

# **Audit of De Leon Springs State Park**

## **Division of Recreation and Parks**

### **Report: A-1819DEP-018**

**Office of Inspector General**

**Internal Audit Section**

**Florida Department of Environmental Protection**

**April 25, 2019**

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Audit of De Leon Springs State Park  
Division of Recreation and Parks



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The Office of Inspector General (OIG) conducted an audit of De Leon Springs State Park (Park) Division of Recreation and Parks (Division). This audit was initiated as a result of the Fiscal Year (FY) 2018-2019 Annual Audit Plan.

## **Scope and Objectives**

The scope of this audit included Park financial records and activities between July 1, 2017, through June 30, 2018, as well as other timeframes considered necessary. The objective was to determine whether the Park is operating in compliance with applicable requirements and controls are in place with respect to:

- revenue collection and reporting
- attendance reporting
- park expenditures, procurement, and Purchasing Card (P-Card) use
- property, equipment, and firearms management
- volunteers

## **Methodology**

This audit was conducted under the authority of Section 20.055, Florida Statutes (F.S.), and in conformance with *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Our procedures included review of authoritative documents, interviews with Park and Division staff, and a review of Park financial records and activity documents.

## **Background**

The Park, located in Volusia County, Florida, includes 625 acres of springs and tropical gardens. Activities in the Park include river boat tours, dining, fishing, snorkeling, scuba diving,

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boating, swimming, and wildlife viewing. The Park generates revenue through entrance fees and facility rentals. During FY 2017-2018, total Park revenues were \$562,196.43 with 234,229 in reported attendance.

## **Results**

### Revenue Collection and Reporting

Park revenue is collected through the Park's ranger station at the main gate. To verify the accuracy of reported revenue, we compared revenue reported on the Deposit Worksheet and the Point of Sale (POS) summaries to support documentation for the sampled months of July and August 2017. Amounts collected and reported were consistent with documented minor differences.

There were 124 shifts recording revenue collection during the sampled months. According to the Division's Operations Manual (Operations Manual), Daily Shift Reports require the signature of the shift operator as well as a second signature for verification. In addition, according to the Florida State Parks and Coastal Aquatic Managed Areas Revenue Collection Procedures (Revenue Procedures), deposit slips should be initialed by the person preparing the slip as well as a second person for verification of the deposit amount. Of the 124 shifts, we verified that Daily Shift Reports and deposit slips were not signed or initialed by two staff as required. Per discussions with Park management, this was due to Park staff's inconsistent understanding of the requirements.

Revenue documentation during the sampled months included refund and voided transactions. For refund transactions, the Park generally maintained refund documentation with the original receipt signed by the customer. With respect to voids, the Operations Manual

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requires Parks to document the reason for the void on the original receipt, mark the receipt as void, and maintain the transaction documentation in the cash drawer. Of the 51 voided transactions documented in the POS system, 29 were maintained with the original receipt and marked as void. However, none include a documented reason for the void.

During the sampled months, 72 tax exempt transactions were recorded. We verified the Park obtained valid Florida Sales Tax Exemption documentation for these transactions.

Attendance Reporting

Daily attendance documented at the Park ranger station is recorded directly through the Division-wide POS system. According to the Park's Attendance Reporting Plan (ARP) approved by the District on May 2, 2015, actual visitors are counted at the ranger station. *Estimated Visitors (boaters in the Spring Run) will be a % of the number of actual visitors counted for the day. This will be based on survey data collected monthly until a one-year sample is obtained.* Park staff provided documentation of a survey conducted in 2015 supporting an estimated attendance percentage of 1.4% of actual visitor counts. Estimated attendance during the audit period contained a minor difference from the established estimate percentage as follows.

<b>FY 2017-2018 Attendance</b>		
<b>Actual Attendance Recorded at the Ranger Station</b>		
<b>Actual Visitors</b>	<b>Estimated Visitors</b>	<b>Percentage of Actual Attendance</b>
231,847	2,382	1.03%

Expenditures and P-Card Use

To verify compliance with purchasing requirements, we reviewed a sample of 13 P-Card expenditures and seven MyFloridaMarketPlace<sup>1</sup> (MFMP) purchase orders that occurred during

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<sup>1</sup> MyFloridaMarketPlace is the State online procurement processing system for Florida.

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the audit period. According to Chapter 60A-1.002(5), F.A.C., *When determining the amount or amounts of purchases for the purpose of applying the threshold categories, [established under Chapter 60A-1.002(2)-(4)] agencies shall follow the definitions and classes and groups of commodities or contractual services established by the Department. A purchasing office shall not divide its purchases or its purchasing operations to circumvent these requirements.*

According to Section 1.4 of the Department's P-Card training, the Department has set a \$2,499.99 limit for all purchases with a P-Card. All 13 P-Card expenditures sampled were less than \$2,500.00. We verified that the transactions were pre-approved by the Park Manager, supported by invoices or receipts, and were reviewed or reconciled by staff other than the cardholder. Of the 13 expenditures, two were for cleaning services to a single vendor using two separate P-Cards in June 2018. The expenditures were \$2,250.00 and \$267.15, which collectively totaled \$2,517.15. According to the Department's P-Card training, a cardholder may not split transactions to stay within their limits. According to the Park Manager, both transactions were for cleaning and carpet removal for residences within the Park.

For the seven MFMP purchase orders reviewed, each included an approved purchase requisition supported by vendor invoices. Of the seven, three purchase orders represented payments to a single vendor for janitorial services. The first purchase order was issued in April 2017 for \$1,980.00 and covered services for the months of May and June 2017. The second was issued in September 2017 for \$2,470.00 and covered services for the months of July, August, September and October 2017. The third was issued in November 2017 for \$375.00 and covered services for November 2017. Collectively, the cost for janitorial services from the three consecutive purchase orders totaled \$4,825.00. While issued at different times, the three

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purchase orders represented a continuing service. According to discussions with Park staff, janitorial services were used to clean restrooms in the absence of volunteers. During our review, it was noted that Park Ranger position description duties include *maintaining cleanliness of grounds and facilities*.

#### State Property and Equipment Management

To verify compliance with Department requirements regarding property, we reviewed a sample of 22 property items from the Park's Master Property file. According to DEP Directive 320, property items must be marked by number decals issued by the Property/Records Management to include a barcode identifying the property. Based on our review, all 22 sampled items were located at the Park, with the exception of one vehicle, which was in use at another Park. In addition, we verified the sampled property items were identified by number decals or license plates as referenced in the Park's Master Property File, with the exception of one. The Park Manager subsequently provided documentation that a replacement decal was requested for the remaining item.

Under the Division's Firearm Use Standard, Park employees using firearms are required to complete range and classroom training and obtain approval for firearm use from the District Bureau Chief. In addition, firearms are to be secured in a locked safe or cabinet separate from ammunition. Based on our review, Park firearms listed on the Master Property File were kept in a locked safe in a secure location that was separate from ammunition. Prior to June 2017, there was no documented use of firearms. We verified the required certification and qualification documentation was on file for staff currently authorized to use Park firearms.

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We reviewed Park Agreements of occupancy for resident Park staff which reside on Park property. According to the Operations Manual, an annual Park inspection should be performed by the District Bureau Chief and/or the Assistant Bureau Chief utilizing the Park Management Summary Form DRP-033. This inspection includes the Park Manager's housing inspection utilizing the Residence Inspection Report Form DRP-027. We verified the inspections were completed as required during the audit period.

### Resident Volunteers

We reviewed volunteer documents provided by the Park, as well as stored in the Volunteer Service Tracking System (VSystem) for the 11 volunteers who served at the Park during the audit period. We verified that the required Volunteer Agreements, National Sexual Offender and Florida Department of Law Enforcement's Sexual Offenders and Predators searches were on file, and that volunteer hours were documented for all volunteers.

## **Conclusion**

Based on our audit, the Park demonstrated compliance with Division requirements for revenue collection and reporting, attendance, resident volunteers, and property with the exception of noted control weaknesses regarding revenue collection, documentation of voids, and the use of P-Cards and purchase orders.

## **Findings and Recommendations**

### **Finding 1: Revenue Collection and Required Documentation**

According to the Division's Operations Manual, Daily Shift Reports require the signature of the shift operator as well as a second signature for verification. The Division's Revenue Procedures require that deposit slips be initialed by the person preparing the slip as well as a



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second person for verification of the deposit amount. Of the 124 shifts, we verified that Daily Shift Reports and deposit slips were not signed or initialed by two staff as required.

The Operations Manual also requires that when an error is made on a completed transaction on the POS, the reason for the void will be written on the original receipt, marked void, and then the original receipt and the voided transaction will be placed in the cash drawer. Of the 51 voided transactions documented during the sampled months in the POS system, 29 were maintained with the original receipt, and marked as void. However, none included a documented reason for the void. Based on discussions with Park management, the lack of documentation was due to Park staff's inconsistent understanding of the requirements.

**Recommendation:**

We recommend the Division work with Park staff to ensure revenue collection is verified and signed by two staff as required in the Division's Operations Manual and Revenue Procedures. We also recommend the Division work with Park staff to ensure that transaction voids are documented with the reason for the void and maintained with daily sale summaries.

**Finding 2: Expenditures and P-Card Use**

According to Chapter 60A-1.002(5), F.A.C., *When determining the amount or amounts of purchases for the purpose of applying the threshold categories, [established under Chapter 60A-1.002(2)-(4)] agencies shall follow the definitions and classes and groups of commodities or contractual services established by the Department. A purchasing office shall not divide its purchases or its purchasing operations to circumvent these requirements.* In addition, per Section 1.4 of the Department's P-Card training, the Department has set a \$2,499.99 limit for all purchases with a P-Card. Of the 13 P-Card transactions reviewed, two were for cleaning services

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to a single vendor using two separate P-Cards in June 2018. The expenditures were \$2,250.00 and \$267.15, and collectively totaled \$2,517.15. According to the Department's P-Card training, a cardholder may not split transactions to stay within their limits. According to the Park Manager, both transactions were for the cleaning and carpet removal in houses on Park property.

Of the seven purchase orders reviewed during the audit period, three were issued consecutively to a single vendor for janitorial services over a continuous period between May and November 2017. Collectively the three consecutive purchase orders totaled \$4,825.00. While issued at different times, the three purchase orders were used to procure a continuing service. Based on discussions with Park staff, janitorial services were used to clean restrooms in the absence of volunteers.

**Recommendation:**

We recommend the Division ensure that Park procurement practices comply with Chapter 60A-1.002(5), F.A.C. and Department P-Card training. To promote cost-effective use of resources, the Division should ensure that purchases for Park projects are procured in a competitive manner consistent with the project's expected cost.

*To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of Section 20.055, F.S., and in conformance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by LeAnne Landrum and supervised by Valerie J. Peacock.*

*Please address inquiries regarding this report to the OIG's Audit Director by telephone at (850) 245-3151. Copies of final reports may be viewed and downloaded via the internet at <https://floridadep.gov/oig/internal-audit/content/final-audit-reports>. Copies may also be obtained by telephone (850) 245-3151, by fax (850)245-2994, in person or by mail at Department of Environmental Protection, Office of Inspector General, 3900 Commonwealth Boulevard, Mail Station #41, Tallahassee, FL 32399.*

*Valerie J. Peacock,  
Director of Auditing*

*Candie M. Fuller,  
Inspector General*



# FLORIDA DEPARTMENT OF Environmental Protection

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## Memorandum

**TO:** Valerie Peacock, Audit Director  
Office of the Inspector General

**FROM:** Chuck Hatcher, Assistant Director   
Division of Recreation and Parks

**SUBJECT:** Audit of De Leon Springs State Park (Revised Preliminary Report A-1819DEP-018)

**DATE:** April 24, 2019

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This memorandum will serve as the Division's response to the following subject audit findings and recommendations:

### **Finding 1: Revenue Collection and Required Documentation**

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### **Recommendation**

We recommend the Division work with Park staff to ensure revenue collection is verified and signed by two staff as required in the Division's Operations Manual and Revenue Procedures. We also recommend the Division work with Park staff to ensure that transaction voids are documented with the reason for the void and maintained with daily sale summaries.

**Division Response:**

Agree. Park management has advised Park staff of the proper method of documenting and processing voids and refunds including required signatures, reasons and maintaining documents with the daily sale summaries. Park management will monitor for compliance.

**Finding 2: Expenditures and P-Card Use**

According to Chapter 60A-1.002(5), F.A.C., *When determining the amount or amounts of purchases for the purpose of applying the threshold categories, [established under Chapter 60A-1.002(2)-(4)] agencies shall follow the definitions and classes and groups of commodities or contractual services established by the Department. A purchasing office shall not divide its purchases or its purchasing operations to circumvent these requirements.* In addition, per Section 1.4 of the Department's P-Card training, the Department has set a \$2,499.99 limit for all purchases with a P-Card. Of the 13 P-Card transactions reviewed, two were for cleaning services to a single vendor using two separate P-Cards in June 2018. The expenditures were \$2,250.00 and \$267.15, and collectively totaled \$2,517.15. According to the Department's P-Card training, a cardholder may not split transactions to stay within their limits. According to the Park Manager, both transactions were for the cleaning and carpet removal in houses on Park property.

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**Recommendation**

We recommend the Division ensure that Park procurement practices comply with Chapter 60A-1.002(5), F.A.C. and Department P-Card training. To promote cost-effective use of resources, the Division should ensure that purchases for Park projects are procured in a competitive manner consistent with the project's expected cost.

**Division Response:**

Agree. Park management will advise Park staff to comply with Chapter 60A-1.002(5), F.A.C. and Department P-Card training to ensure Park purchases and projects are procured in a competitive manner consistent with the project's expected cost to promote cost-effective use of resources.