

**Audit of Myakka River State Park and
the Friends of Myakka River, Inc.
Citizen Support Organization**

Division of Recreation and Parks

Report: A-1718DEP-032

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

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3900 Commonwealth Boulevard, MS 40
Tallahassee, Florida 32399-3000

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Audit of Myakka River State Park and the
Friends of Myakka River, Inc. Citizen Support Organization
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The Office of Inspector General (OIG) conducted an audit of Myakka River State Park (Park) and the Friends of Myakka River, Inc. Citizen Support Organization (CSO). This audit was initiated as a result of the Fiscal Year (FY) 2017-2018 Annual Audit Plan.

Scope and Objectives

The scope of this audit included the Park financial records and activities between July 1, 2016, through June 30, 2017, as well as CSO activities during calendar years 2016 and 2017. The objectives were to:

1. determine whether the Park is in compliance and controls are in place with respect to:
 - revenue collection and reporting;
 - cash management;
 - attendance reporting;
 - state property and equipment management;
 - purchases and expenditures;
 - volunteers
2. determine whether the CSO is in compliance with the Agreement and controls are in place with respect to reported revenues and expenditures.

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, CSO officers, and review of Park and CSO financial records and activity documents.

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Background

The Park, located in Sarasota, Florida, includes 58 square miles of wetlands, prairies, hammocks, and pinelands. Activities in the Park include fishing, swimming, canoeing, kayaking, boating, guided hikes, bird viewing, and camping. The Park generates revenue through entrance fees, over night accommodations and facility rentals. There are two contracted concessionaires located in the Park that provide boat tours, safari tram tours, and paddling rentals.

The CSO supports the Park through hosting annual Park events and providing volunteer services. CSO income is generated through CSO membership dues, donations, and sales in the Park gift shop.

During FY 2016-2017 the Park's reported revenue was \$1,612,911.80 with 387,119 in reported attendance. According to the CSO's 2017 ledger Statement of Activity, the CSO's total revenue was \$50,618.65 and total expenses were \$6,559.72 for calendar year 2017.

Results

Revenue Collection and Reporting

All Park revenue is collected through the Park's ranger stations at the main gate and the north gate. We compared revenue reported on the Deposit Worksheet and the Daily Shift Checkout Sheets to support documentation¹ for the sampled months of July and August 2017. Amounts collected and reported were consistent with minor differences.

There were 62 shifts recording revenue collection during the sampled months. We verified that Daily Shift Checkout Sheets were signed by two staff as required, with the exception of 12 shifts. According to the Park Manager, staff were inadvertently signing the shift

¹ Z1 reports, deposit detail reports, credit card settlement reports, deposit tickets, and deposit summary reports.

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register tapes rather than the Daily Shift Checkout Sheets. This has since been corrected. During the sampled months, there were no tax-exempt transactions recorded; however, we verified that the Park's administrative staff had an established process to maintain tax-exempt forms.

We reviewed 139 deposit slips for the sampled months and verified that deposit slips had been initialed by two staff, with the exception of two. According to the Operations Manual, if daily receipts exceed \$2,000, a night bank deposit is mandatory when security and employee safety can be assured. We compared reported daily cash receipts to the bank deposit dates. Of the 60 days in the sampled months, six deposits were not made timely as required. According to the Park Manager, delays were due to staff turnover which affected the availability of staff to make deposits consistently. Additional staff have since been authorized to make deposits in order to ensure deposits are made in a timely manner.

Attendance Reporting

For the sampled month of July 2017, we compared the Division's reported attendance with the Park's daily Point of Sale summaries. Amounts reported were consistent with minor discrepancies. For August 2017, the Park transitioned processes for recording and reporting attendance to the Division-wide Point of Sale (POS) system integrated with its Central Reservation System. Estimated visitor counts for honor and river visitor access were recorded during the review period. However, through the POS system, the Park no longer reports estimated attendance.

Expenditures and Purchasing Card Use

We reviewed 10 Purchasing Card (P-Card) transactions made during the sampled months. All purchases were pre-approved by the Park Manager, supported by invoices or receipts, and

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reviewed or reconciled by staff other than the cardholder. We reviewed four purchase orders that exceeded \$2,500, which were processed through MyFloridaMarketPlace² (MFMP) for compliance with requirements in Chapter 287, F.S., and Chapter 60A-1.002, Florida Administrative Code (F.A.C.). Of the four, one purchase for ATVs was made under the Department of Management Services State Term Contract and two demonstrated that at least two quotes were obtained. For the remaining purchase order, the Park obtained only one quote. Based on the Department Procurement Guide, *if the minimum quotes cannot be obtained, an Emergency/Single Source/Contract Exception Procurement Form DEP 55-201 signed up through the Bureau Chief must be submitted with the Purchase Requisition.* For the remaining purchase, Form DEP 55-201 was submitted by the Park and approved by the District documenting justification for the purchase of a utility vehicle outside of the Department of Management Services (DMS) state term contract. However, the Park did not provide justification as to why the vendor was the only source available for the vehicle purchased.

State Property and Equipment Management

From the Park's master property file, we selected a sample of 32 property items. During our site visit, we verified the sampled items were located at the Park.

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. Employees must requalify on the range every two years. We verified that the required certification and qualification documentation was on file for authorized staff and

² MyFloridaMarketPlace is the State online procurement processing system for Florida.

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firearm use was supported by firearm logs. We verified all firearms on the Master Property File were kept in a locked safe in a secure location.

Resident Volunteers

We reviewed resident volunteer documents uploaded in the Volunteer Service Tracking System (VSystems) for the 10 resident volunteers who served at the Park during the sampled months. We verified that Volunteer Agreements, National Sexual Offender and the Florida Department of Law Enforcement's Sexual Offenders and Predators searches were on file, and volunteer hours were documented as required.

CSO Statutory and Agreement Compliance

Section 258.015, F.S., provides for the establishment of the CSO and specifies the allowable use of Department property. Based on our audit, the CSO was established and operates in compliance with Section 258.015, F.S. The CSO submitted the 2017 Annual Financial Report and required documents to the Department as required under Section 20.058, F.S. and the CSO Handbook. The 2017 Annual Financial Report included the 2016 990-EZ income tax report, Park Managers Letter, CSO President's Letter, list of board members, CSO Statement of Accomplishments and Goals, and CSO Statement of Value and Contributed Services.

Section 112.3251, F.S., requires the CSO adopt a code of ethics, which must contain standards of conduct and disclosures required under Sections 112.313 and 112.3143(2), F.S., and must be conspicuously posted on the CSO's website. We verified that the CSO's Code of Ethics, consistent with the required standards, is posted on the CSO's website.

The CSO agreement requires that the CSO submit an Annual Program Plan to the Park Manager on or before the end of the CSO's fiscal year. Per Paragraph 11 of the Agreement, the

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CSO's fiscal year ends December 31. The Program Plan for 2017 was submitted as required and approved by the Park Manager in December 2016.

CSO Income and Expenses

During 2017, the CSO received revenue through concerts and events, donations, gift shop sales, and CSO membership dues. Based on the 2017 Profit and Loss Report, CSO income and expenses were as follows:

FY 2016-2017 CSO Income and Expenses	
Total Income	\$50,618.65
Total Expense	\$6,559.72
Net Income	\$44,058.93

We compared amounts documented in the Profit and Loss Report to the CSO's general ledger for FY 2016-2017 and compared the general ledger to bank statements and source documentation for the sampled months of July and August 2017. Overall, amounts reported in the Profit and Loss Report were consistent with the general ledger and bank statements and were supported by revenue and expense source documents.

The CSO maintains a checking account for operating expenses. The CSO also has a savings and a money market account as follows.

Type of Account	Balance as of 12/31/2017
Checking Account	\$370,662.48
Savings Account	\$230,242.72
Money Market Account	\$108,692.27

According to the bank statements, no funds were distributed from the CSO's savings account or money market account for use in CSO operations from July through December of 2017.

According to the CSO Handbook Section 2.12, the Division recommends the CSO adopt an annual budget to account for projected revenue and expenses for the upcoming year. Based on discussions with the CSO Treasurer, the CSO did not prepare a budget identifying the specific

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needs and costs associated with project support. However, CSO and Park Management have identified two capital improvement projects that require extensive funding needs. The CSO fundraising efforts continue to support funding goals for these projects. The CSO Handbook also recommends that all funds that are not immediately needed and are not earning interest should be invested in accordance with the investment policy established by the Board. Based on discussions with the Treasurer, the CSO does not maintain fiscal policies specific to cash handling or investments. The CSO was in the process of researching investment options for funds raised prior to meeting project funding targets.

Based on interviews with the CSO Treasurer, CSO expenditures above \$500 are discussed and approved by the Board. We verified these expenditures are documented in the Board meeting minutes. We requested support documentation for 12 expenditures documented during the sampled months of July and August 2017 and all were supported by invoices and receipts and appeared to benefit the Park directly or indirectly. Checks that exceeded \$500 included two CSO Officer signatures.

Park Management Oversight for CSO Activities

CSO Officers include a President, Vice President, Secretary, and Treasurer. The CSO and Park Manager work together to schedule projects and plan annual events. Board Meetings are held in winter months and minutes are retained in the CSO official records. All minutes for the board meetings were provided for the audit period. The Park Manager and one Park staff attended all Board Meetings.

Section 1.4 of the Division's Operations Manual requires the District to conduct a CSO Management Review every four years. We obtained the District's Management Review of the

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CSO dated November 28, 2017, which reflected positive results. The CSO Management Review included recommendations for the CSO to develop a comprehensive financial policy to include all budget, spending, and investment guidelines for the organization's future financial goals. It was recommended that the financial policy be separate from the by-laws to make any revisions easier to implement.

Conclusions

Based on our audit, the Park demonstrated compliance with Division requirements regarding revenue collection and reporting, attendance, resident volunteers, and property with minor discrepancies. Documented use of P-Cards and Park expenditures were in compliance with procurement requirements with the exception of the noted purchase over \$2,500. Bank deposits were made timely with the exception of noted instances due to staff shortages that have since been corrected.

The CSO demonstrated compliance with the Agreement and statutory requirements. Based on our review of financial records, the CSO maintained a sound record keeping system incorporating fiscal controls despite the lack of a written financial policy.

Finding and Recommendation

Finding 1: Procurement Requirements

Chapter 287, F.S., establishes statutory procurement requirements. For purchases exceeding \$2,500, Chapter 60A-1.002, F.A.C., and the Department Procurement Guide outline specific requirements for a minimum of two written quotes and actions necessary in the event of an exception. If less than two quotes are received, a statement must be provided as to why additional quotes were not received. For one purchase exceeding \$2,500, the Park issued a

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solicitation for quotes through MFMP to multiple vendors, but only received a quote from one. The purchase order was awarded to the vendor for which the quote was received. The Department Procurement Guide states, *if the minimum quotes cannot be obtained, an Emergency/Single Source/Contract Exception Procurement Form DEP 55-201 signed up through the Bureau Chief must be submitted with the Purchase Requisition.* Form DEP 55-201 was submitted by the Park and approved by the District documenting justification for the purchase of a utility vehicle outside of the DMS state term contract. However, the Park did not provide justification as to why the vendor was the only source available for the vehicle purchased or the reason that additional quotes were not received.

Recommendation:

We recommend the Division ensure that Park procurement practices comply with Section 287, F.S., Chapter 60A-1.002, F.A.C, and the Department Procurement Guide. For purchases that exceed \$2,500, a minimum of two quotes should be obtained. If the minimum quotes cannot be obtained, the Park should document justification as to why the vendor was the only source available for the vehicle purchased or the reason that additional quotes were not received.

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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

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, FL 32399


~~Ron DeSantis~~
Governor

~~Jeanette Nuñez~~
Lt. Governor

~~Noah Valiente~~
Secretary

Memorandum

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

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

SUBJECT: Audit of Myakka River State Park and the Friends of Myakka River, Inc.
Citizen Support Organization

DATE: January 28, 2019

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

Finding 1: Procurement Requirements

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Recommendation

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Valerie Peacock, Audit Director

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minimum quotes cannot be obtained, the Park should document justification as to why the vendor was the only source available for the vehicle purchased or the reason that additional quotes were not received.

Division Response:

The Division will ensure the Park and District document efforts to obtain more than one quote on any purchases over \$2,500 and will provide a statement of justification in the event the Park is unable to obtain more than one quote.