

Audit of Hontoon Island State Park

Division of Recreation and Parks

Report: A-1617DEP-020

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

September 1, 2017

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





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Report: A-1617DEP-020

Table of Contents

Scope and Objective.....	1
Methodology	1
Background	2
Results and Conclusions	2
Findings and Recommendations.....	6
Division Response.....	8

Report: A-1617DEP-020

The Office of Inspector General (OIG) conducted an audit of Hontoon Island State Park (Park). This audit was initiated as a result of the Fiscal Year (FY) 2016-2017 Annual Audit Plan.

Scope and Objective

The scope of this audit included a review of Park activities during the period of January 1 through June 30, 2016. The objective was to determine whether the Park is in compliance and controls are in place with respect to:

- reported revenue
- cash collection
- attendance reporting
- property and equipment management
- purchases and expenditures
- tax exempt transactions
- firearms
- resident volunteers

Methodology

This audit was 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 interviews with Division of Recreation and Parks (Division) and Park staff and review of Park records.

Report: A-1617DEP-020

Background

The Park is located in Volusia County west of Deland, Florida, and is only accessible by boat. The Park provides recreational activities including camping, hiking, fishing, and picnicking, and has a museum and playground. Overnight accommodations include primitive camping, boat camping, and six one-room cabins. The Park does not use an onsite bulk fuel tank. Between January 1, 2016, and December 31, 2016, reported attendance was 53,675 and reported revenue was \$82,349.42.

Results and Conclusions

Revenue Collection and Reporting

Park revenue is generated from camping fees and rental of kayaks and bicycles. The Park maintains its own bikes and kayaks that visitors can rent on a daily basis. The Park does not collect fees for daily entry. During the audit period, bank deposits were made weekly in compliance with requirements of Section 1.6(c)(2)b of the Operations Manual. For the sample months of February and March 2016, we compared reported revenue to point of sale records, credit card settlement reports, and cash deposit slips. Monthly Park revenue for February and March were \$3,975.34 and \$6,749.70, respectively. As shown in the table below, reported revenue for the sampled months agreed with support documentation, with minor discrepancies.

	FEBRUARY 2016	MARCH 2016
Reported Revenue ¹	\$3,975.36	\$6,749.70
Support Documentation	\$3,975.34	\$6,749.70
DIFFERENCE	\$0.02	\$0.00

¹ Reported Revenue includes the Park Summary of Revenue less ReserveAmerica central reservation revenue.

Report: A-1617DEP-020

Park Attendance

According to Park staff, visitors are counted manually by Park staff as they arrive either by personal boat or by Park ferry. Reported Park attendance was 6,210 in February and 7,302 in March. However, Park attendance source documentation supported 4,846 in February and 4,713 in March.

	FEBRUARY 2016	MARCH 2016
Reported Park Attendance ²	6,210	7,302
Park Attendance Per Source Documents ³	4,846	4,713
DIFFERENCE	1,364	2,589

Based on source documents and interviews with Park staff, we identified discrepancies between recorded attendance and handwritten daily attendance records. These were due to overnight attendance count duplication. Visitors were counted upon entering the Park and again through camping attendance. In addition, departing campers were not being included in total attendance reported, and boat campers were not being recorded as campers in ReserveAmerica. The Park Manager indicated that this oversight would be corrected going forward.

Firearms

We reviewed Park firearm compliance with Department of Environmental Protection's Firearm Use Standard which are the firearm use requirements. Per firearm use logs, one Park employee used the Park's firearm during the sampled months. This employee had obtained the required safety certification and approval from the Division's District Three Office. During our

² Reported Park Attendance includes Park attendance records per Division of Recreation and Parks Management

³ Source Documents include handwritten Park attendance sheets

Report: A-1617DEP-020

site visit, we verified that the firearm was kept in a locked safe, with a trigger lock, and the key and ammunition were stored in a separate safe.

Property and Equipment Management

During our site visit, we sampled 22 items listed on the Master Property File. We verified all 22 items were present at the Park. One of the sampled items listed an incorrect description. However, the Park Manager provided documentation to show that the description has been corrected to reflect the accurate make and model of the item.

Purchases and Expenditures

We reviewed P-Card purchases during the months of February and March 2016. For each of the eighteen purchases during this period, purchases were supported by receipts and completed reconciliation forms. All purchases were pre-approved by the District, and each purchase appeared to be for Park related expenses.

We also tested five Park expenditures to determine whether purchases complied with requirements of the Procurement Guide. Per the Procurement Guide, expenditures of greater than \$2,500 and less than \$35,000 may be completed through a purchase requisition in MyFloridaMarketPlace (MFMP), and must contain the following:

- A provision dividing the contract into units of deliverables which shall include, but not be limited to, research reports, findings, and drafts that must be received and accepted in writing by contract manager prior to payment.
- Performance Measures (defined in statute as “the required minimum acceptable level of service to be performed and criteria for evaluating the successful completion of each deliverable”).

Report: A-1617DEP-020

- Performance Period of contract specifying the criteria and final date for completion of the contract.
- Payment Schedule. An invoice should be associated with a deliverable.
- Financial Consequences either specific to the task or overall.

Of the five expenditures tested, each included a purchase requisition that included each of the requirements of the Procurement Guide and included the invoice supporting the cost of each expense. The Procurement Guide also requires a bid process before purchases between \$2,500 and \$35,000. Four purchases fell in this range. Two documented necessary bid process, one documented a single source purchase, and one was a purchase from PRIDE which did not require bids. Additionally, the Procurement Guide requires informal quotes for purchases below \$2,500. One purchase fell into this range, and the purchase documented an informal quote prior to purchase.

Tax Exempt Transactions

Section 5.3(b)(2)d of the Operations Manual states, *Florida sales tax exempt organizations must have a copy of their current Florida Consumer's Certificate of Exemption on file at the park at the time a deposit for a reservation or a sale is made.* Per ReserveAmerica camping records, seven tax exempt transactions occurred during February and March 2016. Consumers' Certificates of Exemption for these visitors were not maintained on file. The Park had several Consumers' Certificates of Exemption on file, including two scanned during the test months; however, these did not support the tax exempt reservations recorded in ReserveAmerica.

Report: A-1617DEP-020

Volunteers

According to Park records, one resident volunteer stayed at the Park during the sampled months. The Park provided documentation showing the volunteer recorded at least 20 hours per week for 7 of the 9 weeks the volunteer was at the Park.

Section 1.5(f)(4)c of the Operations Manual states that *The U.S. Department of Justice National Sexual Offender Public Website must be used to check all new regular service volunteer applications*. According to volunteer records, Park staff performed this check on the resident volunteer before the volunteer had begun work at the Park. Additionally, the Volunteer signed the Volunteer Agreement (DRP-059) before beginning work at the site.

Our findings and recommendations are included in the remainder of this report.

Findings and Recommendations

Finding 1: Attendance

Reported Park attendance was 6,210 in February and 7,302 in March. However, Park attendance documentation only supported 4,846 in February and 4,713 in March. These errors were primarily a result of double counting overnight visitors and not including departing campers in reported attendance. Boat campers also did not appear in ReserveAmerica reservation records.

Recommendation

We recommend that the Division work with Park staff to ensure that reported attendance is supported accurately by Park records of original entry.

Report: A-1617DEP-020

Finding 2: Tax Exempt Transactions

Section 5.3(b)(2)d of the Operations Manual states, *Florida sales tax exempt organizations must have a copy of their current Florida Consumer's Certificate of Exemption on file at the park at the time a deposit for a reservation or a sale is made.* During the sampled months, seven tax exempt reservations were recorded; however, the Park did not maintain copies of the visitors' Consumers' Certificates of Exemption on file.

Recommendation

We recommend the Division work with the Park to ensure all Consumers' Certificates of Exemption are verified and maintained on file for tax exempt transactions.

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 Tyler Bradford 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,
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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 Hontoon Island State Park (Report: A-1617DEP-020)

DATE: August 28, 2017

A handwritten signature in blue ink, appearing to be "CM", is located to the right of the "FROM:" line.

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

Finding 1: Attendance

Reported Park attendance was 6,210 in February and 7,302 in March. However, Park attendance documentation only supported 4,846 in February and 4,713 in March. These errors were primarily a result of double counting overnight visitors and not including departing campers in reported attendance. Boat campers also did not appear in ReserveAmerica reservation records.

Recommendation

We recommend that the Division work with Park staff to ensure that reported attendance is supported accurately by Park records of original entry.

Division Response:

The park attendance for Hontoon Island State Park shows a difference between the park hard copy and Reserve America. Visitors were counted upon entering the park and again through camping attendance. We have corrected this discrepancy by removing the daily incoming campers from the final total of the counter from the ferry boat at the end of the day.

Finding 2: Tax Exempt Transactions

Section 5.3(b)(2)d of the Operations Manual states, Florida sales tax exempt organizations must have a copy of their current Florida Consumer's Certificate of Exemption on file at the park at the time a deposit for a reservation or a sale is made.

Valerie Peacock, Audit Director
Page 2
August 28, 2017

During the sampled months, seven tax exempt reservations were recorded; however, the Park did not maintain copies of the visitors' Consumers' Certificates of Exemption on file.

Recommendation

We recommend the Division work with the Park to ensure all Consumers' Certificates of Exemption are verified and maintained on file for tax exempt transactions.

Division Response:

All staff has been reminded that as per park procedures, visitors claiming Tax Exemption need to have their form on hand at the time of arrival and payment needs to match the name on their form, this includes the Reserve America transaction. The log book is maintained in the Ranger Station.