

**DEPARTMENT OF
PARKS AND RECREATION
SPECIAL FACILITIES
AUDIT 17-17
MAY 18, 2018**



CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

May 18, 2018

Honorable Bob Buckhorn
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Parks and Recreation - Special Facilities, Audit 17-17

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on Department of Parks and Recreation - Special Facilities, Audit 17-17.

The Department of Parks and Recreation has already taken positive actions in response to our recommendations. We thank the management and staff of Parks and Recreation for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover
Internal Audit Director

cc: Dennis Rogero, Chief of Staff
Sonya Little, Chief Financial Officer
Ernest Mueller, Chief Assistant City Attorney
Paul Dial, Director of Parks and Recreation
Heather Erickson, Manager, Aquatics, Athletics and Special Facilities

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/s/ Debbie Abbott

Auditor

/s/ Christine Glover

Audit Director

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BACKGROUND

The Parks and Recreation Department's highest priority is to meet the Mayor's goal of advancing the quality of life in Tampa's neighborhoods by delivering consistent services; maintaining the safety and appearance of City parks and recreation facilities; and instilling community pride.

To further this priority, in addition to parks and recreation centers, there are facilities that provide special services. The scope of this audit focused on a selection of these special facilities. Special facilities as defined by the Parks and Recreation Department for this audit included the Sandra W. Freedman Tennis Complex, Joe Abrahams Fitness and Wellness Center, Marjorie Park Yacht Basin (marina), Seminole Garden Center, gymnastics programs at New Tampa Community Park and Recreation Center and Wayne C. Papy Athletic Center, and specialty camps.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY2017 Audit Agenda. The objectives of this audit were to ensure that:

1. The system of internal controls over Special Facilities is adequate.
2. Independent contract instructors are in compliance with the payment structure in their agreements with the City.
3. Openings in gymnastics classes are properly filled from the wait list.
4. Fuel sales agree with fuel receipts.

STATEMENT OF SCOPE

The audit period covered Special Facilities activities that occurred during Fiscal Year 2016 through July 2017. Included in this audit are independent contract instructors working at Sandra W. Freedman Tennis Complex and Joe Abrahams Fitness and Wellness Center; marina fuel sales; and wait lists for New Tampa and Wayne C. Papy Centers' gymnastics programs.

Tests were performed to determine whether the Parks and Recreation personnel were fulfilling their stated duties and responsibilities in an effective and efficient manner. Original records as well as copies were used as evidence and verified through observation and physical examination.

STATEMENT OF METHODOLOGY

There are four independent contractors providing services at the special facilities included in this audit; one contractor also has two agents in his employ. All classes were used for testing payments. For testing compliance by the independent contractors, July 2017 was selected because it was the most recent month for the process to be completed. However, one instructor had not paid since January 2017, so that month was selected for testing records for that individual. Their Independent Contractor Agreements were obtained and reviewed. Attendance records and contractor payments to the City of Tampa were obtained and reconciled to ensure payments were complete and accurate.

The RecTrac system, Customer Service Center website, spreadsheets of wait listed names and classes offered were reviewed. Staff at New Tampa and Wayne Papy Centers walked through the process they use to fill classes with the first child on the wait list meeting the age requirement for the class.

For testing fuel sales, July 2017 was selected because it was the most recent completed month. We selected a statistical sample using a 90% confidence level and 10% acceptable error rate.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT CONCLUSIONS

Based upon the test work performed and the audit findings noted below, we conclude that:

1. The system of internal controls over Special Facilities could be improved.
2. Independent contract instructors are not always in compliance with the payment structure in their contracts.
3. Openings in gymnastics classes are properly filled from the wait list.
4. Fuel sales agree with fuel receipts; however, staff selling fuel is using the same User ID and password in violation of City of Tampa policies.

INDEPENDENT CONTRACTOR AGREEMENTS

Statement of Condition: One contract instructor is currently using City of Tampa (COT) facilities without an agreement in place. The agreement expired August 31, 2017. In addition, this contract instructor had not paid fees to COT since February 2017.

The last contract in place for January 21, 2017 through August 31, 2017 was not signed until March 21, 2017. The agreement previous to that one for the period January 21, 2016 through January 20, 2017 was not signed until May 25, 2016.

Criteria: The City has a contract entitled “Independent Contractor Agreement” authorizing instructors to conduct a program for a specified period of time. There is also a Recreation Contract Instructor Manual that provides specific instruction on the payment process.

Cause: The contract instructor has a history of not meeting timelines. No sanctions have been imposed on the instructor.

Effect of Condition: Without an agreement in place, the City opens itself up to liability issues and late or non-payment.

Recommendation 1: It is recommended that the Parks and Recreation Department sign an agreement with the instructor or not allow him to do business using City facilities. The independent contractor made payment in October for February through August.

Management Response: The department concurs that the agreement and payments must be current in order for a contractor to offer programs at City facilities. Any contractor that does not have a current contract and required documents will be suspended until the agreement is brought up to date. In addition, any instructor that has delinquent payments to the City will not be permitted to offer any new sessions at City facilities until all fee due are paid.

Target Implementation Date: A renewed agreement was signed and in effect from September 1, 2017 through December 31, 2017. All delinquent payments through September were collected. On December 7, 2017, the instructor was notified that the October payment was overdue. The instructor has decided not to renew his agreement.

INDEPENDENT CONTRACTOR PAYMENTS

Statement of Condition: One of four contract instructors reviewed did not turn in attendance records to support fees owed to the City. This instructor also gave out free passes without documentation, charged less than the amount stated in the agreement with the City, and did not include July 10, 2017 attendance in the payment submitted.

Criteria: The Recreation Contract Instructor Manual, Section: Guidelines for the Instructor Collecting the Fees states..."In addition, the instructor will provide the City with a roster that includes the participant names and contact information along with attendance records of their participants, so the department can maintain accurate participation and facility records. Instructors are required to use the city's roster and attendance sheet in order for the city to conduct random audits and surveys of programming." The Agreement states fees are \$6.00 per person per session.

Cause: The City has not enforced the agreement.

Effect of Condition: There is no assurance the City is receiving all fees owed by contract instructors. Full payment was not submitted for July 2017.

Recommendation 2: The Parks and Recreation Department should enforce the Agreement and the policy stated in the Recreation Contract Instructor Manual. They should also audit the monthly invoices to ensure full payment is submitted.

Management Response: Upon reviewing the July roster, we agree that the contract instructor did not charge the participants the correct amount as stated in the agreement. The staff has reviewed the discrepancies and discussed this issue with the contractor and impressed the importance of following the agreement. At this time, the department is re-evaluating the renewal of this contract instructor agreement. Since the department would like to continue offering these programs at Joe Abrahams Fitness Center, it may be in the best interest of the City of Tampa to change the type of the agreement in which the City collects the registration paperwork and payments then pays the instructor a percentage of the revenues. The instructor will need to determine if she is interested in this type of agreement.

Target Implementation Date: The instructor paid for the missing date in July and corrected their spreadsheet tabulations. The policy on discounting fees and providing free passes was discussed with the instructor. The fee structure will be amended on her renewal should she decide to continue teaching with the City of Tampa. The Department is developing a "free pass to try a new class" to provide to instructors. This will assist them in providing consistent documentation and tracking for the City. The agreement for this contract instructor will expire December 20, 2017.

INDEPENDENT CONTRACTOR COMPLIANCE

Statement of Condition: Payment for use of the Sandra W. Freedman Tennis Complex is not accurate for January 2017. Supporting documentation contained multiple errors.

- Mathematical errors
- Fees charged individuals were different than those listed in the Independent Contractor Agreement.

Criteria: Independent contractor should charge fees and submit payments that are agreed to by both parties.

Cause: The Department of Parks & Recreation (P&R) is not ensuring independent contractors are complying with the terms of their agreement.

Effect of Condition: Payment for the month of January 2017 was about \$50 less than was owed to City.

Recommendation 3: We recommend P&R: 1) perform a thorough reconciliation of payments and attendance records; 2) suggest the contractor use a calculation command when completing the forms for submission of payment to the City; and 3) ensure fees charged to individuals match what is listed in the Agreement.

Management Response: Upon reviewing the January roster, we agree that the contract instructor charged the participants the incorrect amount for each lesson and there were calculation errors. The staff has met with this instructor recently to discuss some past issues with the timeliness and accuracy of the instructor's payments. At this time, the department is re-evaluating the renewal of this contract instructor agreement. Since the department would like to continue offering these programs at the tennis center, it is in the best interest of the City of Tampa to change the type of the agreement in which the City collects the registration paperwork and payments. The instructor will need to determine if he is interested in this type of agreement.

Target Implementation Date: The agreement for this contract instructor will expire on December 31, 2017. The new agreement was mailed on October 24, 2017 to the instructor to review. On December 7, 2017, the instructor notified staff that he was not interested in renewing the contract.

USER IDS AND PASSWORDS

Statement of Condition: All Marjorie Park marina staff use the same User ID and password for selling fuel.

Criteria: The City of Tampa Employee Personnel Manual states “The employee in whose name access is issued is responsible at all times for its proper use. Employees shall not share their password with any other individual.”

Cause: Management stated that was how RecTrac was initially set up.

Effect of Condition: Transactions cannot be traced back to the correct individual.

Recommendation 4: Staff should use their own User ID for sales transactions.

Management Response: Two (2) of the four (4) users do not have individual User IDs through Rectrac. The employees who do not will be given the proper training for the scope of the POS system at the Marina and issued their own User ID. New fuel pumps have been installed and staff is awaiting the internal approvals to use the new “pay at the pump” system. The newly installed pumps replaced outdated pumps and were purchased with this fuel tracking mechanism as part of the new system.

Target Implementation Date: On October 20, 2017 the two marina staff members received training in Rectrac and Cash Handling policies. These staff were issued individual login IDs to accommodate the sales of fuel through the RecTrac system. Future sales will go through the new POS system, which also have individual logins assigned to each user. We anticipate to have the new system fully functional by late January 2018.