston, located in Southeast Columbus, Psalmound Road, located in Northeast Columbus, Frank Chester, in Southwest Columbus, and Northside, located in North Columbus. Additionally, several other larger centers exist: 29th Street, Carver Park and Pop Austin. The Fluellen Center is a bit smaller, but serves a crucial part of the City. Additionally, the Haygood Gym is a specialty facility for boxing and weight training. Currently, the Haygood Gym, Pop Austin Recreation Center and Carver Park Recreation Center are undergoing extensive remodeling and renovation.

The auditors visited each of these locations that were open, and two of those being remodeled. Interviews with the Center Directors revealed both similarities and differences among the centers. The gymnasiums were constantly in use at all facilities, mostly with basketball, but with other sports such as volleyball. Weight training/exercise facilities were also heavily utilized at all locations. Older teens and adults, due to age restrictions, used the exercise rooms. Adults were usually present in the morning and early afternoon hours. After school, children and teens primarily occupied the facilities. All centers offered games, game systems, table games such as billiards and table tennis. Some offered art and crafts, dancing lessons, pottery making, and instructional programs to help participants learn life and social skills. Some centers had activity schedules, while others were more flexible and open to the choice of the participants. Most of the super-centers were located adjacent to or near one of the City's swimming pools. Some also had fields for baseball, softball and/or football. The Frank Chester Center also has 8 hard-surface tennis courts, which were seldom used, other than for high school tennis team practices. CORTA has provided some instruction and training at that facility in the past.

The super-centers also conducted developmental and intra-City sports teams to teach children and youth how to play various sports and to provide a local league for intra-City competition. Registration fees are charged for these programs to defray most of the cost of providing them.

The Northside Super-center is one of the newest facilities of the recreation division. It has become a magnet for the extreme northern part of the City and is heavily utilized after school. Also, being adjacent to Northside High School, it attracts a large group of high school students each afternoon.

The 29th Street facility is heavily utilized by nearby residents. A super-center could be warranted at that site in the future. It would also be an excellent location for a

swimming pool as there are none available in that part of the City, since the old neighborhood pools were demolished.

Department Response:

1. For Information: Although not mentioned by the auditor, we also have A Mack center that generates revenue, as it is a rental facility only. This audit does not provide a true picture in that the Recreation Division also encompasses the Senior Section, Therapeutics and the RSVP program.
2. For Information: There was no conversation with the Recreation Division Manager concerning how these facilities operate financially, i.e. utility costs, supplies purchased or any other audit information. There is no mention of a financial audit performed within the Recreation Division.

City Manager's Response:

No response required.

Recreation Audit Summary

Audit Issues:

No Issues

Finance Administration

(1) The Financial Administration of the Parks and Recreation Department consists of a Finance Manager and a Fiscal Technician. The Finance Manager appears to be focused on recording daily revenues of the Aquatic Centers, the Cooper Creek Tennis Center and the Lake Oliver Marina and receiving, counting and depositing the receipts from those locations, purchasing and performing budgetary preparation and control for the Department. The Finance Manager also oversees the operation of the Ma Rainey House and the Lake Oliver Marina. (2) The Fiscal Technician processes invoices for payment and enters the documents into the Advantage Financial Reporting System of the City. She also performs other duties as assigned by the Finance Manager, and performs the duties of the Finance Manager, in her absence.

(3) In a department as widespread as is the Parks and Recreation Department, the primary responsibility of the Finance Manager should be to ensure that a strong system of internal control exists and that operational staff are utilizing a system that records and reports their transactional volume such that it prevents tampering by that staff or management, and that duties are segregated so that no individual can compromise the system, without collusion with another employee. (4) Daily balancing of cash drawers should be the responsibility of the cashier/concessionaire and approved by the site manager, and the daily deposits should be prepared by the cashier/concessionaire, and deposited daily into the City's bank account by the site manager. A chain of custody of all funds handled and deposited should be created, counted and signed off at each change of custody. (5) Cash drawers that are out of balance should be recounted and resolved before the deposit is made at the bank. Employees should be held accountable for shortages and terminated or reassigned if shortages persist. (6) Internal controls and financial reporting systems should not be dismantled or bypassed for the convenience of employees nor customers. (7) Deposits should be readily traceable to the daily transactions recorded for an activity. (8) Systems can be efficient as well as effective in providing necessary controls in the absence of management. The Finance Manager should ensure that Financial Procedures are well documented and conveyed to all employees that touch financial matters.

(9) Secondly, the Finance Manager should be responsible for printing and promptly distributing financial reports to each division manager and site supervisor, for his/her area of responsibility. Each manager should then be cognizant of how he/she is performing against the budget and make corrective action as necessary.

(10) Thirdly, the Finance Manager should provide departmental and divisional financial reports and operational statistics to the Director on a monthly basis. The financial reports should be accompanied by a variance analysis performed by the Finance Manager. The causes of variances should be investigated with the manager or supervisor responsible for that operational area.

(11) Fourthly, the Finance Manager should provide oversight of the activities performed by the Fiscal Technician and the Personnel Coordinator.

(12) Budget preparation and control are the responsibility of operating management. The Finance Manager can provide technical assistance with budgets and analysis, but the ultimate responsibility rests with the operating management.

(13) During a review of Purchasing Card purchases, the auditors noted that Gift Cards were being purchased with the purchasing cards. Questioning revealed that this was the method that departmental purchasers used to buy supplies and inventory items from Sam's Club, as that company doesn't accept VISA cards (the type of purchasing card the City issues to employees). This practice is wrought with concerns. First, the purchasing card will likely be coded as one type of expense, not necessarily reflecting what is being purchased, which undermines the accuracy and integrity of the financial statements and future budgets. Of greater concern, is the likelihood of misappropriation or theft of funds. Once the gift card is purchased and coded for accounting purposes, there is no follow-up to ensure that the entire amount is used for City expenditures. A portion of the card could be used properly and the remainder used for personal purchases, without detection. In order to track gift card purchases, it would be necessary to track each card and require the receipts for the items purchased and maintain an additional set of accounting records. **This practice needs to be prohibited on all City purchasing cards.** A better solution would be for the City's Finance Department to obtain purchasing cards from MasterCard or Discover that can be used at Sam's Club.

(14) The low profit margins, noted at the aquatic centers and the marina are partially due to the current pricing structure. As a guideline, it is suggested that food items prepared on site, such as hot dogs, hamburgers, chicken strips, French fries, popcorn, fountain drinks and breakfast items, be marked up at 100% of cost, or 50% of the selling price. These are labor-intensive items and there will be some waste of items prepared incorrectly and some portion being left unsold at the end of the day. Packaged items such as candy, canned sodas and chips could be marked up 50% of cost, or 33% of selling price. These should be reasonably competitive for convenience items.

Department Response:

1. The Finance Manager is extremely focused on this revenue and revenue of all department divisions including those not audited or mentioned in this audit such as Park Services, Athletics, A.J. McClung Memorial Stadium concessions and rent; South Commons Softball Concessions and rent; Golden Park Concessions and rent.

Department Recommendation: No change.

2. The Fiscal Technician has never performed the duties of the Finance Manager in her absence.

Department Recommendation: No change.

3. This is one of the Finance Manager's main duties at this time.

Department Recommendation: No change.

4. The Parks and Recreation Department does not agree with this assessment. The current process implemented following the audit is that the funds are counted, placed in a sealed bag and delivered to the Finance Manager for proper handling.
Department Recommendation: No change.
5. If problems are large in nature and/or if they persist, they are investigated and resolved promptly. Appropriate action is taken against employees where there is gross negligence. This department has had very few instances of major shortages.
Department Recommendation: No change.
6. As stated earlier in the Aquatics Section, this was changed due to numerous problems and those problems no longer occur. Please see our entire response in the Aquatics Section.
Department Recommendation: No change.
7. Deposit slips and miscellaneous receipts are attached to the daily balance sheet each day and all three must balance each day. [\(See Attachment I\)](#).
Department Recommendation: No change.
8. Employees are briefed on department and City-wide financial policies. Additionally, all budget and financial matters are discussed in the bi-weekly staff meeting of the department.
Department Recommendation: No change.
9. In FY09 the Finance Manager created a spreadsheet whereby all this information is provided to each staff that handles a budget. This is updated daily with all invoices paid. This aids all supervisors in knowing where they stand budget wise. Advantage is a valuable tool that is used by employees also when needed but is not up to date due to credit cards, etc. Our spreadsheet is updated daily with all purchases. This spreadsheet is on the desktop of each division manager and section supervisor that handles budgets. They have access to this on their own computers so there is no need to waste money in printing these reports. Additionally, all budget and financial matters are discussed in the bi-weekly staff meeting of the department.
Department Recommendation: No change.
10. The Finance Manager provides the department director with the aforementioned information as well as personnel audits, revenue statistics and other such financial issues. Additionally, all budget and financial matters are discussed in the bi-weekly staff meeting of the department.
Department Recommendation: No change.

11. The Finance Manager provides oversight of the activities performed by the Fiscal Technician and the Personnel Coordinator and has done so since the Finance Manager was promoted in July of 2003.

Department Recommendation: No change.

12. The Parks and Recreation Department’s operating management team consisting of the Director, Assistant Director, Finance Manager, Park Services Division Manager and the Recreation Division Manager work as a team on preparing each year’s budget. This group has a work session each budget year to determine departmental budget needs, budget priorities, revenue issues and all aspects of budget preparation. At this time the Finance Manager puts the entire budget together for submittal. It is the responsibility of the Finance Manager and/or Director to attend all budget meetings and hearings and to see the budget through its conclusion.

Department Recommendation: No change.

13. This is actually an antiquated practice that mostly occurred before the department was issued Sam’s cards in 2007. There are thirty-four (34) employees that have had City Purchasing Cards since FY07. Since July 1, 2007, employees have purchased eight (8) of the Wal-Mart cards for purchasing at Sam’s. Of these eight, three (3) were purchased out of grant money and five (5) were purchased using the City’s General Fund. These purchases are as follows:

Date	Amount	Purchase and Justification
9/11/2007	\$450.00	Concession items to be resold at Cooper Creek Tennis Center
12/20/2007	\$100.00	Food items and supplies for Therapeutics Program
10/27/2008	\$150.00	Hospitality Room at Tuskegee/Morehouse Game
08/06/2008	\$50.00	Fan for South Columbus Senior Center
03/23/2009	\$43.00	Food items to be resold at Lake Oliver Marina

As evidenced above, this is not a much-used practice by the department. This procedure enabled us to get cost savings at Sam’s. There actually is a checks and balance system in place in that the employees have to have receipts from both places and those receipts must match. Further, On October 14, 2009, the Finance Manager sent an email to employees explaining that employees must go to Sam’s first and get the exact amount of their purchase and then go to Wal-Mart and buy the exact amount of the purchasing. (See Attachment J) These purchases can be put on City purchasing cards. However, they must have receipt back up as to the amount they purchased and the amount they spent. So actually even though this system is not used much, it does have checks and balances in place to ensure no misuse. Additionally, in March of 2010 the department learned of a new type of card system that will be in place in October of 2010. This will get all employees Sam’s cards and there will no longer be a need to purchase the Wal-Mart card first. It must be said that these are not actually gift cards used to buy gifts but a means of purchasing at a lower cost from Sam’s.

Department Recommendation: No change.

14. See our answer in the Marina Section about mark ups of these items and revenues generated.

Department Recommendation: No change.

City Manager's Response:

1. No response required.
2. No response required. Perhaps the auditor needs to discuss with Parks and Rec Director to seek clarification.
3. No response required.
4. This matter will require further discussion with the Internal Auditor, Finance Director and Parks and Rec Management.
5. Cash drawers out of balance should be resolved daily. The Parks and Rec Director will determine appropriate action regarding personnel matters.
6. No response required.
7. No response required.
8. No response required.
9. No response required.
10. No response required.
11. No response required.
12. No response required.
13. This practice will cease immediately.
14. No response required.

Finance Audit Summary

Audit Issues:

- (1) The Financial Administration of the Parks and Recreation Department consists of a Finance Manager and a Fiscal Technician. The Finance Manager appears to be focused on recording daily revenues of the Aquatic Centers, the Cooper Creek Tennis Center and the Lake Oliver Marina

DEPT The Finance Manager is extremely focused on this revenue and revenue of all department divisions including those not audited or mentioned in this audit such as Park Services, Athletics, A.J. McClung Memorial Stadium concessions and rent; South Commons Softball Concessions and rent; Golden Park Concessions and rent.

CM No response required.

- (2) The Fiscal Technician processes invoices for payment and enters the documents into the Advantage Financial Reporting System of the City. She also performs other duties as assigned by the Finance Manager, and performs the duties of the Finance Manager, in her absence.

DEPT The Fiscal Technician has never performed the duties of the Finance Manager in her absence.

CM No response required. Perhaps the auditor needs to discuss with Parks and Rec Director to seek clarification.

- (3) In a department as widespread as is the Parks and Recreation Department, the primary responsibility of the Finance Manager should be to ensure that a strong system of internal control exists and that operational staff are utilizing a system that records and reports their transactional volume such that it prevents tampering by that staff or management, and that duties are segregated so that no individual can compromise the system, without collusion with another employee.

DEPT This is one of the Finance Manager's main duties at this time.

CM No response required.

- (4) Daily balancing of cash drawers should be the responsibility of the cashier/concessionaire and approved by the site manager, and the daily deposits should be prepared by the cashier/concessionaire, and deposited daily into the City's bank account by the site manager.

DEPT The Parks and Recreation Department does not agree with this assessment. The current process implemented following the audit is that the funds are counted, placed in a sealed bag and delivered to the Finance Manager for proper handling.

CM This matter will require further discussion with the Internal Auditor, Finance Director and Parks and Rec Management.

- (5) Cash drawers that are out of balance should be recounted and resolved before the deposit is made at the bank. Employees should be held accountable for shortages and terminated or reassigned if shortages persist.

DEPT If problems are large in nature and/or if they persist, they are investigated, and resolved promptly. Appropriate action is taken against employees where there is gross negligence. This department has had very few instances of major shortages.

CM Cash drawers out of balance should be resolved daily. The Parks and Rec Director will determine appropriate action regarding personnel matters.

- (6) Internal controls and financial reporting systems should not be dismantled or bypassed for the convenience of employees nor customers.

DEPT As stated earlier in the Aquatics Section, this was changed due to numerous problems and those problems no longer occur. Please see our entire response in the Aquatics Section.

CM No response required.

- (7) Deposits should be readily traceable to the daily transactions recorded for an activity.

DEPT Deposit slips and miscellaneous receipts are attached to the daily balance sheet each day and all three must balance each day. (See Attachment I).

CM No response required.

- (8) Systems can be efficient as well as effective in providing necessary controls in the absence of management. The Finance Manager should ensure that Financial Procedures are well documented and conveyed to all employees that touch financial matters.

DEPT Employees are briefed on department and Citywide financial policies. Additionally, all budget and financial matters are discussed in the bi-weekly staff meeting of the department.

CM No response required.

- (9) Secondly, the Finance Manager should be responsible for printing and promptly distributing financial reports to each division manager and site supervisor, for his/her area of responsibility. Each manager should then be cognizant of how he/she is performing against the budget and make corrective action as necessary.

DEPT In FY09 the Finance Manager created a spreadsheet whereby all this information is provided to each staff that handles a budget. This is updated daily with all invoices paid. This aids all supervisors in knowing where they stand budget wise. Advantage is a valuable tool that is used by employees also when needed but is not up to date due to credit cards, etc. Our spreadsheet is updated daily with all purchases. This spreadsheet is on the desktop of each division manager and section supervisor that handles budgets. They have access to this on their own computers so there is no need to waste money in printing these reports.

Additionally, all budget and financial matters are discussed in the bi-weekly staff meeting of the department.

CM No response required.

- (10) Thirdly, the Finance Manager should provide departmental and divisional financial reports and operational statistics to the Director on a monthly basis. The financial reports should be accompanied by a variance analysis performed by the Finance Manager. The causes of variances should be investigated with the manager or supervisor responsible for that operational area.

DEPT The Finance Manager provides the department director with the aforementioned information as well as personnel audits, revenue statistics and other such financial issues. Additionally, all budget and financial matters are discussed in the bi-weekly staff meeting of the department.

CM No response required.

- (11) Fourthly, the Finance Manager should provide oversight of the activities performed by the Fiscal Technician and the Personnel Coordinator.

DEPT The Finance Manager provides oversight of the activities performed by the Fiscal Technician and the Personnel Coordinator and has done so since the Finance Manager was promoted in July of 2003.

CM No response required.

- (12) Budget preparation and control are the responsibility of operating management. The Finance Manager can provide technical assistance with budgets and analysis, but the ultimate responsibility rests with the operating management.

DEPT The Parks and Recreation Department's operating management team consisting of the Director, Assistant Director, Finance Manager, Park Services Division Manager and the Recreation Division Manager work as a team on preparing each year's budget. This group has a work session each budget year to determine departmental budget needs, budget priorities, revenue issues and all aspects of budget preparation. At this time the Finance Manager puts the entire budget together for submittal. It is the responsibility of the Finance Manager and/or Director to attend all budget meetings and hearings and to see the budget through its conclusion.

CM No response required.

- (13) During a review of Purchasing Card purchases, the auditors noted that Gift Cards were being purchased with the purchasing cards. Questioning revealed that this was the method that departmental purchasers used to buy supplies and inventory items from Sam's Club, as that company doesn't accept VISA cards (the type of purchasing card the City issues to employees). This practice is wrought with concerns. First, the purchasing card will likely be coded as one type of expense, not necessarily reflecting what is being purchased, which undermines to accuracy and integrity of the financial statements and future budgets. Of greater concern, is the likelihood of misappropriation or theft of funds. Once the gift card is purchased and coded for accounting purposes, there is no follow-up to ensure that

the entire amount is used for City expenditures. A portion of the card could be used properly and the remainder used for personal purchases, without detection. In order to track gift card purchases, it would be necessary to track each card and require the receipts for the items purchased and maintain an additional set of accounting records. **This practice needs to be prohibited on all City purchasing cards.** A better solution would be to for the City's Finance Department to obtain purchasing cards from MasterCard or Discover that can be used at Sam's Club.

DEPT This is actually an antiquated practice that mostly occurred before the department was issued Sam's cards in 2007. There are thirty-four (34) employees that have had City Purchasing Cards since FY07. Since July 1, 2007, employees have purchased eight (8) of the Wal-Mart cards for purchasing at Sam's. Of these eight, three (3) were purchased out of grant money and five (5) were purchased using the City's General Fund. These purchases are as follows:

Date	Amount	Purchase and Justification
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08/06/2008	\$50.00	Fan for South Columbus Senior Center
03/23/2009	\$43.00	Food items to be resold at Lake Oliver Marina

As evidenced above, this is not a much-used practice by the department. This procedure enabled us to get cost savings at Sam's. There actually is a checks and balance system in place in that the employees have to have receipts from both places and those receipts must match. Further, On October 14, 2009, the Finance Manager sent an email to employees explaining that employees must go to Sam's first and get the exact amount of their purchase and then go to Wal-Mart and buy the exact amount of the purchasing. (See Attachment J) These purchases can be put on City purchasing cards. However, they must have receipt back up as to the amount they purchased and the amount they spent. So actually even though this system is not used much, it does have checks and balances in place to ensure no misuse. Additionally, in March of 2010 the department learned of a new type of card system that will be in place in October of 2010. This will get all employees Sam's cards and there will no longer be a need to purchase the Wal-Mart card first. It must be said that these are not actually gift cards used to buy gifts but a means of purchasing at a lower cost from Sam's.

CM This practice will cease immediately

- (14) The low profit margins, noted at the aquatic centers and the marina are partially due to the current pricing structure. As a guideline, it is suggested that food items prepared on site, such as hot dogs, hamburgers, chicken strips, French fries, popcorn, fountain drinks and breakfast items, be marked up at 100% of cost, or 50% of the selling price. These are labor-intensive items and there will be some waste of items prepared incorrectly and some portion being left unsold at the end of the day. Packaged items such as candy, canned sodas and chips could be

marked up 50% of cost, or 33% of selling price. These should be reasonably competitive for convenience items.

DEPT See our answer in the Marina Section about mark ups of these items and revenues generated.

CM No response required.

Personnel Coordination

(1) During the audit of payroll and the general audit of the Departmental activities, it was noted that at least two employees were rehired and assigned to positions of greater responsibility that had previously been terminated by the Department for cause, and were not eligible for rehire as confirmed by Tom Barron, Human Resource Director of the City. Due to the large influx of seasonal hiring for summer programs, it is imperative that the Personnel Coordinator and the Finance Manager ensure that persons are not rehired that are not eligible for rehire. It is recommended that all new-hires be compared to the no re-hire list before an offer of employment is made.

(2) All employees that are hired to interact with at-risk populations, such as children, youth, and the mentally or physically challenged should be background tested to ensure that they do not have any convictions of pending charges for sexual offenses or actions prohibited by the Child Protection Act. Failure to do so exposes the City to potential legal liability for negligence.

All employees that handle cash, inventory or items readily convertible to cash should have a credit check. If their credit is poor they probably don't need to be handling or managing the City's funds as they present a higher than normal risk to the City's assets. **The aforementioned recommendations should be City policy and applied to all hiring of personnel for similar type positions.**

(3) A review of payroll sick and vacation records was conducted to ensure that employees handling cash or approving transactions are taking regular vacations. The review revealed that several employees had taken little or no vacation in a number of years. (4) When questioned, they stated they used compensatory time due to the large amount of overtime worked. Human Resource Director, Tom Barron stated that and time worked to be accrued as compensatory time requires that such be submitted through the time reporting system of the City and properly tracked. Departmental systems for tracking it are not permitted. Salaried exempt employees are not eligible to receive and use compensatory time.

Department Response:

1. There was only one such employee rehired and this rehire was approved by the Human Resources Department based on the long gap in time from termination in 2001 to rehire in 2008 and a department recommendation. Also the rehire was into an at-will position where we may terminate at any time. (See Attachment K)
Department Recommendation: No change.
2. It is City policy to do background checks and fingerprinting of all prospective employees before hire. If a prospective employee does not pass these tests, they are not hired. Additionally, an employee must also pass a urine drug test.
Department Recommendation: No change.

3. We would need to know the names of employees to answer this allegation correctly.

Department Recommendation: No change.

4. In our discussion with the Human Resources Director and as it states in City Policy 220-201, exempt staff are entitled to Compensatory Time at the discretion of the Department Director. Further, the auditor states that this time must be entered into the time reporting system. According to the Human Resources Director, we do not track comp time for exempt staff because as noted in the City Policy these employees are not eligible to be paid or to accrue any type of overtime or comp payment. The Human Resources Director further states there is no need for any formal records to be maintained, as there is no entitlement for a payment at separation. [\(See Attachment L.\)](#)

Department Recommendation: No change.

City Manager's Response:

1. No response required.
2. No response required.
3. No response required.
4. No response required.

Personnel Audit Summary

Audit Issues:

- (1) During the audit of payroll and the general audit of the Departmental activities, it was noted that at least two employees were rehired and assigned to positions of greater responsibility that had previously been terminated by the Department for cause, and were not eligible for rehire as confirmed by Tom Barron, Human Resource Director of the City. Due to the large influx of seasonal hiring for summer programs, it is imperative that the Personnel Coordinator and the Finance Manager ensure that persons are not rehired that are not eligible for rehire. It is recommended that all new-hires be compared to the no re-hire list before an offer of employment is made.

DEPT There was only one such employee rehired and this rehire was approved by the Human Resources Department based on the long gap in time from termination in 2001 to rehire in 2008 and a department recommendation. Also the rehire was into an at-will position where we may terminate at any time. (See Attachment K)

CM No response required.

- (2) All employees that are hired to interact with at-risk populations, such as children, youth, and the mentally or physically challenged should be background tested to ensure that they do not have any convictions of pending charges for sexual offenses or actions prohibited by the Child Protection Act. Failure to do so exposes the City to potential legal liability for negligence.

DEPT It is City policy to do background checks and fingerprinting of all prospective employees before hire. If a prospective employee does not pass these tests, they are not hired. Additionally, an employee must also pass a urine drug test.

CM No response required.

- (3) A review of payroll sick and vacation records was conducted to ensure that employees handling cash or approving transactions are taking regular vacations. The review revealed that several employees had taken little or no vacation in a number of years.

DEPT We would need to know the names of employees to answer this allegation correctly.

CM No response required.

- (4) When questioned, they stated they used compensatory time due to the large amount of overtime worked. Human Resource Director, Tom Barron stated that and time worked to be accrued as compensatory time requires that such be submitted through the time reporting system of the City and properly tracked.

Departmental systems for tracking it are not permitted. Salaried exempt employees are not eligible to receive and use compensatory time.

DEPT In our discussion with the Human Resources Director and as it states in City Policy 220-201, exempt staff are entitled to Compensatory Time at the discretion of the Department Director. Further, the auditor states that this time must be entered into the time reporting system. According to the Human Resources Director, we do not track comp time for exempt staff because as noted in the City Policy these employees are not eligible to be paid or to accrue any type of overtime or comp payment. The Human Resources Director further states there is no need for any formal records to be maintained, as there is no entitlement for a payment at separation. (See Attachment L.)

CM No response required. I concur with the department response.

Risk Management

A review of Parental Permission, Waiver of Liability forms and Registration Forms used by the Parks and Recreation Department revealed some concerns as to the effectiveness of the forms in protecting the City from undue risk and unnecessary liability that might exist if a participant were injured or killed when participating in programs or traveling as part of a recreational team or group. Director, Tony Adams stated that he believed the forms were created or approved by the City Attorney's Office many years ago. (1) **The auditors took samples of the forms to the City Attorney, who reviewed and stated that he had not previously reviewed them and they could be improved.** The auditor requested that Director Adams send such forms to the City Attorney for updating and correcting as necessary. The forms were sent to the auditor, who is coordinating this process with the City Attorney's Office. While this should correct this particular matter with forms, **it is recommended that any future forms that are developed by sent to the City Attorney for review by a qualified legal professional.**

Department Response:

1. All Parks and Recreation departmental forms were reviewed and approved by the Assistant City Attorney in 2003, 2004 and 2005. (See Attachment M). All outside youth athletic group forms were collected by the department director in March of 2010 and sent to City Attorney's Office and the Auditor for further review.
Department Recommendation: No change.

City Manager's Response:

1. No response required.

Risk Management Audit Summary

Audit Issues

- (1) The auditors took samples of the forms to the City Attorney, who reviewed and stated that he had not previously reviewed them and they could be improved.

DEPT All Parks and Recreation departmental forms were reviewed and approved by the Assistant City Attorney in 2003, 2004 and 2005. (See Attachment M). All outside youth athletic group forms were collected by the department director in March of 2010 and sent to City Attorney's Office and the Auditor for further review.

CM No response required.

Innovative Sport Program

For a number of years, the Parks and Recreation Department has operated a program to help athletes develop their skills to a high level, necessary for garnering collegiate scholarships and in some cases, professional contracts. The program also stresses the importance of education over athletics. To aid in the accomplishment of these goals, some of the youth and young adults are tutored and coached, academically as well as athletically. Conceptually, it is a good program. Programs exist for several sports, including basketball, track and field and boxing. Other sports may be included, as well. Coaching is accomplished with volunteers and departmental staff, as needed.

Younger, entry-level participants enroll in a skills development program, of short duration. The parents pay fees for the child, based on family income, to defray the costs of instruction and the uniform shorts and shirt. Some of the participants whose families are below the poverty level receive scholarships to enable their participation.

Participation consists of local children and youth, residing in the Columbus area. The cost of providing this level of instruction is minimal, as fees cover most of the cost.

Progressing to the next level, teams are formed for recreation league play within the City. Again, fees paid by the parents of the participants cover most of the cost of the uniforms and league costs. League play and tournaments are played at the City's recreation centers, on a rotating basis, enabling local children and youth to further develop and hone their skills in their sport. This provides an opportunity to play sports for some that may not be skilled enough or academically qualified to participate in school sports programs.

Ultimately, some advance to the higher level and participate on teams in AAU sanctioned tournaments, in the Southeast and around the country. This level of play provides an opportunity to showcase athletes to college coaches and professional scouts. Participation on these teams is through a try-out process and only the better athletes make the grade. According to Recreation Division Manager, Margaret Brown, the participants, or their families pay their own expenses as they travel to the various tournaments. While some of these athletes are county residents, most of them were from other Georgia counties and surrounding states, such as Florida, South Carolina and Alabama, based on rosters obtained from the website and Ms. Brown. (1) Ms. Brown stated that team rosters are not maintained after the season ends, so accurate complete information was not available for audit review.

(2) A review of expenses revealed that the City incurs considerable expense for transportation; lodging, meals, snacks and other expenses associated with the travel teams. Identifiable cash outlays over the past several years have been between \$100K and \$150K. (3) Additionally, some Parks and Recreation employees spend a considerable portion of their work hours related to the Georgia Blazers and others that are Recreation Center Directors and the Recreation Division Manager, and the Employment Coordinator

routinely travel with the teams, (4) taking the primary leadership of the larger centers for periods of a few days to a week at the time. Personnel costs associated with the program could easily exceed the cost of the direct cash outlays of the program. (5) For its first several years, a separate budget existed for the Innovative Sports Programs, but with the severe budget cuts in the mid-2000's, it was consolidated with the Recreation Division, burying the cost in one of the larger divisions of Parks and Recreation. Initially, some of the program costs were funded by contributions, but there was no identifiable evidence of any such contributions being deposited to City accounts during the past three years.

Interestingly, an initial review of the Georgia Blazers (Innovation Sport Team Name) website implied the teams were based on Albany, Georgia, although several of the principals were listed with a columbus.ga e-mail address. Also, the website denotes the accomplishment of several of the athletes, but the auditors could not recall any of them receiving proclamations or being presented to City Council for recognition.

While the program has some positive attributes, it is the opinion of the auditor that such expenditure of funds to support the oversight and coordination of travel teams consisting on mostly non-county residents is not likely to favorably viewed by the taxpayers of this county. **It is recommended that management and Council discontinue funding for the travels teams of this program and let them be funded or sponsored by a non-governmental source.**

Departmental Response:

1. Mr. Redmond and Steven Elmore came to the office of the Recreation Division Manager in January of 2010. At this time he informed her that he was conducting a department audit. Mr. Redmond at that time did not bother to inquire what her management duties involved. His first concern as it pertained to the division, which includes, Recreation, Seniors, TR, and RSVP, was that he wanted to review rosters of participants for the Innovative Sports Program. Mr. Redmond was given the names of female participants from documents that were on the desktop of the Division Manager that included 2009 female teams. This included track roster, boys' rosters, and Boxing Club Members. (See Attachment N) It was explained to him at that time that the program is a revolving cycle, program participants change from year to year which means rosters change from year to year. There is no administrative reason to maintain a team roster that constantly changes.

Department Recommendation:

Parks and Recreation will keep rosters of all city sponsored recreational programs to include adult programs for a period of three (3) years.

2. In 2004 at the direction of former City Manager Carmen Cavezza, with the support and assistance of Finance Director Kay Love, a budget (3460) was created for the Innovative Sports Program to operate, with the approval of city council. The budgeted amount in 2004 was \$112,035.00. Management requested an increase for 2005 operating budget, which was approved, which made the budget \$160, 535.00. The Innovative Sports budget (3460) was merged into the

Recreation Division budget (2400) in 2006 due to budgets cuts; so the program could continue to operate at the last budgeted amount of \$160,535.00. (See Attachment O)

Monies allocated to Innovative Sports Budget (3460) covers the following program cost: staff travel with program participants in the form of lodging and per diems, officiating services, educational workshops, tournament and event entry fees, uniforms, supplies and equipments, motor fuel, food, and miscellaneous items such as bottle water, gatorade, flags for flag football, volleyballs, whistles, clipboards, etc to operate program.

The Innovative Sports Program consists of 6 components:

1. Youth Basketball (Sport runs from March – July each year)
2. Track and Field (Sport runs from April – July each year)
3. Boxing (Year Round)
4. Midnight Basketball (Sport runs June – July each year)
5. Volleyball
6. Flag Football

Participants in each sport, excluding Volleyball and Flag Football pay a registration fee to join the program. Each sport has a different registration fee ranging from \$25.00 to \$75.00. Those participants that cannot afford to pay fees are given scholarships into the program, so that no child is left out. Program participants receive a uniform and t-shirt, as well as supplemental insurance for the youth basketball and track/field component through our program partners, Amateur Athletic Union and Youth Basketball of America.

Registration Fees:

- Youth Basketball \$75.00
- Track and Field \$50.00
- Boxing \$25.00
- Midnight \$30.00

The Recreation Division Office staff has specific administrative duties and responsibilities as it pertains to the operations of the Innovative Sports Program. The distribution of program components are as follows:

- Recreation Division Manager administrative assignments:
 - Girls Basketball
 - Boxing Component Coordinator
- Recreation Division Program Supervisor administrative assignments:
 - Track and Field
 - Midnight Basketball Component Coordinator
- Recreation Program Specialist II administrative assignments:
 - Boys Basketball

- Midnight Basketball
- Flag Football
- Volleyball Component Coordinator.

Staff administrative duties and responsibilities for perspective components are to ensure that event fees are paid in a timely manner, coordinates hotel accommodation for staff, communicates with event directors to ensure that the necessary documentation has been received and is correct, communicates with college coaches and school administrators as it pertains to program student/athletes, communicates directly with parents, addresses and resolves program issues and concerns, coordinates travel schedules, transportation and league play schedules, travels to events with teams that department funds, ensures that proper documentation is receive on program participants, coordinates educational workshops, communicate with outside agencies to plan community services projects etc. This list is not all-inclusive as to administrative duties and responsibilities of Recreation Division Office Staff .

As a part of our program agreement with youth participants and parents, The Department of Parks and Recreation pays a limited number of tournament/event registrations fees per team per sport to compete in athletic events, however, the Department will provide staffing and transportation to those events. Parents and youth must support their own lodging and meals on all travel events.

In 2008 there were a total of 562 participants, and in 2009 there were a total of 470 participants. Each year the youth basketball component fluctuates, but has become more competitive, with the track and field component increasing, and the Midnight Basketball component has remained consistent with a minimal of 80 to a maximum of 100 young male adults age 17-25 participating. Boxing has an open enrollment year round.

In FY09 there were a total of 165 males and females in youth travel basketball, 71 were non-county residents. The Youth Basketball, Track and Field and Boxing Teams traveled to the following out of state events in 2009: Virginia, North Carolina, Iowa, Florida, Tennessee, Texas, Colorado, Utah, and New Orleans to compete.

Program cost to conduct 6 program components for 2009 budget year, numbers are reflected below:

● Staff lodging	\$38,540.60*
● Tournament/Entry fees	\$22,935.29*
● Staff Per Diems	\$11,514.00*
● Motor Fuel	\$12,019.61*
● Educational Workshops	\$ 150.00
● Officiating Services	\$6,400.00
● Midnight Security Fees	\$9,306.00(2-seasons 08 and 09)

- Uniforms \$13,140.18(2- seasons for Midnight)
 - Youth Supplement Insurance \$3,175.81
 - Program Awards \$3,887.60
 - Food, Snack, Beverage, etc. \$7,929.04
 - Midnight Announcer Fees \$480.00
- Program Totals for 2009 Budget Year: \$129,478.13**

***Indicates funding spent for Innovative Sports Travel 2009 budget:
\$85,009.49**

Program cost to conduct 6 program components for 2010 budget year, numbers are reflected below, however, several program cost are not included from Track/Field, Midnight Basketball and Several Boxing Events due to time frame in which they are conducted:

Staff Lodging	\$18,675.46*
Tournament/Entry	\$10,135.37*
Staff Per Diems	\$ 4,392.00*
Motor Fuel	\$ 5,669.94*
Chartered Services	\$ 4,500.00
Uniforms	\$ 7,847.25
Midnight Security (07/09)	\$ 3,168.00
Youth Supplemental Insurance	\$ 990.00
Food, snack, drinks, Misc.	\$ 1,494.84
<u>Program Totals for Budget year 2010</u>	<u>\$56,872.86</u>

***Indicates funding spent for Innovative Sports Travel 2010 budget:
\$43,372.77**

The Youth Basketball component initially conducted league play for those student athletes that were not selected to a travel team. At present, a 5-week skills and drills program is offered for those student athletes that are not selected to a travel team.

The Innovative sports program conducts an end of year banquet to recognize the academic and athletic accomplishments of program participants; their perspectives schools recognize program student/athletes that receive collegiate scholarships. Innovative Sports coaches and Park and Recreation Staff attend ceremonies to show our support.

Since Program implementation in 2002, over 100 student/athletes have received collegiate scholarships to attend colleges or universities and 1 student/athlete has turned professional in the sport of Boxing. The program continues to have a successful rate of accomplishing its goal of getting students to the next level, by demanding a high level of academic and athletic performance. As a product of program's success, youth are traveling from other regions to participate in the

hopes of fulfilling their dreams of obtaining a scholarship offer due to their athletic talents, and programs' demand of "Student First, Athlete Second"

Department Recommendation:

We recommend that all travel teams associated with the Georgia Blazers become independent and operate using no city funds. This will include reallocating the Innovative Sports funding back into the departments overall budget.

3. The Employment Coordinator has been with this department for almost seven years. During that time she has traveled one time with the Innovative Sports program. This occurred July 21st through July 25th, 2008. The reason for this travel was that we were taking two female teams with two male coaches and we needed another female to chaperone the female teams.

Department Recommendation: No change.

4. The Innovative Sports Program selected the name Georgia Blazers for team recognition during athletic competitions. Mr. Redmond is correct in that the Recreation Office Staff (Margaret Brown, Herman Porter and Shelley Stephens), duties include performing administrative work for Innovative Sports program components during normal business hours (all coaching is on a volunteer basis and conducted after hours and on weekends). We are unsure how he came to the conclusion as it pertains to other Center directors. We will need more clarification to be able to address issue.

It has been a practice of the Department of Parks and Recreation for staff to be actively involved in Athletic programs conducted by the department as either players or coaches.

Adult Basketball League Players: Bill Chester, Richard Bishop, and Lester Holloway) Coaches (Innovative Sports 2010 season; Tony Adams, Margaret Brown, Shelley Stephens, Ricky Carrillo, Teresa Snellings, Jonathan Lawrence, Eric Allen, Steffanie Ramsey, Tim Marshall, Bryant Thomas, and Yasha Blount)

Department Recommendation:

Staff will be allowed to coach teams on their own time.

5. The Innovative Sports Program was implemented in 2002 when the Recreation Division saw a need for a different type of sports program. Due to the increasing number of youth that were not developing to their full potential athletically as well as academically and socially after participating in our recreation youth leagues, the Innovative Sports program was envisioned. The Recreation Division combined several youth and young adult sports into one program in an effort to save the youth from the influence of negative outside forces. The program focuses on the development of the individual academically, athletically, socially and emotionally. Inasmuch students have received better grades; self-esteem has increased and they have developed to their full potential as student athletes. The

department is NOT aware of any contributions made to the department in the past three years or today to support operational cost or program cost, other than contributions by NIKE via East Marietta Basketball, a non-profit organization.

Department Recommendation: *See response #2*

6. **For Information:** The Parks and Recreation Department looks at this program no differently than any other youth sport we offer to the citizens. We have the same such programs for youth soccer, basketball and football. The only difference would be the Innovative Sports Program is operated by Parks and Recreation and we do receive money in the form of registration fees from most participants. Volunteer groups run other sports and we receive no funds and/or revenue from those sports. As an example, see the estimated breakdown for the Youth Soccer Program at Woodruff Farm Soccer Complex:

Woodruff Farm Road Soccer Complex Yearly Cost Estimate

Cost Estimates:

Utilities Cost

- Electricity \$33,164.24
- Water \$ 7,556.80

Crew

- Supervisor (1) \$31,137.60
- MEOI (3) \$19,697.60
- \$19,115.20
- \$20,800.00
- PMWI (2) \$15,329.60
- \$14,892.80

Materials

- Fertilizer \$ 9,000.00
- Sod \$ 550.00
- Lime \$ 500.00
- Paint \$16,225.00
- Chemicals \$ 4,650.00
- Replacement Light Bulbs \$ 700.00
- Paint Machine (2) \$ 6,000.00

TOTALS **\$199,318.84***

Equipment

- 5 gang reel mowers (3)
- Zero turn radius mowers (2)
- Paint marking machines (3)
- 1 ½ ton Flat Bed trucks (2)
- 2 Dr Pick-up (1)

- 4 Dr Pick-up (1)
- Trailers (4)
- Blowers (2)
- Weed eaters (2)
- Edger (1)

*** Figures do not include wear and tear on equipment. Does not include normal maintenance and repairs on equipment.**

Comparative figures can be given for both youth football and baseball. It should be reiterated that the Parks and Recreation Department receives no money from any of these leagues and that all revenue is kept in the leagues. It also must be noted that not all of the participants in these leagues are Muscogee County residents.

City Manager’s Response:

1. I support a practice of keeping documents for a period of 3 to 5 years.
2. No response required. The program is now on hold. I concur with the department recommendation.
3. No response required.
4. I concur with department response and recommendation.
5. I concur with the internal auditors recommendation to discontinue funding innovative sports travel teams with the following understanding:
 - a. Innovative sports travel teams should become independent and shall be funded as such (no city funding shall be spend on travel teams)
 - b. Parks and Recreation employees will be allowed to coach or participate with any of the teams on their own time.
 - c. Parks and Recreation Facilities can be used for practice and events at a cost for use (to be determined) as long as use does not interfere with normal operating hours used by the public.
 - d. Track and Field teams will be allowed to continue through the end of their season as these are all Muscogee County residents until review is concluded.
 - e. While the Innovative Sports Program is funded as a part of the FY11 Recreation Budget, these funds will remain frozen and spending of any portion of the Innovative Sports program funds will require prior approval of the City Manager.

Summary:

- Parks and Recreation did not violate any current City Policy in allowing non-county residents to participate on Innovative Sports Teams.
- The City Manager will assemble a team to take a comprehensive look at in county and out of county use of city programs, services and facilities and recommend options to assess out of county residents for use/participation

(i.e. Bull Creek and Oxbow Golf Courses, Cooper Creek Tennis Center, Woodruff Farm Soccer Complex, Ambulance Transports, Youth/Adult Hockey, Adult Softball, etc).

- Because many of the findings were not supported with documentation and the Parks and Recreation staff did not get a chance in advance to have detail discussion on findings or the opportunity to respond to preliminary findings in writing, a sit down discussion with the auditor is needed to clear up misinformation contained in the audit. The City Manager will facilitate this discussion to ensure operational and financial controls are in place. Once this occurs, the City Manager will consider this audit matter closed.

Innovative Sports Audit Summary

Audit Issues:

- (1) Ms. Brown stated that team rosters are not maintained after the season ends, so accurate complete information was not available for audit review.

DEPT Mr. Redmond and Steven Elmore came to the office of the Recreation Division Manager in January of 2010. At this time he informed her that he was conducting a department audit. Mr. Redmond at that time did not bother to inquire what her management duties involved. His first concern as it pertained to the division, which includes, Recreation, Seniors, TR, and RSVP, was that he wanted to review rosters of participants for the Innovative Sports Program. Mr. Redmond was given the names of female participants from documents that were on the desktop of the Division Manager that included 2009 female teams. This included track roster, boys' rosters, and Boxing Club Members. (See Attachment N) It was explained to him at that time that the program is a revolving cycle, program participants change from year to year which means rosters change from year to year. There is no administrative reason to maintain a team roster that constantly changes.

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CM I support a practice of keeping documents for a period of 3 to 5 years.

- (2) A review of expenses revealed that the City incurs considerable expense for transportation; lodging, meals, snacks and other expenses associated with the travel teams. Identifiable cash outlays over the past several years have been between \$100K and \$150K.

DEPT In 2004 at the direction of former City Manager Carmen Cavezza, with the support and assistance of Finance Director Kay Love, a budget (3460) was created for the Innovative Sports Program to operate, with the approval of city council. The budgeted amount in 2004 was \$112,035.00. Management requested an increase for 2005 operating budget, which was approved, which made the budget \$160,535.00. The Innovative Sports budget (3460) was merged into the Recreation Division budget (2400) in 2006 due to budgets cuts; so the program could continue to operate at the last budgeted amount of \$160.535.00. (See Attachment O)

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 - Midnight Basketball,
 - Flag Football
 - Volleyball Component Coordinator.

Staff administrative duties and responsibilities for perspective components are to ensure that event fees are paid in a timely manner, coordinates hotel accommodation for staff, communicates with event directors to ensure that the necessary documentation has been received and is correct, communicates with college coaches and school administrators as it pertains to program student/athletes, communicates directly with parents, addresses and resolves program issues and concerns, coordinates travel schedules, transportation and league play schedules, travels to events with teams that department funds, ensures that proper documentation is receive on program participants, coordinates educational workshops, communicate with outside agencies to plan community services projects, this list is not all inclusive as to administrative duties and responsibilities of Recreation Division Office Staff .

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• Staff Per Diems	\$11,514.00*
• Motor Fuel	\$12,019.61*
• Educational Workshops	\$2,100.00
• Officiating Services	\$6,400.00
• Midnight Security Fees	\$9,306.00(2-seasons 08 and 09)
• Uniforms	\$13,140.18(2- seasons for Midnight)
• Youth Supplement Insurance	\$3,175.81
• Program Awards	\$3,887.60
• Food, Snack, Beverage, etc.	\$7,929.04

- Midnight Announcer Fees \$480.00
Program Totals for 2009 Budget Year: \$131,428.13

***Indicates funding spent for Innovative Sports Travel 2009 budget:
 \$85,009.49**

Program cost to conduct 6 program components for 2010 budget year, numbers are reflected below, however, several programs cost are not included from Track/Field, Midnight Basketball and Several Boxing Events due to time frame in which they are conducted:

Staff Lodging	\$18, 675.46*
Tournament/Entry	\$10,135.37*
Staff Per Diems	\$ 4,392.00*
Motor Fuel	\$ 5,669.94*
Chartered Services	\$ 4,500.00
Uniforms	\$ 7,847.25
Midnight Security (07/09)	\$ 3,168.00
Youth Supplemental Insurance	\$ 990.00
Food, snack, drinks, Misc.	\$ 1,494.84
<u>Program Totals for Budget year 2010</u>	<u>\$56,872.86</u>

***Indicates funding spent for Innovative Sports Travel 2010 budget:
 \$43,372.77**

The Youth Basketball component initially conducted league play for those student athletes that were not selected to a travel team. At present a 5-week skills and drills program is offered for those students athletes that are not selected to a travel team.

The Innovative sports program conducts an end of the year banquet to recognize the academic and athletic accomplishments of program participants; their perspectives schools recognize program student/athletes that receive collegiate scholarships. Innovative Sports coaches and Park and Recreation Staff will attend ceremonies to show our support.

Since Program implementation in 2002, over 100 student/athletes have received collegiate scholarships to attend colleges or universities and 1 student/athlete has turn professional in the sport of Boxing. . The program continues to have a successful rate of accomplishing its goal of getting students to the next level, by demanding a high level of academic and athletic performance. As a product of program’s success youth are traveling from other regions to participate in the hopes of fulfilling their dreams of obtaining a scholarship offer due to their athletic talents, and programs’ demand of “Student First, Athlete Second”

Department Recommendation:

We recommend that all travel teams associated with the Georgia Blazers become independent and operate using no city funds. This will include reallocating the Innovative Sports funding back into the departments overall budget.

CM No response required. The program is now on hold. I concur with the department recommendation.

- (3) Additionally, some Parks and Recreation employees spend a considerable portion of their work hours related to the Georgia Blazers and others that are Recreation Center Directors and the Recreation Division Manager, and the Employment Coordinator routinely travel with the teams,

DEPT The Innovative Sports Program selected the name Georgia Blazers for team recognition during athletic competitions. Mr. Redmond is correct in that the Recreation Office Staff (Margaret Brown, Herman Porter and Shelley Stephens), duties include performing administrative work for Innovative Sports program components during normal business hours (all coaching is on a volunteer basis and conducted after hours and on weekends). We are unsure how he came to the conclusion as it pertains to other Center directors. We will need more clarification to be able to address issue.

The Employment Coordinator has been with this department for almost seven years. During that time she has traveled one time with the Innovative Sports program. This occurred in July 21st through July 25th, 2008. The reason for this travel was that we were taking two female teams with two male coaches and we needed another female to chaperone the female teams.

Department Recommendation: No change.

CM No response required

- (4) taking the primary leadership of the larger centers for periods of a few days to a week at the time. Personnel costs associated with the program could easily exceed the cost of the direct cash outlays of the program.

DEPT It has been a practice of the Department of Parks and Recreation for staff to be actively involved in Athletic programs conducted by the department as either players or coaches:

Adult Basketball League Players: Bill Chester, Richard Bishop, and Lester Holloway) Coaches (Innovative Sports 2010 season; Tony Adams, Margaret Brown, Shelley Stephens, Ricky Carrillo, Teresa Snellings, Jonathan Lawrence, Eric Allen, Steffanie Ramsey, Tim Marshall, Bryant Thomas, and Yasha Blount)

Department Recommendation:

Staff will be allowed to coach teams on their own time.

CM I concur with the department response and recommendation.

- (5) For its first several years, a separate budget existed for the Innovative Sports Programs, but with the severe budget cuts in the mid-2000's, it was consolidated with the Recreation Division, burying the cost in one of the larger divisions of

Parks and Recreation. Initially, some of the program costs were funded by contributions, but there was no identifiable evidence of any such contributions being deposited to City accounts during the past three years.

Interestingly, an initial review of the Georgia Blazers (Innovation Sport Team Name) website implied the teams were based on Albany, Georgia, although several of the principals were listed with a columbus.ga e-mail address. Also, the website denotes the accomplishment of several of the athletes, but the auditors could not recall any of them receiving proclamations or being presented to City Council for recognition.

While the program has some positive attributes, it is the opinion of the auditor that such expenditure of funds to support the oversight and coordination of travel teams consisting on mostly non-county residents is not likely to favorably viewed by the taxpayers of this county. **It is recommended that management and Council discontinue funding for the travels teams of this program and let them be funded or sponsored by a non-governmental source.**

DEPT The Innovative Sports Program was implemented in 2002 when the Recreation Division saw a need for a different type of sports program. Due to the increasing number of youth that were not developing to their full potential athletically as well as academically and socially after participating in our recreation youth leagues, the Innovative Sports program was envisioned. The Recreation Division combined several youth and young adults' sports into one program in an effort to save the youth from the influence of negative outside forces. The program focuses on the development of the individual academically, athletically, socially and emotionally. Inasmuch students have received better grades; self-esteem has increased and they have developed to their full potential as student athletes. . The department is NOT aware of any contributions made to the department in the past three years or today to support operational cost or program cost, other than contributions by NIKE via East Marietta Basketball, a non-profit organization

Department Recommendation: We recommend that all travel teams associated with the Georgia Blazers become independent and operate using no city funds. This will include reallocating the Innovative Sports funding back into the departments overall budget.

CM I concur with the internal auditor and the department director's recommendation to discontinue funding innovative sports travel teams with the following understanding:

- a. Innovative sports travel teams should become independent and shall be funded as such (no city funding shall be spend on travel teams)
- b. Parks and Recreation employees will be allowed to coach or participate with any of the teams on their own time.
- c. Parks and Recreation Facilities can be used for practice and events at a cost for use (to be determined) as long as use does not interfere with normal operating hours used by the public.

- d. Track and Field teams will be allowed to continue through the end of their season as these are all Muscogee County residents until review is concluded.
- e. While the Innovative Sports Program is funded as a part of the FY11 Recreation Budget, these funds will remain frozen and spending of any portion of the Innovative Sports program funds will require prior approval of the City Manager.

City Manager

Audit Summary

- Innovative Sports has been a part of the Parks and Recreation Budget since 2004 when it appeared in a separate line item. In 2006 it was consolidated into the Revenue Division Budget. Therefore, the Innovative Sports Program since inception has been an allowable program and expense of the city.
- Parks and Recreation did not violate any current City Policy in allowing non-county residents to participate on Innovative Sports Teams.
- The City Manager will assemble a team to take a comprehensive look at in county and out of county use of city programs, services and facilities and recommend options to assess out of county residents for use/participation (i.e. Bull Creek and Oxbow Golf Courses, Cooper Creek Tennis Center, Woodruff Farm Soccer Complex, Ambulance Transports, Youth/Adult Hockey, Adult Softball, etc).
- Because many of the findings were not supported with documentation and the Parks and Recreation staff did not get a chance in advance to have detail discussion on findings or the opportunity to respond to preliminary findings in writing, a sit down discussion with the auditor is needed to clear up misinformation contained in the audit. The City Manager will facilitate this discussion to ensure operational and financial controls are in place. Once this occurs, the City Manager will consider this audit matter closed.

Summary

The Parks and Recreation Department provides parks, facilities and programs to the City's citizens that enhance the quality of life in the community. It offers many programs that are exceptionally good. The parks and facilities are adequately maintained, with few exceptions, and the majority of the employees are dedicated to their duties and work hard to provide quality programming.

It is important that the department's leadership balance the focus over all areas of programming, while addressing new projects and areas needing improvement. Due to the numerous facilities that are widespread throughout the community, it is imperative that management augment staff meetings, training sessions and electronic communications with regular visits to the program sites. Such visits will be beneficial to site managers and bolster their morale with a bit of one-on-one attention and benefit department leadership with a visual inspection of sites and programs and how things are actually going rather than relying on verbal and written reports provided by site staff.

The Internal control weaknesses in areas such as cash handling and deposit procedures, separation of duties, improper use of purchasing cards and the implementation of adequate pricing must be promptly addressed with corrective actions.

The deficiencies noted in the Aquatics water testing logs and unsanitary food preparation areas at two of the pools are potentially dangerous to the health and safety of the patrons using those facilities. Program management must exercise care to ensure that employees are properly training in these matters and follow-up to see that conditions are much improved over last season.

Management and elected officials must review the voluminous expenditures of the travel teams in the Innovative Sports Programs and determine whether they and the public deem these expenditures appropriate, particularly at a time when the City is adopting an austere budget that leaves many justifiable expenses unfunded and is dipping into the City's reserve fund to balance the budget.

Recreation has been identified by the Crime Prevention Commission as one of five key areas that can be instrumental in reducing crime in the City. It behooves senior management and elected officials to ensure that internal controls are adequate in the Parks and Recreation Department to prevent, or substantially diminish the likelihood of any misappropriation or theft of funds before approving Crime Prevention Grants for expanded recreation programming or extended hours.