

**Audit of Henderson Beach State Park and
Fred Gannon Rocky Bayou State Park**

Division of Recreation and Parks

Reports A-1617DEP-013 and A-1617DEP-022

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

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The Office of Inspector General (OIG) conducted audits of Henderson Beach State Park (Henderson Beach) and Fred Gannon Rocky Bayou State Park (Rocky Bayou). These audits were initiated as a result of the Fiscal Year (FY) 2016-2017 Annual Audit Plan. Since the parks operate under the same management and administration, audit results for both parks are combined in this report.

Scope and Objectives

The scope of the audits included operations between July 1, 2015, and June 30, 2016. The objective was to determine whether the parks were in compliance with Division requirements and to evaluate management controls in the areas of revenue collection and reporting, expenditures and Purchase Card (P-Card) use, state property and inventory management, attendance, volunteers, and Citizen Support Organization (CSO) oversight.

Methodology

These audits were conducted under the authority of Section 20.055, Florida Statutes (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 review of park revenue, purchase order and P-Card expenditures, property records, resident volunteer, CSO, and attendance records, and interviews with management and staff.

Background

Henderson Beach, located in Destin Florida, includes 60 campsites and provides beach access for swimming, sunbathing, paddling and fishing. Visitors have access to six picnic pavilions, nature trail, and a playground area. Rocky Bayou, located on the north shore of

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Choctawhatchee Bay, includes 42 campsites and provides opportunities for boating and fishing. Visitors have access to three nature trails, scenic picnic areas, canoe and kayak rentals, wildlife and migratory bird viewing, pavilion rentals, and camping. Rocky Bayou host annual events including Pioneer Day and Estuary Day. In FY 2015-2016 the annual revenue and reported attendance was as follows.

FY 2015-2016 Revenue and Attendance		
Park	Revenue	Attendance
Henderson Beach	\$1,219,352.58	519,206
Rocky Bayou	\$264,136.92	101,066

Results and Conclusions

Revenue Reporting

To determine the accuracy of the reported revenue for both parks, we reviewed Daily Checkout Sheets and Deposit Worksheets. For Henderson Beach, we reviewed revenue source documentation for the months of July and August 2015. Documented amounts agreed with deposits with minor discrepancies noted on eight days. These discrepancies were documented and corrected by the park. According to Section 1.6 of the Operations Manual, Daily Checkout Sheets require two signatures. On two days during the sample months, a second signature was missing on the Daily Checkout Sheets.

For Rocky Bayou, we reviewed revenue source documentation for the months of January and February 2016. During sample period, Daily Checkout Sheets agreed with the daily Deposit Worksheets, with minor discrepancies. There were six days in which a second signature was

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missing on the Daily Checkout Sheets. Amounts recorded on daily deposit slips agreed with the daily Deposit Worksheets.

There were no tax-exempt transactions included in the sample months for either park. However, we verified the park's administrative staff have an established process to maintain tax-exempt forms.

Bank Deposits

According to the Division's Operations Manual and Revenue Collection Procedures, daily deposits are required when receipts exceed \$2,000. In preparing deposits, deposit slips should be initialed by both the individual preparing and individual verifying deposit amounts. We reviewed Henderson Beach bank deposits for the months of July and August 2015. During the two months, daily cash receipts exceeded \$2,000 on a total of 36 days. Of these, we verified deposits were made daily for 29 days. On seven days, daily receipts were deposited between two and four days later. For both months, deposit slips were initialed by two staff, with the exception of two days.

We reviewed Rocky Bayou bank deposits for the months of January and February 2016. In both months, all daily deposits were less than \$2,000. All deposits were made within four days. For both months, 23 deposit slips were initialed by only one staff.

Controls Over Revenue Collection

Based on our site visit and interviews with park management, we reviewed controls in place for revenue collection. At Henderson Beach, there are three cash registers which are used for day use entry, the CSO gift shop, and Reserve America (RA) camping transactions. At Rocky Bayou, there are two registers, which include day use entry and RA camping transactions. All

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registers produce a customer copy of sales receipts and contain a journal tape with a sequential numbering system. The registers are equipped with a visual display of the purchase total facing the public and there are signs displayed reminding customers to ask for a receipt. Based on interviews, documentation, and observation, overall duties related to operating registers, closing and reconciling revenue reports, preparing bank deposits, and bank statement reconciliation were performed by separate park staff.

Park expenditures and Use of P-Card

We reviewed expenditures for both parks during the audit period through the use of purchase orders and P-Cards. Purchase order expenditures during the sampled months included items from categories preapproved by the District. The purchase amounts and vendors used, as well as, the purchase frequency appeared reasonable for park operations. Park staff authorized to make purchases using P-Cards included the Park Manager, Assistant Park Manager, two Park Rangers, two Park Service Specialists, and the Administrative Assistant. For both Henderson Beach and Rocky Bayou, we reviewed P-Cards transactions during the sample months. The District has given pre-approval for parks to purchase items subject to purchasing rules as to dollar limits and commodities allowed under the P-Card program. For each transaction, we reviewed support documentation and separation controls. For Henderson Beach during the months of July and August 2015, there were 113 P-Card transactions. All purchases were reconciled by a staff member other than the cardholder. Out of the 113 purchases, 55 receipts included a signature without a date and two receipts were missing the cardholder's signature and date. All the purchases appeared to be consistent with park activities.

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For Rocky Bayou, during the month of January and February 2016 there were 60 P-Card transactions. Of these, 31 receipts included a signature without a date and two receipts were missing the cardholder's signature and date. In addition, one purchase for \$2,500 was made by the Park Manager without obtaining two quotes as required in the Department Procurement Guide.

Park Property

Park property items are used as needed between both parks. Property items are identified as inventory of the park for which the item was acquired regardless of the physical location. The Assistant Park Manager and Administrative Assistant annually conduct physical inventory of state owned property.

During our site visit, we verified park property items sampled from the Department Master Property list for both parks. At Henderson Beach, we selected 59 of the 93 items and at Rocky Bayou, we selected 17 of the 49 items. At Henderson Beach, we could not verify property tags for four of the 59 sampled items. At Rocky Bayou, one item did not have a property tag, but was identified by the serial number and located at Henderson Beach. After review of the park's property surplus and transfer documentation, all items that were unable to be located on site had the proper surplus or transfer documentation as required.

Park Attendance

Both parks include one public point of entry and use the same visitor count methodology. Visitor counts are taken at the entry gate and documented in the register. The daily visitor totals include counts from day use and camping. At the end of each day, the category totals are obtained from the register and entered in the Weekly Attendance Report.

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For both parks, we compared attendance reported to the Division to Weekly Tabulation Reports as well as daily attendance recorded in the Weekly Report of Attendance. During the sampled months, attendance reported to the Division was higher than attendance recorded in the Weekly Attendance Report as shown in the table below.

Henderson Beach			Rocky Bayou		
Month	Reported Attendance	Recorded Attendance	Month	Reported Attendance	Recorded Attendance
July 2015	120,124	110,139	January 2016	5,438	5,439
August 2015	73,356	67,999	February 2016	6,099	6,199

In the sample months, park Management had added visitor estimates to actual counts in reported attendance. Estimates were not part of either park's approval attendance methodology. We verified this practice had been discontinued as of September 2015.

Resident Volunteers

Resident volunteers assist with park maintenance repairs, interpretive activities, administrative duties, and toll collections. Resident volunteer work hours are recorded in time logs and entered in the VSys Live System¹. Resident volunteer work commitments are based on occupied campsites and may include more than one individual. The parks maintain resident Volunteer Applications and contact information. However, signed Volunteer Agreements were not maintained for all volunteers. At Henderson Beach, five campsites were occupied by resident volunteers during the sampled months. Hours for these volunteers were not accurately maintained in the VSys Live System. An annual lump sum of hours was documented in the VSys

¹ VSys Live System is the Division's electronic volunteer service tracking system.

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Live System for two individuals occupying one resident volunteer campsite. However, manual time logs documented the minimum volunteer hours per week were met for all volunteers. At Rocky Bayou, eight campsites were occupied by resident volunteers during the sample months. For these volunteers, hours in the VSys Live System were documented in a lump sum either monthly or yearly. Of the eight, we verified manual time logs for six resident volunteers that documented 20 hours per week. Time logs were not provided for the remaining two.

For the 10 individuals occupying the five resident volunteer campsites at Henderson Beach, and the 14 individuals occupying the eight resident volunteer campsites at Rocky Bayou, Sexual Predator and Offender Registration Checks were on file for 13.

CSO Oversight

The CSO members of Friends of Emerald Coast State Parks, Inc. at Henderson Beach participate in park events such as Picnic Day, Equestrian Day, and Pioneer Day. The CSO also operates a small gift shop located in the ranger station at Henderson Beach. A dedicated cash register is used in the ranger station for gift shop sales. The CSO employs a full-time employee who coordinates weddings and other events in the park. At the time of our audit, a dedicated part time OPS staff member was assigned to work the CSO gift shop and coordinate the purchase and acquisition of firewood and other gift shop supplies. This staff member was also on the CSO Board of Directors. Subsequent to our park visit, the staff member discontinued park employment, but continues to volunteer with the CSO.

There were 11 registered CSO members that volunteer at both Henderson Beach and Rocky Bayou. We verified that Volunteer Applications and contact information was maintained on file for all CSO members, but these files did not include signed Volunteer Agreements. We

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verified that Sexual Predator and Offender Registration Checks had been conducted for all 11 CSO members. Volunteer Time Records were not available for the 11 CSO members.

Based on our audits of both parks, management operated in compliance with Department requirements with the exception of record keeping for volunteers, P-Card controls, and bank deposits. Our findings and recommendations are contained in the remainder of this report.

Findings and Recommendations

Finding 1: Bank Deposits

Section 1.6(c)(2)(c) of the Operations Manual states *if park receipts do exceed \$2,000, a night bank deposit is mandatory when security and employee safety can be assured*. For the sample months at Henderson Beach, seven deposits over \$2,000 were not deposited by the next available day as required.

According to the Florida State Parks and Coastal Aquatic Managed Areas Revenue Collection Procedures Manual, *the person preparing the deposit slip should initial the slip. A second person should verify the deposit slip before going to the bank*. According to deposit slips reviewed in the sampled months for both parks, 25 of the 106 deposit slips did not have the required staff member's initials as required.

Section 1.6 (h) of the Operations Manual states *a staff member other than the employee responsible for collections will perform the comparison of shift checkout sheets and cash register reports, with validated deposit slips and posting of revenue amounts to the DRR and DDW*. According to the Daily Checkout Sheets reviewed in the sampled months for both parks, 10 Daily Checkout Sheets were missing the required signatures.

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Recommendation:

We recommend the Division work with the park management to ensure Daily Checkout Sheets and deposit slips are accurately documented and deposits are made in a timely manner as required in the Operations Manual.

Finding 2: P-Card Purchases

According to Section 1 of the Department's Purchasing Card Guidelines, *the Cardholder is responsible for accumulating, signing and dating the original electronic itemized receipts which clearly reflect a description of the goods or services, number of units and cost per unit, indicating that the order is completed and current balance has been paid, as required.* Of the 173 P-Card purchases for Henderson Beach and Rocky Bayou, 86 were missing the Cardholder's signature or date.

The Informal Quotations Section of the Department's Procurement Guide states, *purchases for commodities or contractual services that cost at least \$2,500, but not more than \$35,000 require at least two quotes utilizing the MyFloridaMarketPlace (MFMP) E-quote (Sourcing).* A purchase for \$2,500 was made by the Park Manager without obtaining the required quotes. The payment was questioned by the Division of Administration Bureau of Finance and Accounting staff. However, due to the minimal amount excess over the limit, the Park Manager was not directed to take corrective steps.

Recommendation:

We recommend the Division direct the parks to ensure all P-Card purchases are made and documented in accordance with Purchasing Card and Procurement guidelines.

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Finding 3: Recordkeeping for Resident and CSO Volunteers

Section 1.5(f)(17) of the Operations Manual states *VSys Live is the system used to maintain all volunteer time records and hours must be recorded into the system no later than the 10th of the month. It is the Parks' responsibility to ensure hours are recorded in the VSys Live System monthly and if the volunteer is unable to use the system they must keep a time record and provide it to the park management.* At both Henderson Beach and Rocky Bayou, park resident volunteer hours were not accurately maintained in the VSys Live System.

Section 1.4(g)(1c1) of the Operations Manual states *the CSO board and its volunteers must submit their Volunteer Time Record Sheets monthly to their park's volunteer coordinator.* During the sample months, Volunteer Time Records were submitted for one of the 11 CSO members.

Section 1.5(f)(4) of the Operations Manual states *the Volunteer Agreement (DRP-059) must be completed annually by all individuals serving as a regular service volunteer, including CSO offices and board members. The form should be completed through VSys Live.* Volunteer Agreements were not documented in the VSys Live System.

Section 1.5(b)(5) of the Operations Manual states *prior to appointing or employing a person, whether for compensation or as a volunteer, a sexual predator and offender's registration search must be conducted.* The results of this search should be maintained in the VSys Live System. Of the 24 resident volunteers located at the parks during the sampled months, Sexual Predator and Offender Checks were maintained for 13.

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Recommendation:

We recommend the Division work with park management to ensure all required Volunteer Time Records and Agreement documents are recorded and maintained. This includes consistent documentation in the VSys Live System. Park management should ensure all Volunteer Sexual Predator and Offender Registration Checks are conducted prior to volunteer assignment.

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 Auditor Cindy Newsome 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.

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Memorandum

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

FROM: Matt Mitchell & Chuck Hatcher, Assistant Directors
Division of Recreation and Parks

SUBJECT: Audit of Henderson Beach State Park and Fred Gannon Rocky Bayou
State Park (Report A-1617DEP-013, A-1617DEP-022)

DATE: August 2, 2017



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

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Recommendation

We recommend the Division work with the park management to ensure Daily Checkout Sheets and deposit slips are accurately documented and deposits are made in a timely manner as required in the Operations Manual.

Division Response:

Park management has been retraining staff and verifying Daily Checkout Sheets to ensure all Daily Checkout Sheets and deposit slips are accurately documented. All deposits are being made in a timely manner as required in the Operations Manual.

Finding 2: P-Card Purchases

According to Section 1 of the Department's Purchasing Card Guidelines, *the Cardholder is responsible for accumulating, signing and dating the original electronic itemized receipts which clearly reflect a description of the goods or services, number of units and cost per unit, indicating that the order is completed and current balance has been paid, as required.* Of the 173 P-Card purchases for Henderson Beach and Rocky Bayou, 86 were missing the Cardholder's signature or date.

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Recommendation

We recommend the Division direct the parks to ensure all P-Card purchases are made and documented in accordance with Purchasing Card and Procurement guidelines.

Division Response:

Park management has reminded all staff members issued a P-Card that all purchases are to be made and documented in accordance with Purchasing Card and Procurement guidelines, including signing and dating the receipt by the employee.

Finding 3: Recordkeeping for Resident and CSO Volunteers

Section 1.5(f)(17) of the Operations Manual states *VSys Live is the system used to maintain all volunteer time records and hours must be recorded into the system no later than the 10th of the month. It is the Parks' responsibility to ensure hours are recorded in*

the VSys Live System monthly and if the volunteer is unable to use the system they must keep a time record and provide it to the park management. At both Henderson Beach and Rocky Bayou, park resident volunteer hours were not accurately maintained in the VSys Live System.

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Recommendation

We recommend the Division work with park management to ensure all required Volunteer Time Records and Agreement documents are recorded and maintained. This includes consistent documentation in the VSys Live System. Park management should ensure all Volunteer Sexual Predator and Offender Registration Checks are conducted prior to volunteer assignment.

Division Response:

Park management has directed the volunteer coordinators to ensure all required Volunteer Time Records and Agreement documents are properly recorded and maintained in the VSys Live System. All resident volunteers are to also have a written timesheet as a secondary source documentation.

Park management has verified that all Volunteer Sexual Predator and Offender Registration Checks have been conducted on all current volunteers and will be conducted on all future volunteers prior to their volunteer assignment.