

**Audit of Friends of San Felasco Hammock Preserve State
Park, Inc. Citizen Support Organization**

Division of Recreation and Parks

Report: A-1516DEP-005

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

June 30, 2016

3900 Commonwealth Boulevard, MS 40
Tallahassee, Florida 32399-3000
www.dep.state.fl.us





Audit of Friends of San Felasco Hammock Preserve State Park, Inc.
Citizen Support Organization
Division of Recreation and Parks



Report: A-1516DEP-005

Table of Contents

Scope & Objectives	1
Methodology	1
Background	2
Results & Conclusions	2
Finding & Recommendation.....	6
Management Review Comment.....	6
Division Response.....	8

Report: A-1516DEP-005

The Office of Inspector General (OIG) conducted an audit of the Friends of San Felasco Hammock Preserve State Park, Inc. Citizen Support Organization (CSO). This audit was initiated as a result of the Fiscal Year (FY) 2015-2016 Annual Audit Plan.

Scope & Objectives

The scope of this audit included a financial examination of the San Felasco Hammock Preserve State Park (Park) CSO for FY 2013-2014 and other related activities of FY 2014-2015 of the CSO. Objectives of this audit were to determine:

- whether the CSO is in compliance with the CSO Agreement, Bylaws, Florida Statutes (F.S.) Sections 258.015, 20.058, and 112.3251, CSO Handbook, and the Division of Recreation and Parks (Division) Operations Manual
- the accuracy of reported revenue and expenditures
- Park management oversight, volunteer reporting, and Park resources used in CSO activities.

Methodology

This 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. Our procedures included a review of CSO and Park records, and interviews with Park staff and CSO Officers.

Report: A-1516DEP-005

Background

The CSO has provided support to the Park by volunteering, providing education of the Parks ecosystem, hosting events, and raising funds for specific Park projects since 1989.

Revenue is generated through membership dues, event participation fees, and donations from surrounding businesses. The biggest event the organization hosts is the annual bicycle event, the Tour de Felasco. This event is the main source of income for the CSO. Fundraising efforts also include two Hand Launched Glider Festivals and equestrian benefits. The CSO assists the Park by holding monthly workdays used to maintain trails and lawns. According to the general ledger, the CSO generated revenue totaling \$52,969 and incurred expenses of \$47,396 during FY 2013-2014.

Results & Conclusions

Agreement Compliance

We reviewed documentation provided from the CSO, and interviewed the Park Manager and CSO members to verify whether the CSO was operating under requirements set forth in the Agreement.

According to Section 112.3251, F.S., *the code of ethics must be conspicuously posted on the citizen support or direct-support organizations website*. The CSO website, www.sanfelasco.net, includes the adopted Code of Ethics.

Audit of Friends of San Felasco Hammock Preserve State Park, Inc.
Citizen Support Organization
Division of Recreation and Parks

Report: A-1516DEP-005

In accordance with Section 258.015, F.S., the CSO may request to use fixed property and facilities of the state park system. However, the CSO has a building dedicated to their use on Park grounds and does not use fixed property of the state park system.

During the review period, the CSO submitted required reports to the Park Manager with the appropriate information attached in accordance with Section 20.058(1), F.S. In accordance with the CSO's financial policies, an annual budget was created that included forecasted earnings and expenses for the upcoming fiscal year.

Financial Management Compliance

According to the CSO By-Laws, *the treasurer shall have custody of the monies of the CSO and shall collect the same as prescribed by the Board of Directors*. Most revenue is collected online through active.com, an event registration website; PayPal, an online payment website; or in the form of cash or check donations. The Treasurer collects cash and checks, and writes reimbursement checks. The CSO accepts donations, but does not sell any merchandise.

Article X.3. of the CSO's By-Laws state that *all funds of the CSO shall be deposited from time to time to the credit of the CSO in such banks, trust companies or to other depositories as the Board of Directors may select*. The Treasurer indicated that cash is deposited shortly after meetings or events. The Tour de Felasco was held on January 11, 2014. Based on the January 2014 bank statement, the associated deposit was made January 14, 2014. Based on our review of bank statements, deposits were made at least once a month with

Audit of Friends of San Felasco Hammock Preserve State Park, Inc.
Citizen Support Organization
Division of Recreation and Parks

Report: A-1516DEP-005

most months having multiple deposits. The Treasurer provides the board with a monthly earning and expenditure report to review in accordance with the CSO financial policies.

According to the CSO's By-Laws, *the treasurer shall be authorized to sign checks in the amount of \$0 - \$1,000.00. Any checks above \$1,000.00 shall require the signatures of two officers.* The CSO does not have a credit/debit card. The Treasurer and a Board Member are authorized to sign checks for the CSO. Based on a review of 13 checks during the audit period, two out of four checks exceeding \$1,000 did not have two signatures.

The CSO is designated as a 501(c) (3) not-for-profit organization. We verified the CSO filed form 990-N with the Internal Revenue Service in 2013.

Revenue Comparisons: Annual Financial Report, General Ledger, and Bank Statements

We compared revenues and expenditures on the annual financial report and the CSO's general ledger for FY 2013-2014. These agreed with immaterial differences. We also compared the general ledger with bank statements for FY 2013-2014, with the exception of November 2013. The CSO was unable to provide the November 2013 bank statements. For the months compared, these agreed with minor differences as noted below.

Comparison of General Ledger and Bank Statements, excluding November 2013		
	Revenues	Expenditures
General Ledger ¹	\$48,146.24	\$(44,785.90)
Bank Statements ²	\$47,777.34	\$(44,417.00)
Difference	\$368.90	\$(368.90)

¹ General ledger excludes November 2013 amounts.

² November 2013 bank statement was not included in this comparison.

Report: A-1516DEP-005

Review of Expenditures

We selected a sample of 76 expenditures listed in the general ledger for support documentation. Sampled expenditures were supported by invoices and receipts, with the exception of two, where support documentation included different amounts. One expenditure included reimbursement of \$130.23 to a volunteer for previous expenses incurred. The other expenditure discrepancy included a difference of \$1.49, which was not considered material. Sampled expenditures appeared to benefit the Park, as outlined in the CSO manual.

Park Management Oversight

The Annual Program Plan from FY 2013-2014 documented Park Manager approval for the CSO priorities list. The list included special events, maintaining Park trails, and maintenance of CSO equipment.

The CSO had 106 active members, who documented 3,008 volunteer hours in the Park during FY 2013-2014 based on the Manpower Augmentation Report. A Park Ranger maintains volunteer sheets.

The CSO uses their own equipment to include lawn mowers and chainsaws to maintain the Park and its trails. The CSO does not use Park equipment. Based on CSO Board meeting minutes from July 2014 through January 2015, the Park Manager attended these meetings, with the exception of July 2014.

Report: A-1516DEP-005

Finding & Recommendation

Required Signature for Checks

According to Article X, Section 1 of the By-Laws, *the treasurer shall be authorized to sign checks in the amount of \$0 - \$1,000.00. Any checks above \$1,000.00 shall require the signatures of two officers.* Based on our review of sampled checks, two out of four exceeding \$1,000 did not include two CSO officer signatures as required.

Recommendation

We recommend the Division direct the CSO to ensure officers adhere to the stated By-Laws regarding financial policies. If checks exceed, \$1,000 they should be signed by two officers.

Management Review Comment

Deposit policy

Article X.3. of the CSO By-Laws indicates that revenues of the CSO shall be deposited from time to time. This policy does not provide a measurable standard for financial controls over deposits. The general nature of this policy exposes funds to risk of loss. The Division and CSO should review current financial policies as outlined in the By-Laws to ensure procedures are in place that would mitigate revenue losses due to untimely deposits.

Audit of Friends of San Felasco Hammock Preserve State Park, Inc.
Citizen Support Organization
Division of Recreation and Parks

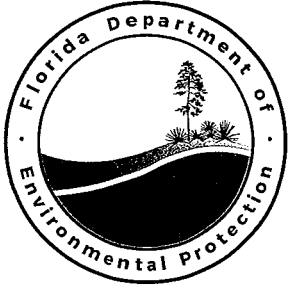
Report: A-1516DEP-005

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 Nick Dodge 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 <http://www.dep.state.fl.us/ig/reports.htm>. 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

3900 Commonwealth Blvd.
Tallahassee, FL 32399


Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Jonathan P. Steverson
Secretary

Memorandum

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

FROM: Donald V. Forgione, Director 
Division of Recreation and Parks

SUBJECT: Audit of San Felasco Hammock Preserve State Park, Inc. Citizen Support Organization
Division of Recreation and Parks Report: A-1516DEP-005

DATE: June 21, 2016

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

Finding 1: Required Signature for Checks

According to Article X, Section 1 of the By-Laws, *the treasurer shall be authorized to sign checks in the amount of \$0 - \$1,000.00. Any checks above \$1,000.00 shall require the signatures of two officers.* Based on our review of sampled checks, two out of four exceeding \$1,000 did not include two CSO officer signatures as required.

Recommendation:

We recommend the Division direct the CSO to ensure officers adhere to the stated by-laws regarding financial policies. If checks exceed \$1,000 they should be signed by two officers.

Division Response: The Division agrees with the recommendation. The Division will suggest the CSO is more diligent in following their by-laws and check signing policies.

The Division has also increased the number of officers that are able to sign checks from 2 to 3 to allow for more availability if one of the authorized signers is out of town or unavailable when a check needs to be signed.

Management Review Comment

Deposit Policy:

Article X.3. of the CSO by-laws indicates that revenues of the CSO shall be deposited from time to time. This policy does not provide a measurable standard for financial controls over deposits. The general nature of this policy exposes funds to risk of loss. The Division and CSO should review current financial policies as outlined in the by-laws to ensure procedures are in place that would mitigate revenue losses due to untimely deposits.

Division Response: The Division agrees with the recommendation. The Division has directed the Park Management to discuss this process with the CSO Board and suggest a measure that will mitigate revenue losses due to untimely deposits.