

OFFICE OF THE CITY AUDITOR AND CLERK

INTERNAL AUDIT



PARKS & RECREATION CASH RECEIPTS

AUDIT #24-04

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A handwritten signature in blue ink, reading "Shayla Griggs".

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Executive Summary

Audit #24-04 Parks & Recreation Cash Receipts

Audit Purpose, Scope, and Time Period

Internal Audit performed an operational/compliance audit of the collection and receipt of Parks & Recreation customer payments.

The purpose of this audit was to provide reasonable assurance that Parks and Recreation's customer payment receipts are properly recorded, deposited, and reconciled. The scope of this audit included a review of current Parks and Recreation cash receipt procedures, activities, processes, and management review.

The audit period was April 1, 2023 to May 31, 2024.

Audit Objective

1. Determine if Parks & Recreation's customer payment receipts are properly deposited, reconciled, and recorded.

Summary Background

The purpose of the City of Sarasota's (City) Parks and Recreation Department (Parks & Recreation) is to provide well-maintained parks and recreational facilities where residents and visitors can enjoy a variety of leisure activities. Currently four facilities accept payments for activities: Arlington Park & Aquatic Center, Municipal Auditorium, Payne Park Tennis Center, and Robert L. Taylor Community Complex. Each of these Parks & Recreation facilities prepares daily cash receipts reports for all fees collected at the end of each day. These reports are then entered into the city's accounting system, Workday.

Summary of Conclusions

Parks & Recreation's customer payment receipts appeared to be properly deposited, reconciled, and recorded. Parks & Recreation is in the process of implementing new point of sale software. Internal Audit recommends continuing the implementation to enhance reporting capabilities, documentation of daily sales, and management oversight.

This Executive Summary is limited in detail. To obtain the full background on a particular item, please read the Detailed Audit Report or contact Internal Audit prior to drawing conclusions based upon the limited information contained in this summary.

Detailed Audit Report

#24-04 Parks & Recreation Cash Receipts

Background and Introduction

The purpose of the City of Sarasota's (city) Parks and Recreation Department (Parks & Recreation) is to provide well-maintained parks and recreational facilities where residents and visitors can enjoy a variety of leisure activities. Parks & Recreation maintains more than 60 parks within the city. Currently, there are four facilities accepting payments for activities:

Arlington Park & Aquatic Center
Municipal Auditorium
Payne Park Tennis Center
Robert L. Taylor Community Complex

Arlington Park & Aquatic Center, Payne Park Tennis Center, and Robert L. Taylor Community Complex currently use ETrak software to capture fees paid to the city; however, they are in the process of moving to Kaizen software for recording activities in the facilities. Fees are charged for daily, monthly, or for longer periods of use for Parks & Recreation facilities. Beverages and snacks may be purchased at Robert L. Taylor Community Complex. The Municipal Auditorium utilizes Fast Book software to record both Special Events and rental fees for the Municipal Auditorium. At the end of the day staff prepare daily cash receipt reports including all payments received for that day. These end of day reports are then entered into the City's accounting system, Workday. Parks & Recreation customers can also submit credit card payments online for various services at various facilities.

Audit Purpose, Scope, and Time Period

The purpose of this audit was to provide reasonable assurance that Parks and Recreation's customer payment receipts are properly recorded, deposited, and reconciled. The scope of this audit included a review of current Parks and Recreation cash receipt procedures, activities, processes, and management review.

The audit period was April 1, 2023 to May 31, 2024.

Audit Objective

The audit focused on the following objective:

1. Determine if Parks & Recreation's customer payment receipts are properly deposited, reconciled, and recorded.

Audit Standards

The auditors conducted this audit in conformance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require 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 findings and conclusions based on the audit objectives.

Testing Methodology

- Interviewed appropriate personnel from Parks & Recreation and Municipal Auditorium/Special Events to gain an understanding of the staff duties at each facility;
- Obtained and reviewed a sample of daily cash receipt reports from each facility;
- Compared daily cash collection payment software entries to Workday accounting software entries;
- On Workday accounting entries, reviewed cash, checking, and credit card entries where available;
- Reviewed documentation and workflow for indications of supervisory approval.

To achieve the audit objectives, sampling techniques were utilized to select a random testing sample and auditor selected samples of the Parks & Recreation customer fee payments throughout the 13-month testing period.

Audit Criteria

- City of Sarasota Administrative Regulations and Municipal Codes
- Government Auditing Standards (GAO) "General Standards for Preparing Accounting Records and Financial Standards"

Audit Observations and Testing

We determined that Parks & Recreation's customer payment receipts appeared to be properly deposited, reconciled, and recorded.

Observations and Recommendations – Reconciling, Reporting, and Monitoring

ETrak software is used at Arlington Park & Aquatic Center, Payne Park Tennis Center, and Robert L. Taylor Community Complex for the recording of sales transactions. Customer payment receipts appeared to be properly deposited, reconciled, and recorded in ETrak; however, staff have identified various limitations within this software which require manual adjustments to daily sales reports. ETrak software is no longer supported and there are no updates available.

Sales tax variances were noted on cash receipts at two of the facilities for 16 out of 427 days in the audit sample. Auditor recalculation of the 7% sales tax of these differences varied from \$2 to \$10 with one exception being a \$85 difference. This can be caused by several factors, such as, software errors or a sales tax holidays that were not documented on the individual daily cash receipt reports.

Parks and Recreation plans to begin using a new software called Kaizen in January of 2025.

Internal Audit Recommends:

Implementing Kaizen point of sale software to enhance reporting capabilities and documentation of daily sales. The increased reporting will result in both improved data reliability and management oversight.

Management Response

Kaizen Labs is in the process of implementing their parks and recreation software in the city and will go live on January 3, 2025. Kaizen Labs will be on site January 3, 2025 through January 6, 2025 to immediately assist with any issues that may arise and give additional support to city staff as we implement the new software. Staff training sessions have been scheduled for December 17, 2024 and December 19, 2024.

Audit Conclusions

Parks and Recreation customer payment receipts appeared to be properly deposited, reconciled, and recorded. Moving to a new point of sale system will increase reporting capabilities and management oversight.

We would like to thank Parks and Recreation staff for providing their time and assistance during this audit.