

**Audit of Wekiva Wilderness Trust, Inc. Citizen Support
Organization at Wekiwa Springs State Park**

Division of Recreation and Parks

Report: A-1415DEP-044

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

February 24, 2016

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Audit of Wekiva Wilderness Trust, Inc. Citizen Support Organization at Wekiwa
Springs State Park
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The Office of Inspector General (OIG) conducted an audit of Wekiva Wilderness Trust, Inc. Citizen Support Organization (CSO) at Wekiwa Springs State Park (Park). This audit was initiated as part of the Fiscal Year (FY) 2014-2015 Annual Audit Plan.

Scope & Objectives

The scope of this audit included selected activities of the CSO during the period of May 1, 2013 through April 31, 2014. The objectives of this audit were to:

- Determine the accuracy of reported revenue and expenses
- Evaluate the level of oversight by Park management and determine if the CSO is in compliance with Florida Statutes (F.S.); the CSO Agreement, Bylaws, and Articles of Incorporation; CSO Handbook; and the Division of Recreation and Parks' (Division) Operations Manual

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 audit procedures included the following:

- Review of the CSO Handbook, Division Operations Manual, CSO Agreement, Bylaws, Articles of Incorporation, and CSO documents
- Review of Sections 20.058, 112.3251, and 258.015, F.S.
- Assessment of CSO revenue and expenses
- Interviews with Park staff and CSO officers

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Background

The Wekiva Wilderness Trust, Inc. CSO generates revenue to support the Park through events that include a 5K and 10K Walk/Run, Paint Out Event/Auction, and Music in the Park. The CSO has used funds in support of the Park by building a pavilion and Nature Center, purchasing administrative supplies and maintenance materials, and financial support with other projects that improve the Park. According to the Park Manager, the CSO acts as an ambassador to the Park and community by promoting the Park and its features. The CSO also assists the Park with educational outreach through presentations during Discovery Hours, participating in the Nature Center, and leading guided walks/tours at the Park. According to the CSO's Income and Expenses Annual Report, the CSO's total revenue for FY 2013-2014 was \$82,836.69 and total expenditures were \$100,700.30.

Results & Conclusions

Accuracy of Revenue and Expenditures

Based on interviews and examination of financial documents provided by the CSO, revenue and expenditures were reconciled between the CSO's General Ledger and bank statements, and were supported by invoices, receipts, and check stubs.

The CSO's General Ledger listed 97 expenditures in March and April 2014. We requested supporting documentation including receipts, invoices, check stubs, and bank statements. Of the 97 expenditures, 21 totaling \$1,035.33 were not supported by documented receipts. After discussions with the CSO President, the CSO currently obtains all receipts for

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expenditures. We requested a bank statement and General Ledger for October 2015 and selected a sample of four receipts and verified that all expenditures were currently supported by receipts.¹

There were six purchases in March 2014 documented on the CSO's Paint Out Invoice for the Paint Out Event/Action that were not documented on the March 2014 General Ledger totaling \$2,091.14. The reported CSO expenditures for FY 2013-2014 appeared to directly and indirectly support the Park.

According to the CSO Board Financial Policies, Section 2, Handling of Finances, *any checks issued over \$ 1,000.00 shall require two signatures*. Based on discussions with the CSO President, none of the requested checks had two signatures because there was no CSO Treasurer during the review period. The President served as both President and Treasurer. A Treasurer was since elected and the CSO currently obtains two signatures for checks over \$1,000.00. We requested a sample of four checks from the CSO's March 2015 bank statement and verified two signatures were obtained for all checks, and determined the above requirements are currently being met.²

Based on our review of revenue, 24 transactions in March and April 2014 totaling \$45,480.33 were documented on the CSO's General Ledger and supported by bank statements.

¹ Receipts for expenditures were verified outside the scope. After discussions with the CSO President, the CSO presently obtains all receipts for expenditures. We verified this practice for a sample of receipts for October 2015.

² After discussions with the CSO President, the CSO President acted as both President and Treasurer until a Treasurer was appointed. We reviewed a sample of checks from March 2015 to verify the check signature procedure after the Treasurer was elected.

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Financial Management and Internal Controls

Based on the review of CSO records and interviews with the CSO Board members and Park Manager, the CSO has written policies on financial management. These policies include procedures on revenue collection, cash handling, expenditures, deposits, check signature authorization, and maintaining documents. The policies are outlined in the CSO Bylaws and CSO Board Financial Policies. The CSO develops an annual budget and presents it to the Board at the beginning of the fiscal year for approval. The Board reviews and approves the annual budget prior to implementation.

The cash handling process is outlined in the Bylaws and Board Financial Policies. Based on our review, there are locked donation cash boxes in the Ranger Station and the Nature Center. The CSO President collects and verifies the CSO funds with a Park Ranger present at the Ranger Station. The CSO funds are given to the CSO Treasurer for recording and bank deposit. CSO funds are kept separate from the Park funds in the Ranger Station locked donation cash box until funds are deposited. Park staff do not collect revenue or make purchases on behalf of the CSO.

According to the Board Financial Policies, 2, Handling of Finances, Check Review, *if the treasurer has signatory authority and possession of the CSO's checks, he/she shall not receive the monthly bank statements. The statement shall be mailed to a board member appointed by the president and who does not have signatory authority. The statement may be sent to the manager as an alternative if they are not authorized to sign checks. This person shall be responsible for reconciling the bank statement and for reviewing checks written on the account.* Based on CSO and Park management interviews, the CSO President, Vice President, and Treasurer have authorization to make purchases and sign checks. The CSO members authorized to make purchases use checks or one of the three debit cards. The CSO President receives, reviews, and

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forwards bank statements to the CSO Treasurer. The Treasurer records and reconciles bank statements to CSO finances quarterly.

The CSO Board reviews and approves large expenditures. Small expenditures are discussed informally and can be made without Board approval. All expenditures are noted in CSO meeting minutes.

According to the CSO President, donations are collected at the Nature Center and during fundraising events by the CSO Vice President, with a Nature Center volunteer present. CSO members sell firewood to campers for a suggested donation of \$5.00 for six pieces. The CSO President stated that occasionally, the CSO purchases firewood from a local supplier for \$350.00 per load. Campers who need firewood obtain the key to the locked woodshed from the Ranger Station and deposit their money into a locked donation cash box with a Ranger present.

The CSO obtained a Florida Sales Tax Number, IRS Federal Employer Identification Number 501c(3), and Consumer's Certificate of Exemption sales tax number. The CSO also has established a Code of Ethics and posted the statement on the CSO's website.

Fundraising and Projects

The CSO participates in several fundraising activities throughout the year such as 5K and 10K Run/Walk, Paint Out Event/Auction, and Music in the Park. The Park Manager approves these reoccurring fundraising activities. According to the CSO President, a majority of participants register online for events. For cash handling during the day of the event, a minimum of three CSO members are present to collect the revenue. Park staff assist the CSO at events, but do not collect CSO revenue at the events. Based on our review, the CSO operates in compliance

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with the fundraising and project guidelines according to requirements in the CSO Agreement and Board Financial Policies.

The grant allocated for Nature Center improvements ended in March 2014. According to the President, there were no other grants in FY 2013-2014.

Annual reporting and communication with the Park and Division

The CSO submitted an Annual Financial Report and Annual Meeting Minutes for FY 2013-2014 to the Division. The CSO submitted all required reports and filings to the Park, Division, Florida Department of Revenue, and the Internal Revenue Service for FY 2013-2014. These reports include financial reports, CSO reports, Annual Nonprofit reports, and IRS filing. The Park Manager provides oversight of the CSO through communication, status reports, attending Board meetings, and review of all CSO activities. The CSO meets monthly and the CSO Secretary prepares and maintains the minutes for all meetings.

CSO Membership and Volunteers

Based on the CSO Annual Report for FY 2013-2014, the CSO reported 36 active members. This number was supported by the CSO membership documentation. No Park staff serve on the CSO Board. We reviewed a sample of fifteen CSO member applications at the site visit and determined all fifteen applications were completed by CSO members, which supported the CSO's application process. Annual CSO membership is \$20.00 for individuals, \$10.00 for students, and \$40.00 for families. The membership list provided by the CSO President documented the month and year members paid their dues. We compared a sample of four members on the membership list to the CSO's May 2013 General Ledger to verify membership payment. One of the four membership dues was documented on the May 2013 General Ledger.

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According to the CSO President, three of the four members moved, leaving one member who paid dues in May 2013.

The CSO officers spend approximately 30 to 50 hours monthly volunteering. According to the Park Services Specialist, CSO members worked 1,124 hours during FY 2013-2014. The Park Services Specialist tracked these hours and submitted monthly reports to the District. Based on the review of reports provided by the Park Services Specialist, 1,124.50 CSO hours were recorded for FY 2013-2014 and was consistent with the reported hours, with a minor discrepancy.

Findings and Recommendations

Finding 1: Consistency between Bylaws and Board Financial Policies

According to the CSO Bylaws, Article V-Board of Directors, Section 5, *It has been agreed that a revolving petty cash fund or similar reserve may be established by (Wekiva Wilderness Trust) WWT and the Board which may then be accessed by the officers of the WWT for the payment of non-budgeted items in the amount of \$300.00 or less, without the need for specific Board approval; provided, however, that with respect to any expenditure, a determination is made by the officer or agent making payment thereof that such expenditure is consistent with the purposes and objectives of WWT and its operations.*

According to the CSO Board Financial Policies, 1, Financial and Budget Procedures, Approval of Non-budgeted Items, *the treasurer shall approve any expenditures up to \$500.00, the president shall approve up to \$1,000.00, and the executive committee up to \$2,500.00, for direct support of park system activities. All other expenditures, which are not budgeted, must be approved by the board of directors.* The CSO Board Financial Policies state, *the CSO*

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treasurer shall approve any non-budgeted expenditures up to \$500.00; the Bylaws require approval on any non-budgeted items for expenditures of \$300.00 or less. The above documents are not consistent.

Recommendation:

We recommend the Division direct the CSO to update their Board Financial Policies, in accordance with the CSO Bylaws, so that the documents are in agreement.

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 Angie Cringan 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,
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Carlos Lopez-Cantera
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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 Wekiva Wilderness Trust, Inc. CSO
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DATE: February 22, 2016

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

Finding 1: Consistency between Bylaws and Board Financial Policies

According to the CSO Bylaws, Article V-Board of Directors, Section 5, *It has been agreed that a revolving petty cash fund or similar reserve may be established by (Wekiva Wilderness Trust) WWT and the Board which may then be accessed by the officers of the WWT for the payment of non-budgeted items in the amount of \$300.00 or less, without the need for specific Board approval; provided, however, that with respect to any expenditure, a determination is made by the officer or agent making payment thereof that such expenditure is consistent with the purposes and objectives of WWT and its operations.*

According to the CSO Board Financial Policies, 1, Financial and Budget Procedures, Approval of Non-budgeted Items, *the treasurer shall approve any expenditures up to \$500.00, the president shall approve up to \$1,000.00, and the executive committee up to \$2,500.00, for direct support of park system activities. All other expenditures, which are not budgeted, must be approved by the board of directors.* The CSO Board Financial Policies state, *the CSO treasurer shall approve any non-budgeted expenditures up to \$500.00; the Bylaws require approval on any non-budgeted items for expenditures of \$300.00 or less.* The above documents are not consistent.

Recommendation:

We recommend the Division direct the CSO to update their Board Financial Policies, in accordance with the CSO Bylaws, so that the documents are in agreement.

Valerie Peacock, Audit Director
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Division Response:

The Division agrees with the recommendation. The WWT, at the January 6, 2016 Board meeting, approved proposed changes to the Bylaws to correct this discrepancy. The Bylaw change will be presented to the general membership for vote at the WWT Annual Meeting which is scheduled for June 1, 2016.

The following is the approved proposed change to the Bylaws:

Article V-Board of Directors, Section 5, It has been agreed that a revolving petty cash fund or similar reserve may be established by (Wekiva Wilderness Trust) WWT and the Board which may then be accessed by the officers of the WWT for the payment of non-budgeted items ~~in the amount of \$300.00 or less~~ according to levels set in the CSO Board Financial Policies, section 1, Financial & Budget Procedures, without the need for specific Board approval; provided, however, that with respect to any expenditure, a determination is made by the officer or agent making payment thereof that such expenditure is consistent with the purposes and objectives of WWT and its operations.