

Audit of Friends of Birch State Park, Inc. Citizen Support Organization

Division of Recreation and Parks

Report: A-1516DEP-029

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

June 28, 2016

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Report: A-1516DEP-029

Table of Contents

Scope and Objectives	1
Methodology	1
Background	2
Results and Conclusions	2
Findings and Recommendations.....	7
Division Response.....	9

Report: A-1516DEP-029

The Office of Inspector General (OIG) conducted an audit of the agreement between the Friends of Birch State Park, Inc. Citizen Support Organization (CSO) and the Department of Environmental Protection (Department) Division of Recreation and Parks (Division). This audit was initiated as a result of the Fiscal Year (FY) 2015-2016 Annual Audit Plan.

Scope and Objectives

The scope of this audit included selected CSO activities during January 1, 2015 through June 30, 2015. The objectives were to determine:

- whether internal controls are in place over revenue and expenditures
- CSO compliance with Sections 20.058, 112.3251, 258.015 Florida Statutes (F.S.); Florida Administrative Code, CSO Handbook, CSO Agreement, Bylaws, Articles of Incorporation, CSO Policies and Procedures Manual, and the Division's Operations Manual Chapters 2 and 4
- the level of oversight by Hugh Taylor Birch State Park (Park) management, volunteer reporting, and Park resources used in CSO activities

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, CSO Agreement, Bylaws, Articles of Incorporation, CSO Policies and Procedures Manual, Division of Recreation and Parks' Operations Manual Chapters 2 and 4, and CSO documents
- review of Sections 20.058, 112.3251, and 258.015, F.S.

Report: A-1516DEP-029

- assessment of CSO revenue and expenses
- interviews with Park staff and CSO officers

Background

The Park is located in Fort Lauderdale, Florida, between the Atlantic Ocean and Intracoastal Waterway. Activities at the Park include canoeing, bicycling, fishing, swimming, Segway tours, and group camping. The CSO is a Not For Profit organization founded in 1999. The CSO provides support for the Park through special projects, fundraising events, community outreach, and environmental literacy programs. The CSO also established a three year giving program known as the Terramar Society. According to the CSO general ledger between January and June 2015, listed revenues were \$236,267.04 and total expenditures were \$171,408.31.

Results and Conclusion

Revenue and Expenditures

We selected a sample of reported revenues and expenditures listed on the CSO general ledger for the months of February and March 2015 to verify supporting documentation. For the sampled months, we reviewed 21 revenue transactions listed on the CSO general ledger representing \$45,394.28. All transactions were supported by bank statements, bank deposit slips, PayPal invoices¹, and credit card statements. The majority of CSO revenues were generated from donations, membership dues, and contributions from Terramar Society dues during the sample months.

¹ PayPal invoices – invoices from an online payment website

Report: A-1516DEP-029

For the sampled months, we chose a sample of 30 expenditures representing \$11,704.43, and verified all were supported by receipts, invoices, and checks. These expenditures represented purchases of Park supplies and equipment, marketing and advertisement materials, and grant consulting services, which appeared to benefit the Park.

Financial Management and Internal Controls

CSO officers include a President, Vice President, Secretary, and Treasurer. The CSO Board members elect executive, finance, education, marketing, projects, and young professionals committees. The Executive Director is a CSO employee. The CSO President's business employs a Bookkeeper, an Administrative Assistant, and two maintenance workers that volunteer as support for the CSO.

According to CSO officer interviews and review of documentation, the CSO President, Bookkeeper, Executive Director, and Finance Committee develop the annual budget, which is reviewed by the Park Manager. The Finance Committee presents the annual budget to the Board of Directors at the beginning of the year for approval prior to implementation.

Regarding controls over revenues, the CSO has one locked donation box at the Ranger Station. The Administrative Assistant or Executive Director collects funds weekly. A Park staff member verifies the amount by signing the Cash Donation Form. All CSO funds are kept separate from Park funds in a secure location until deposited. The bank deposit receipt, Cash Donation Form, and a copy of the deposit slip are forwarded to the Bookkeeper.

We reviewed seven Cash Donation Forms totaling \$502.25 for February and March 2015. Of the seven Cash Donation Forms, six were completed per the CSO Policies and Procedures

Audit of Friends of Birch State Park, Inc. Citizen Support Organization
Division of Recreation and Parks

Report: A-1516DEP-029

Manual. The Cash Donation Forms dated March 10, 2015 for \$108.75, did not include a Park employee signature. Based on interviews, revenues are received through PayPal, credit card, or wire transfers, these transactions are tracked by the Treasurer and Bookkeeper and reported to the Executive Director.

Regarding controls over expenditures, checks over \$5,000.00 require two officer signatures. Of the total 132 checks written between January 1, 2015 and June 30, 2015, four exceeded \$5,000.00. All four checks were signed by two authorized CSO members as required. According to CSO officer interviews, the Executive Director approves disbursements up to \$500.00 and submits invoices and other documentation to the Bookkeeper for payment and to monitor bank activity.

CSO Reporting

The CSO submitted an Annual Financial Report to the Park Manager and the Division for FY 2014-2015, which included a Park Manager's letter, Annual Budget, CSO President's letter, Statement of Accomplishments and Goals, and Value of Contributed Services Report. The CSO changed their fiscal year to the calendar year during the audit period. Due to this change, the CSO filed a tax return for the year end on June 30, 2015 and filed a short year tax return on December 31, 2015. We verified the CSO filed form 990 with the Internal Revenue Service in 2013. The CSO has obtained a current Consumer's Certificate of Exemption sales tax number and IRS Federal Employer Identification Number 501(c) (3). The CSO established a Code of Ethics and posted it on the CSO's website. The CSO does not sell any goods or services.

Report: A-1516DEP-029

Projects, Fundraising, and Grants

According to the general ledger, CSO projects that supported the Park between January 1, 2015 and June 30, 2015 included fundraising events as well as equipment and facility repairs. Donations and contributions received during the audit period totaled \$186,383.11. A majority of contributions were used to renovate the Terramar House, purchase three golf carts, pay the CSO personnel payroll, and for Park maintenance and repairs. In addition, the CSO collaborated with community members and Park management to relocate the City of Fort Lauderdale fire station and transform the old fire station into an education center.

The CSO officers and volunteer staff support the Park by facilitating grants awarded directly to the Park. During the audit period, two grants totaling \$150,000.00 for the Broward Boating Improvement Program began renovations on the public boat dock at the Park.

Management Oversight and Park Resources utilized for CSO Activities

The Park Manager provides oversight of CSO activities, and attends CSO Board meetings. The Park Manager is aware of upcoming events, projects, fundraisers, and grants, and approves CSO activities before implementation. The CSO meets every two months and maintains the minutes for all CSO Board meetings. According to the Board meeting minutes, the Park Manager prioritizes the Park's needs and approves CSO activities according to the Unit Management Plan. We reviewed the Park's Unit Management Plan and verified that the Park's goals and objectives are consistent with CSO projects during the audit period. Park employees are not responsible for CSO funds.

Report: A-1516DEP-029

CSO Membership and Volunteer Reporting

Based on volunteer application records, the CSO includes 19 members. According to the Volunteer Manpower Augmentation Report, the volunteer hours reported during January 1, 2015 through June 30, 2015 were 2,605. The CSO's records during the same time period supported 2,563 volunteer hours. Specifically, the discrepancies were due to the differences reported below.

CSO Volunteer Hours from 1/1/2015 to 6/30/2015				
Quarter	CSO Members	Augmentation Reports-Hours	CSO Reported Hours	Difference
1st Quarter	1	165	115	50
	2	0	4	-4
2nd Quarter	3	13	17	-4
Total Hours		178	136	42

According to the Bookkeeper, the difference of 42 volunteer hours was due to a clerical error.

Per discussions with the Park Manager, the CSO modified their volunteer hour reporting process and the Park is transitioning to the Bespoke Software, Inc. system (V Sys Live). In addition, the Department is transitioning to report volunteer hours using a new volunteer reporting system.

We requested sexual offender and predator checks for all 19 CSO members. Of the 19 sexual offender and predator checks, 17 were performed ranging from 1 month to 2 years and 8 months after CSO member applications were dated. Two sexual offender and predator checks were completed several months prior to the CSO member application date.

Report: A-1516DEP-029

Findings and Recommendations

Finding 1: Accuracy of CSO reported hours

The CSO Handbook, Chapter 5.3, reporting a CSO's Volunteer Hours states, *the CSO is required to track the service hours of its Board of Directors and officers contributing to its park(s) each year. The Division requires the board's total hours of service contributed to the park as a part of the CSO's Annual Financial Report, Statement of Accomplishments and Goals. The CSO board and its volunteers are required to submit their Volunteer Time Record Sheets monthly to their park's volunteer coordinator.* According to the Volunteer Manpower Augmentation Report, CSO volunteer hours reported during January 1, 2015 through June 30, 2015 were 2,605. CSO volunteer hours supported records were 2,563. One member's hours reported by CSO were 50 hours less than recorded on the Manpower Augmentation Report in the 1st quarter. A second member's hours reported by the CSO were 4 hours more than reported on the Manpower Augmentation Report in the 1st quarter. A third member with 4 reported CSO volunteer hours was not reflected in the Manpower Augmentation Report in the 1st quarter.

Recommendation:

We recommend that the Division direct the CSO to ensure that all CSO member hours are accurately reported and submitted monthly to the Park's volunteer coordinator as required.

Finding 2: National sexual offenders and predators registry for CSO members

According to the CSO Handbook Chapter 5.2, Division and Other Reporting Requirements/Sexual Predators and Offender's Registry, *park staff must conduct a search of the national sexual offenders and predators registry before employing or appointing a new regular service volunteer. A record of the search, whether positive or negative, must be maintained in the*

Audit of Friends of Birch State Park, Inc. Citizen Support Organization
Division of Recreation and Parks

Report: A-1516DEP-029

volunteer's personnel record. We reviewed sexual offender and predator checks. For the 19 members, 17 were performed ranging from 1 month to 2 years and 8 months after CSO member applications were dated.

Recommendation:

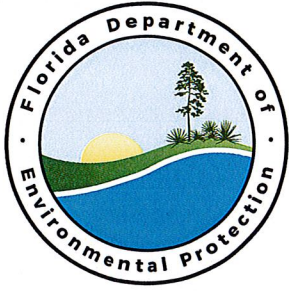
We recommend the Division direct the CSO to conduct sexual offender and predator checks before assigning any new CSO members as required in the CSO Handbook.

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,
Director of Auditing*

*Candie M. Fuller,
Inspector General*



Florida Department of Environmental Protection

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Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

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 Friends of Birch State Park, Inc. Citizen Support Organization Division of
Recreation and Parks Report: A-1516DEP-029

DATE: June 24, 2016

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

Findings and Recommendations

Finding 1: Accuracy of CSO reported hours

The CSO Handbook, Chapter 5.3, reporting a CSO's Volunteer Hours states, *the CSO is required to track the service hours of its Board of Directors and officers contributing to its park(s) each year. The Division requires the board's total hours of service contributed to the park as a part of the CSO's Annual Financial Report, Statement of Accomplishments and Goals. The CSO board and its volunteers are required to submit their Volunteer Time Record Sheets monthly to their park's volunteer coordinator.* According to the Volunteer Manpower Augmentation Report, CSO volunteer hours reported during January 1, 2015 through June 30, 2015 were 2,605. CSO volunteer hours supported records were 2,563. One member's hours reported by CSO were 50 hours less than recorded on the Manpower Augmentation Report in the 1st quarter. A second member's hours reported by the CSO were 4 hours more than reported on the Manpower Augmentation Report in the 1st quarter. A third member with 4 reported CSO volunteer hours was not reflected in the Manpower Augmentation Report in the 1st quarter.

Recommendation:

We recommend that the Division direct the CSO to ensure that all CSO member hours are accurately reported and submitted monthly to the Park's volunteer coordinator as required.

Division Response: The Division agrees with the recommendation. The Division will direct the CSO to be more diligent in following the guidelines for reporting hours as directed in the CSO Handbook.

Finding 2: National sexual offenders and predators registry for CSO members

According to the CSO Handbook Chapter 5.2, Division and Other Reporting Requirements/Sexual Predators and Offender's Registry, *park staff must conduct a search of the national sexual offenders and predators registry before employing or appointing a new regular service volunteer. A record of the search, whether positive or negative, must be maintained in the volunteer's personnel record.* We reviewed sexual offender and predator checks. For the 19 members, 17 were performed ranging from 1 month to 2 years and 8 months after CSO member applications were dated.

Recommendation:

We recommend the Division direct the CSO to conduct sexual offender and predator checks before assigning any new CSO members as required in the CSO Handbook.

Division Response: The Division agrees with the recommendation. The Division will direct the CSO to follow the guidelines as written in the CSO Handbook: The CSO will conduct sexual offender and predator checks before assigning any new CSO members.