Department of Environmental Protection
Office of Inspector General

May 15, 2026 Report A-2526DEP-011

Audit of Concession Agreement CA-0724 with Coldwater Excursions, LLC

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Concession Agreement CA-0724 (Agreement) with Coldwater Excursions, LLC (Concessionaire) for services provided at Topsail Hill Preserve State Park (Park). This audit was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2025-2026.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included a review of Concessionaire activities and financial records associated with the Agreement from September 2, 2024, to present activities. The objectives of the audit were to:

1. Determine the accuracy of reported gross sales.
2. Determine whether the Concessionaire is operating in compliance with the Agreement.
3. Evaluate Park Management oversight of the Concessionaire's activities and performance.

To achieve our audit objectives, our methodology included:

- Obtaining and reviewing the Concessionaire's accounting records and sales reports to determine the accuracy of the Total Gross Sales reported to the Department.
- Obtaining and reviewing source documentation for two sample months to determine compliance with Minimum Accounting Requirements.
- Reviewing documentation uploaded to the Department's SharePoint related to the Agreement.
- Testing the Concessionaire's operations and services for compliance with the Agreement.
- Interviewing the Concessionaire, Park Manager, and Department staff.
- Reviewing the Department's responsibilities related to the Agreement and evaluating the Department's oversight of the Agreement.

BACKGROUND

The Department's Division of Recreation and Parks (Division) manages 176 state parks through its Florida Park Service. The Division may provide visitor services in the parks through concessionaires, pursuant to Section 258.007(3)(a), Florida Statutes (F.S.). All visitor services delivered by a concessionaire in a Florida State Park require an agreement.

The Department executed an Agreement with the Concessionaire on September 25, 2024, to provide concession services to the Park. The term of the Agreement began on September 2, 2024, and will end at midnight on September 1, 2034. The Park is located in Walton County and includes camping, swimming, fishing, biking, and other outdoor and coastal activities. The Agreement provides the Concessionaire the use of certain facilities, space, and equipment including additional facilities at the start of the second year. The Agreement required the Concessionaire to conduct business and provide specified services including recreational equipment rentals, food and beverage services, tram service, camp store operation, bungalow rentals (after repairs are completed), glamping, guided tours, and Wi-Fi services. The Agreement also required the Concessionaire to complete capital improvement projects.

Based on our review, the Concessionaire offers all the authorized services excluding the bungalow rentals as repairs have not been completed at the time of our review. The Concessionaire also provided merchandise sales at the camp store and operated a coffee shop. The Concessionaire is required to pay the Department a commission fee based on the schedule established in the Agreement, as described below.

1. Compensation Period 1: From September 2, 2024, through September 1, 2025, the Concessionaire will pay a commission fee equal to 10% of the Total Gross Sales each month, but not less than $40,000 (Minimum Guarantee).

2. Compensation Period 2: From September 2, 2025, through September 1, 2030, the Concessionaire will pay a commission fee equal to 15% of the Total Gross Sales each month, but not less than $60,000 annually (Minimum Guarantee).

3. Compensation Period 3: From September 2, 2030, through September 1, 2034, the Concessionaire will pay a commission fee equal to 20% of the Total Gross Sales each month, but not less than $80,000 annually (Minimum Guarantee).

The Concessionaire has paid the Department $63,616.33 in commission fees during compensation period 1 and $19,828.11 in commission fees for September and October 2025 during compensation period 2.

RESULTS OF AUDIT

During the audit, we reviewed the Concessionaire's activities and documentation provided by the Concessionaire and Division to determine compliance with the Agreement. We also reviewed the sales generated by the Concessionaire, including those generated by their subcontractors, to determine the accuracy of the Total Gross Sales reported to the Department. A summary of our review is below.

Accuracy of Reported Gross Sales

The Agreement requires the Concessionaire to submit a Monthly Report of Concessionaire's Total Gross Sales (Monthly Report). The Agreement defines Total

Gross Sales as *all sales of goods, merchandise, food and beverages, equipment rentals, event management, and other permissible services* described by the Agreement, generated from the Concessionaire's services at or associated with the Park. The Total Gross Sales does not include sales tax collections, gratuities, pass-through fees, and funds that were collected but refunded to the customer. To determine the accuracy of the reported Total Gross Sales, we compared the Concessionaire's Monthly Reports, Department of Revenue's Sales Tax forms (DR-15), Concessionaire's General Ledger, and point-of-sale source documentation. The table below reflects totals from October 2024 through August 2025.

Year	Monthly Report	DR-15 Reported Gross Sales	General Ledger	Point-of-Sale Source Documentation
2024 (Oct-Dec) [1]	$73,943.47	$73,100.64	$78,844.93	$72,910.64
2025 (Jan-Aug)	$526,223.10	$513,802.35	$522,792.85	$513,802.34
Totals:	**$600,166.57**	**$586,902.99**	**$601,637.78**	**$586,712.98**

Based on our analysis, the differences in totals in the above table were due to some sales being reported in the following month and refunds not being consistently reported on the Monthly Reports. Additionally, the Concessionaire offers some discounts on sales but did not subtract discounts applied to sales when reporting the Total Gross Sales to the Department. Based on the point-of-sale source documentation, our review determined the Concessionaire over-reported Total Gross Sales by approximately $13,453.59 on Monthly Reports submitted to the Department from October 2024 through August 2025. Thereby overpaying $1,345.36 in commission fees during the period reviewed.

The Concessionaire had a subcontractor operating the coffee shop during October and November 2024. The subcontractor reported their sales to the Concessionaire through a spreadsheet summarizing sales and a Monthly Report of Concessionaire's Total Gross Sales. We compared the amounts reported on the subcontractor's gross sales reports to the amounts reported by the Concessionaire in the corresponding Monthly Reports. Our review indicated that the Concessionaire accurately reported the subcontractor's gross sales.

Minimum Accounting Requirements

The Agreement states that the Concessionaire must comply with the general Minimum Accounting Requirements outlined in the Agreement. A summary of our review of the Concessionaire's compliance with the Minimum Accounting Requirements is below.

Bank Accounts

The Agreement requires the Concessionaire to establish and maintain bank accounts that are solely used for operations for this Agreement and are separate from any other concession agreement and non-concession operations. Our review of the General Ledger and bank statements indicated the bank account appeared to be used solely for the operations related to this Agreement.

[1] Total Gross Sales calculated does not include subcontractor sales reported.

Deposits

The Agreement requires the Concessionaire to deposit receipts periodically within five days, if the receipts do not exceed $2,000. Undeposited receipts should be stored in a secure manner. Validated deposit slips and bank statements supporting the amounts deposited must be retained by the Concessionaire. Our review of the Concessionaire's cash sales during the sample months indicated that cash sales did not exceed $2,000 daily. We determined that the Concessionaire's deposits for cash sales on the bank statements were supported by a deposit slip, were conducted within a five-day working period, and were kept in a secure location.

Daily Ledger

The Agreement states that the Concessionaire will post daily ledger entries to account for gross sales, adjustments to sales, and sales tax collections by point of sale and/or collection station. The Agreement requires ledger entries to equal the amounts deposited by period, and the Concessionaire must retain source documents to support recorded gross sales and sales tax collections. Based on our review, the Concessionaire utilized point-of-sale systems that automatically logged and tracked transactions and accounted for gross sales and sales tax collection by point-of-sale location. Supporting documentation was retained and deposits generally equaled daily ledger entries as required.

Purchases

The Agreement requires that all Concessionaire purchases are supported by vendor invoices and cancelled checks payable to either the vendor or the imprest fund. Additionally, receipts for the purchases must be retained. We reviewed purchases and expenses during our sample months, amounting to approximately 200 transactions per month. Overall, the Concessionaire appears to retain supporting documentation for most of their purchases with two exceptions noted in our review regarding fuel and a vendor for baked goods.

Electronic Cash Register and Computerized Software Requirements

The Agreement requires the Concessionaire's computerized software system to contain an electronic record of each daily transaction by point-of-sale and/or by collection station. Additionally, each record of transaction must be date-stamped and timed, identify the cashier making the transaction, and record the sales and tax amounts. The electronic cash register must have a visual display facing the customer and produce a customer's copy of receipt. Based on our review, the Concessionaire maintained an electronic cash register system that met most of the Agreement requirements. Our review noted the cashier identified as making a transaction was not always correct. During our sample months, the Concessionaire owner was listed as the cashier at both locations for the electronic cash registers at the Park at the same time. The Concessionaire stated that, in the past, employees would process transactions through the Concessionaire's sign-in. Additionally, the online sales system reports listed two cashier names as "Lake" and "Beach" instead of an employee name. The Concessionaire stated that employees utilized tablet devices assigned these location names rather than the employee signing in to conduct transactions.

Refund Requirements

The Agreement required the documentation for refunds to state the reason for the refund; identify the cashier making the refund; be date stamped and time of the refund; and be maintained electronically within the point-of-sale system. The customer refunds must also be documented by the customer's signature on the original receipt. The Concessionaire was required to approve all refunds and voids or delegate this duty to an employee who normally did not handle cash. We reviewed the refund documentation for the coffee shop and camp store from the sample months and found that the documentation met Agreement requirements. The Concessionaire's online sales system created electronic confirmations for refunds or cancellations but did not include the reason for refund. The Concessionaire stated that refunds were processed by whichever employee was at the cash register at the time of the refund request; however, the Concessionaire reviews transactions at the end of the day for any out of the ordinary transactions or refunds.

Special Events

The Agreement requires the Concessionaire to provide the customer with a written contract for each Special Event it books at the Park. The contracts should be pre-numbered, dated, and time-stamped and include booking fees; amount of balance due and date balance is due; client name; address; phone number; date of Special Event; number of people expected to attend; client requirements; and any other information needed to organize the Special Event. The Concessionaire must provide the Park Manager with copies of all contracts which document, monthly, each Special Event contract and the copies must be submitted with the Monthly Reports.

The Agreement authorized the Concessionaire's shared use of the Park's Clubhouse. The Concessionaire rented out the Clubhouse for Special Events. We reviewed rental contracts provided by the Concessionaire for the period January 2025 to January 2026. The rental contracts and physical receipts included the client's name, address, phone number, date of event, client requirements, fees requested, and date booked. However, the contracts were not pre-numbered nor indicated the number of people expected to attend. Additionally, the contracts had not been provided to the Park Manager or submitted with the Monthly Reports. Although the Concessionaire stated that the reservations were entered into a shared calendar with the Park Manager.

Minimum Operational Requirements and Procedures

The Agreement established the general operational requirements and specific operational minimum requirements for each type of service approved that was provided by the Concessionaire. We reviewed the Concessionaire's operations and services provided to determine compliance with the Minimum Operational Requirements and procedures. A summary of our review is below.

Recreational Equipment Rental Services

The Agreement requires the Concessionaire to provide recreational equipment rentals, including all required safety equipment. The types, models, and minimum and maximum inventory levels must be pre-approved, in writing, by the Department. Based on our review, we determined the Concessionaire provided recreational equipment rentals and safety equipment, as required. While we were unable to obtain the original approval for the types, models, and minimum and maximum inventory levels for recreation equipment, an updated approval with the required information was put in place during our audit.

The Agreement requires the Concessionaire to ensure that each rental customer, or their parent/guardian, signs a liability waiver and all visitors launching a vessel to participate in a safety and environmental orientation program administered by the Concessionaire. The program and material must be pre-approved, in writing, by the Department. The Concessionaire provided waivers for each rental customer and stated they provide safety briefings and orientation prior to rental operations. The Park Manager provided approval for the safety briefing and orientation during our review.

The Agreement also requires the Concessionaire to provide a small service boat or watercraft to aid its employees in the location and recovery of overdue vessel rentals or emergency situations. The Concessionaire stated they do not have a boat but use one of their water-based rental equipment in emergency situations.

Food and Beverage Services

The Agreement authorizes the use of a facility for the coffee shop and states the Concessionaire will maintain a standard menu with prices that will be pre-approved, in writing, by the Department. While the original approval for the menu and prices was not provided, an updated approval was completed by the Park Manager during the audit.

The Agreement also states the Concessionaire may sell alcoholic beverages with written pre-approval from the Department. If they sell alcohol, the Concessionaire will obtain an alcoholic beverage license from the Department of Business and Professional Regulation (DBPR) and submit a written plan of action, including hours of service and control methods, for Park Manager's approval. The Concessionaire received approval from the Department on February 26, 2025, for a written plan of action including hours of service and control methods. Our review of the DBPR website confirmed that the Concessionaire had an active alcoholic beverage license since February 4, 2025.

Camp Store Operations

The Agreement requires the Concessionaire to provide items for resale at the camp store, such as, ice, T-shirts, souvenirs, gifts, etc. Based on our site-visit, we determined the camp store had merchandise for sale in compliance with the Agreement and the Division had provided approval for items currently sold by the Concessionaire.

Tram Service

The Agreement required the Concessionaire to operate a tram service for visitors within the Park. During our site-visit we observed the operation of the tram service throughout the Park. Based on discussions with the Park Manager, the Park maintains the tram schedule, determines the tram operating hours, provides tram operation procedures, and provides the Concessionaire with recorded messages to play on the tram for visitors of the Park.

Glamping

The Agreement stated the Concessionaire will operate a Glamping service within the Park. The Concessionaire provided a website and phone number for coordinating rentals and a social media account for promoting rental of Glamping sites, as required by the Agreement. During our site-visit we observed the Glamping sites and accommodations which appeared to be offered in accordance with the Agreement.

Wi-Fi Service
The Agreement stated the Concessionaire must provide Wi-Fi services, free of charge, to guests at the Concession Building (camp store and coffee shop) and the Clubhouse. The Concessionaire may provide Wi-Fi services in other areas with written pre-approval from the Department. During our site-visit we determined the Concessionaire provided Wi-Fi services at the camp store, coffee shop, and Clubhouse, as required. The Concessionaire also provides Wi-Fi services at both their Glamping and Bungalow locations which were both approved by the Department.

Website
The Agreement states the Concessionaire will maintain a website to promote the Park, Park activities, and include a link to the Park's webpage. The website's design and content will be pre-approved, in writing, by the Department. Any additional websites utilized by the Concessionaire requires Department approval. Based on our review, the Concessionaire maintained a website to promote the Park with a link to the Park's webpage. The Concessionaire also utilized a website and social media accounts to promote services. The Park Manager provided documentation to show written approval of website design and content.

Concessionaire Plans
The Agreement required the Concessionaire to provide the Department with a Maintenance and Repair Plan, Environmental Protection Plan, Safety Plan, and Communication Plan. The Agreement and the Operations Manual established the requirements for the content and Department's review of these plans. Each plan was required to be approved by the Department prior to the Concessionaire commencing services. Each plan must be reviewed by the Park Manager and Division. An additional reviewer was required for the Environmental Protection Plan and Safety Plan. The Environmental Protection Plan required a Department biologist, and the Safety Plan required the Department's Safety Officer.

The Concessionaire submitted each required plan prior to beginning services. The Safety Plan was approved by the Department's Safety Office prior to the beginning of services; however, the other required plans were approved after the beginning of services. Each plan was reviewed by the required Department employees except the Environmental Protection Plan was not reviewed by a Department biologist. Our review of the required content for the plans indicated that the Repair and Maintenance Plan, Communication Plan and Safety Plan were missing required elements. During the audit, the Park Manager coordinated with the Concessionaire to ensure each plan had the required content and the Environmental Protection Plan was reviewed by a Department biologist.

Capital Improvements
The Agreement states that the Concessionaire will provide at least a total of $130,000 in capital improvements to enhance facilities at the Park. The capital improvement projects on the approved plan included: separate electrical circuitries at the camp store and coffee shop, installation of a wall mount mini split AC unit, and demolition and installation of bungalows. The capital improvements were completed prior to the deadline, and the approved items exceeded the required $130,000. Two additional capital improvement projects were approved by the Division during the audit with individual deadlines.

Capital Improvement Documentation and Approval

The Agreement states that prior to starting construction of the capital improvements, the Concessionaire will submit to the Park Manager copies of all required permits and copies of the final construction documentation. The Park Manager is required to facilitate the review of the documentation by the District Administrative Office and the Bureau of Design and Construction (BDC). Once the permits and final plans had been approved by BDC, the Department must provide a written Notice to Proceed to the Concessionaire. The Park Manager issued Notices to Proceed for each capital improvement project. The Park Manager stated that BDC did not review these capital improvement projects and the Concessionaire did not provide all applicable permits and construction documents prior to the issuance of the Notices to Proceed. Based on discussions with the Division, they have updated their Concession Agreement template to add a cost threshold for capital improvement projects that would require BDC review and approval.

Agreement Compliance

We conducted a review of the Concessionaire's compliance with the general and special conditions of the Agreement and evaluated management oversight of the Concessionaire's activities in accordance with the Agreement and the Division's Operations Manual. A summary of our review is below.

Monthly Report Submission

The Concessionaire must submit the Monthly Report reporting Total Gross Sales to the Department by email no later than the 10th day of each month following the month the gross sales were collected by the Concessionaire. If there were multiple point-of-sale locations or subcontractors, the Concessionaire will list the name and total sales of each location or subcontractor on an attached second sheet with the Monthly Report. The Concessionaire's Monthly Reports were all submitted timely except for September 2024; however, it was noted that no gross sales were generated during September 2024. The Concessionaire reported their Total Gross Sales with the required level of detail including reporting gross sales generated by each point-of-sale and subcontractor, reporting refunds, and taxes remitted.

Commission Fees

The Concessionaire must pay the Department a commission fee based on the schedule established in the Agreement. The Concessionaire was required to submit the monthly commission fee, plus State Use Tax, and any other fees through the Park Manager no later than the 20th day of each month. Based on our review, the Concessionaire's Monthly Reports utilized the correct commission fee rate for the reported Total Gross Sales, and all except two payments were processed by the Department on or before the 20th of the month. The Concessionaire was tax-exempt and submitted a State Use Tax Exempt Certification to the Department; however, our review determined that the April 2025 commission fee payment was entered into the Parks' point of sale system and taxes were deducted in the amount of $203.21.

Purchasing Card Industry (PCI)

The Agreement requires the Concessionaire to submit an updated Self-Assessment Questionnaire (SAQ) annually to the Park Manager. Our review indicated the Concessionaire used a third-party point-of-sale vendor to conduct sales at the Park. While the vendor was PCI compliant, the Concessionaire had not completed an SAQ.

Utilities

The Agreement states the Concessionaire will be responsible for the costs of all utilities associated with its operations within the Park including:

1. Electricity: The Concessionaire will pay the Department a fee of $375 per month for electricity until such time that the metered electric is successfully separated and an account is made with the utility provider in the Concessionaire's name.
2. Water/Sewer: The Concessionaire is obligated to pay a flat-rate, monthly fee of $250 to go toward the cost of Water/Sewer, which must be paid directly to the Department.
3. Garbage: The Concessionaire is obligated to pay a flat-rate, monthly fee of $100 to go toward the cost of garbage pick-up service, which must be paid directly to the Department.

Our review of the Monthly Reports submitted by the Concessionaire, for 2024 and 2025 up until October 2025, showed a utility fee of $725 paid each month. This was equal to the rate detailed by the Agreement. The Concessionaire completed the process of separating the electrical utilities for its operations at the camp store on August 20, 2025, and as of November 2025, no longer remitted the $375 electricity payments. However, it was noted during our site-visit, that the glamping sites and bungalow sites are still connected to the Park's utility meters. As the Agreement states that the Concessionaire is responsible for the costs of all utilities associated with its operations, the Concessionaire would still be required to remit a monthly utility payment for electricity. The Concessionaire began paying the electric utility fee again on the January 2026 Monthly Report.

E-Verify and Sexual Predator Check

The Agreement requires the Concessionaire to use the United States Department of Homeland Security's E-Verify Employment Eligibility Verification system to verify the employment eligibility of all employees. The Agreement also required the Concessionaire to conduct sexual predator and sexual offender checks on all employees and subcontractors. The Concessionaire provided documentation for their employees showing they had conducted E-Verify searches to confirm the eligibility of employees and also completed sexual predator and offender checks on their employees.

Quarterly Evaluations

The Division's Operations Manual contains procedures for the Park Manager to conduct Quarterly Evaluations that are used to *assess the Concessionaire's performance and facilities and ensure that the terms outlined in the Agreement are being followed*. Any deficiencies noted during the Quarterly Evaluation should be documented by a Notice of Non-Compliance. We reviewed the Quarterly Evaluations that were completed during the audit and noted that the Park Manager completed each Quarterly Evaluation prior to the end of the next quarterly period and generally documented positive results for the Concessionaire's performance and compliance with the Agreement. There were two deficiencies noted by the Park Manager across the Quarterly Evaluations; however, no Notice of Non-Compliance was sent. The deficiencies were addressed by the Park Manager and corrected by the Concessionaire.

CONCLUSION

During the audit, we reviewed the Concessionaire's activities and documentation provided by the Concessionaire and Division to determine compliance with the Agreement. We reviewed the sales generated by the Concessionaire, including those generated by their subcontractors, to determine the accuracy of the Total Gross Sales reported to the Department. Based on our review the Concessionaire complied with most elements of the Agreement. However, our review noted some areas where internal controls could be strengthened. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Minimum Accounting Requirements – The Concessionaire did not comply with all the requirements related to computerized cash register systems and special events.

Based on our review, the Concessionaire's special event contracts did not include all elements required by the Agreement and were not provided to the Park Manager as required. Additionally, the computerized cash register system did not always identify the cashier making the transaction, as summarized below:

<u>Electronic Cash Register and Computerized Software Requirements</u>
The Agreement requires the Concessionaire's computerized software system to contain an electronic record of each daily transaction by point-of-sale and/or by collection station. Additionally, each record of transaction must be date-stamped and timed, identify the cashier making the transaction, and record the sales and tax amounts. Our review noted the cashier identified as making a transaction was not always accurate. During our sample months, the Concessionaire owner was listed as the cashier at both locations for the electronic cash registers at the Park at the same time. The Concessionaire stated that, in the past, employees would process transactions through the Concessionaire's sign-in. Additionally, the online sales system reports listed two cashier names as "Lake" and "Beach" instead of an employee's name. The Concessionaire stated that employees utilized tablet devices assigned these location names rather than the employee signing in to conduct transactions.

<u>Special Events</u>
The Agreement authorizes the Concessionaire's shared use of the Park's Clubhouse which the Concessionaire rents out for special events. For each special event, the Agreement requires the Concessionaire to provide the customer with a written contract. The contracts should be pre-numbered, dated, and time-stamped and include booking fees; amount of balance due and date balance is due; client name; address; phone number; date of special event; number of people expected to attend; client requirements; and any other information needed to organize the special event. We reviewed rental contracts provided by the Concessionaire for the period January 2025 to January 2026. The rental contracts and physical receipts included the client's name, address, phone number, date of event, client requirements, fees requested, and date booked. However, the contracts were not pre-numbered nor indicated the number of people expected to attend.

The Concessionaire is also required to provide the Park Manager copies of all contracts, which document monthly, each special event and must be submitted with the Monthly Reports. Our review determined that special event contracts had not been provided to the Park Manager or submitted with the Monthly Reports. Although the Concessionaire stated that the reservations were entered into a shared calendar with the Park Manager.

Recommendation:
We recommend the Division and Park Manager work with the Concessionaire to ensure the Concessionaire's electronic software systems identify the cashier making the transactions, and special event contracts are complete and provided with the Monthly Reports, as required by the Agreement.

Management's Response:
POS Transactions & Cashier Identification:
The Concessionaire has taken corrective action to ensure that its point-of-sale system accurately identifies the employee processing each transaction, in accordance with the Agreement's Minimum Accounting Requirements.

At the time of the audit, certain transactions were processed under shared or location-based user profiles (e.g., "Lake" and "Beach"), or under the Concessionaire owner's login. As a result, the cashier identified in the system did not always reflect the individual employee completing the transaction.

Since the audit, the Concessionaire has implemented procedures requiring employees to log into the point-of-sale system using individualized user credentials when processing transactions. The Concessionaire has provided a current employee listing (Attachment 1) along with a transaction report (Attachment 2) demonstrating that transactions are now attributed to specific employees. Transactions processed through the Concessionaire's online platform continue to reflect the "online" identifier, which is consistent with the functionality of third-party online sales systems.

Special Events:
The Concessionaire has taken corrective action to ensure that Special Event contracts comply with the requirements of the Agreement.

At the time of the audit, Special Event contracts did not include all required elements, specifically a pre-numbered identifier and the number of expected attendees, and were not consistently provided to the Park Manager or submitted with the Monthly Reports.

Since the audit, the Concessionaire has updated its Special Event contract template to include all required elements, including a field for the number of expected attendees. Additionally, the Concessionaire has implemented a procedure to assign a unique receipt number to each contract at the time of execution, ensuring that all contracts are uniquely identified and can be tracked.

The Concessionaire has also implemented procedures to provide copies of all Special Event contracts to the Park Manager and to submit those contracts with the Monthly Reports, as required by the Agreement. The Concessionaire has provided a copy of a recently executed contract for an upcoming event demonstrating the updated format (Attachment 3), along with written confirmation of its understanding that all Special Event contracts must be submitted with its Monthly Reports (Attachment 4).

Finding 2: PCI Compliance – The Concessionaire has not submitted the required SAQ to the Department.

The Agreement requires the Concessionaire, prior to beginning operations, to ensure that the required data security measures are in place by submitting a completed SAQ to the Department. The Concessionaire will submit an updated SAQ to the Park Business Section by email annually on the anniversary of the Agreement's commencement date. Our review indicated the Concessionaire used a third-party point-of-sale vendor to conduct sales at the Park. While the vendor was PCI compliant, the Concessionaire had not completed an SAQ.

Recommendation:
We recommend the Division and Park Manager work with the Concessionaire to ensure an SAQ is completed annually.

Management's Response:
The Concessionaire has taken corrective action to comply with the Agreement requirement to complete and submit an annual Payment Card Industry (PCI) Self-Assessment Questionnaire (SAQ).

At the time of the audit, the Concessionaire utilized a third-party point-of-sale system; however, an SAQ had not been completed or submitted to the Department, as required by the Agreement.

Since the audit, the Concessionaire has completed the appropriate PCI SAQ and provided it to the Department for review (Attachment 5). The SAQ reflects the Concessionaire's use of a third-party payment processor and confirms that the required data security measures are in place.

STATEMENT OF ACCORDANCE

Statement of Accordance

The Mission of the OIG is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

This audit was conducted pursuant to Section 20.055, F.S., and in accordance with *Government Auditing Standards*, as published by the United States Government Accountability Office, and *Principles and Standards for Offices of Inspectors General,* as published by the Association of Inspectors General. The audit was conducted by Robert Oakley and supervised by Susan Cureton.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report and other reports prepared by the OIG can be obtained through the Department's website at https://floridadep.gov/oig or by contacting:

Office of Ombudsman and Public Services
public.services@floridadep.gov
(850) 245-2118

Candie M. Fuller,
Inspector General