



DATE: December 18, 2009

TO: RANDY COOPER, Director, PARCS
JERRY HAYNES, Assistant Director, PARCS
PAUL MELIKIAN, Administrative Manager, PARCS

THROUGH: RENENA SMITH, Budget Director *Renena Smith*
Budget and Management Studies Division

FROM: BOB KOURY, Principal Internal Auditor *Bob Koury*
BILL RICHARDS, Internal Auditor *Bill Richards*
Budget and Management Studies Division - Internal Audit

SUBJECT: FOLLOW-UP AUDIT REPORT - PARCS NEW RESERVATION SYSTEM AUDIT

Attached is the Follow-Up Audit Report with the current implementation status of the two recommendations made in the PARCS New Reservation System Audit Report issued on May 8, 2009. The follow-up audit was performed in accordance with AO 1-12 and Government Auditing Standards.

Internal Audit has concluded that the two Audit Recommendations have been implemented.

Thank you for your assistance during the course of this follow-up audit. If you have any questions, please do not hesitate to contact Bob Koury, Principal Internal Auditor, at 621-7072 or Bill Richards, Internal Auditor, at 621-7063.

Attachments

cc: Ashley Swearengen, Mayor
Council Members
Andrew T. Souza, City Manager
Bruce Rudd, Assistant City Manager
Nicole Zeba, Deputy City Manager
James Sanchez, City Attorney
Joe Gray, Finance Director/City Controller
Jane Sumpter, Principal Budget Analyst, Budget and Management Studies Division

INTERNAL AUDIT



FOLLOW-UP AUDIT REPORT

**PARCS
New Reservation System Audit**

Audit Number 10-0009

**Performed by:
Bill Richards, Internal Auditor
Budget and Management Studies Division – Internal Audit**

Issued on December 18, 2009

AUDIT RESULTS AND RECOMMENDATIONS

RecTrac Security Listing

The RecTrac user access Security Listing is not current. The Security Listing was not updated when personnel changes occurred. The Security Listing contains the name of a person who is no longer with the city, one employee is listed twice, one employee with an out of date location/device link, and four employees without a location/device link. The RecTrac Security Listing should be updated to prevent the possibility of unauthorized access, attempts to compromise the system and for audit trail purposes. Internal Audit discussed this issue with the RecTrac Systems Administrator and immediate corrective action was taken to correct the Security Listing.

Recommendation 1

The PARCS Director or his designee should update the RecTrac Security Listing regarding the status and location of employees to prevent unauthorized access to the system and for audit trail purposes.

ORIGINAL MANAGEMENT RESPONSE

PARCS Department Management concurs with the Audit Recommendation - See attached May 5, 2009 Memorandum Response.

CURRENT STATUS OF RECOMMENDATION

Implemented - See attached December 14, 2009 Memorandum Response.

RecTrac Fees and Descriptions

Internal Audit compared the RecTrac descriptions and fees to the City's Master Fee Schedule (MFS) and noted the following.

- Soccer Team/League Fee \$560; the MFS list as \$585.
- CPR/First Aid Class as \$35; the MFS list \$30 First Aid, \$40 CPR and \$50 CPR and First Aid.
- Manchester Park Diamond 2 of 2 Security/Cleaning fee not listed; the MFS list the fee range as \$100-500.
- Mosqueda Field with Lights not listed; the MFS list the fee as \$18.25.
- Eaton Plaza Amphitheater over 500 people not listed; the MFS list the fee as \$500.
- Woodward Group Activity Area over 500 people not listed; the MFS list the fee as \$500.
- Woodward Rotary Amphitheater:
 - NP 0-200 people \$200; the MFS list as \$100.
 - NP 201-500 \$350; the MFS list as \$175.
 - NP Over 500 \$500; the MFS list as \$250.

- PF over 500 missing; the MFS list as \$500.
- **Pool Rental:**
 - Pool Public Rental \$12.50; not listed in the MFS.
 - Pool Rental FUSD \$6.25; not listed in the MFS.
 - Sp Pool Rentals 2L \$0; the MFS list as \$25.
 - Sp Pool Rentals 3L \$37; the MFS list as \$37.50.
 - Sp Pool Rentals 5L \$62.00; the MFS list as \$62.50.
 - Airways Pool AP Pool Rentals 6L \$0; the MFS list as \$75.
- **Veterans Memorial Auditorium:**
 - Mem Aud Dep #1 1; the MFS has Mem Aud Dep Up to 3 Dates.
 - Mem Aud Dep #1 4; the MFS as Mem Aud Dep 4-7 Dates.
 - Mem Aud Dep #1 8; the MFS as Mem Aud Dep 8 or more Dates.
 - Mem Aud NP 8a-12; the MFS has Mem Aud NP 6pm to 12 midnight.
- Roeding and Woodward picnic tables and shelters have the same fee for half-day and full-day and the Roeding fees do not match the MFS.

There is no formal policy and procedure for the periodic verification of the RecTrac System Fees to ensure compliance with the City's MFS. Non-compliance with the MFS could result in the charging of fees different than the City's MFS. Internal Audit discussed this issue with the RecTrac Systems Administrator and immediate corrective action was taken to correct the fees and descriptions in RecTrac.

Recommendation 2

The PARCS Director or his designee should establish and implement a formal policy and procedure regarding an annual fee verification to ensure the fees and descriptions recorded in RecTrac are in compliance with the City's MFS.

ORIGINAL MANAGEMENT RESPONSE

PARCS Department Management concurs with the Audit Recommendation - See attached May 5, 2009 Memorandum Response.

CURRENT STATUS OF RECOMMENDATION

Implemented - See attached December 14, 2009 Memorandum Response.

City of



PARKS, AFTER SCHOOL, RECREATION AND COMMUNITY SERVICES DEPARTMENT

DATE: December 14, 2009

TO: BOB KOURY, Principal Internal Auditor
Budget and Management Studies Division/Internal Audit

FROM: RANDALL L. COOPER, Director *RC*
PAUL MELIKIAN, Administrative Manager *PM*

SUBJECT: FINAL RESPONSE- PARCS NEW RESERVATION SYSTEM AUDIT

In response to your audit conducted in March 2009 of the new RecTrac Reservation System, the Department implemented suggested recommendations from the Office of Internal Audit. The current status of the actions taken in response to the audit is as follows:

Recommendation 1: The PARCS Director or designee should update RecTrac Security Listing regarding status and location of employees to prevent access to the system and for audit trail purposes.

MANAGEMENT RESPONSE TO RECOMMENDATION:

The RecTrac Security listing has been updated to include adding additional sites, deleting duplicate users and disabling accounts for users who are no longer employed by the City. RecTrac will be monitored to ensure that user's in the "security listing" is updated as required. The Supervisor and/or Accounting clerks will notify the RecTrac Administrator immediately following employment status changes. (See attached P.M 31)

Status of the Response: The RecTrac Security listing is being regularly monitored for accuracy by the RecTrac Administrator.

Recommendation 2: The PARCS Director or designee should establish and implement a formal policy and procedure regarding an annual fee verification to ensure the fees and descriptions recorded in RecTrac are in compliance with City's Master Fee Schedule.

MANAGEMENT RESPONSE TO RECOMMENDATION:

The RecTrac Administrator will work closely with Administrative Manager and staff in regards to any fees changes to ensure RecTrac is in compliance with City's Master Fee schedule. Master Fee Schedule updates that are submitted in July will be updated in RecTrac and the City's website immediately following approval from City council.

The Department is drafting a procedure to document the steps staff is required to take for RecTrac processing, monitoring and updating users, updating the Master Fee Schedule, system maintenance and accounting processing. Due to the confidentiality reporting, this procedure will be held separate from the general Department policy. The anticipated completion date for this procedure is July 1, 2009.

Status of the Response: The RecTrac Reservation System Policy was finalized June 10, 2009 and distributed to all RecTrac users for immediate implementation. RecTrac is updated by the System Administrator to reflect changes in the Master Fee Schedule immediately following approval by City Council.

Attachment: Policy P.M. 31

COLLECTING AND SAFEGUARDING OF REVENUE

P.M. Number 31

Purpose:

To provide administrative policy and procedure guidelines for the collection and safeguarding of the Department revenue with the exception of the Aquatics Program, which policy is set forth in Policy Memorandum No. 32.

Policy:

1. Supervisors are to establish appropriate cut-off times for program registration times to allow staff adequate time to prepare deposits.
2. All cash, checks, or money orders are to be stored in a City safe. No cash, checks, etc., shall be stored in locked file cabinets or locked drawers at any time.
3. Donations collected at various sites must be secured prior to armored pickup.
4. Cash deposits must be initialed and dated. Pending checks will be held in safe until checks can be processed.
5. All payments must be counted and prepared daily for deposit and must balance to the Rectrac cash journal report. Daily reconciliation will be conducted at the Administration office.
6. All reservations entered into the computer reservations software must be made under the employee's login only. Under no circumstances will the login be shared between employees.
7. All payments received for reservations and registrations must be entered in Rectrac at the time of the transaction. Once processed, payments must be dropped in the safe immediately after the transaction is complete.
8. No handwritten receipts will be issued under any circumstances. Customers must be given computer reservation software generated receipts for all payments received.
9. A list of employees who are assigned keys to PARCS facilities and combinations to safes will be kept on file at the Administration office.
10. Supervisors and/or accounting should notify the RecTrac Administrator immediately following employment status changes.
11. The Senior Account Clerk and the Supervisors I and II shall be the only field or administrative staff that will have the combination to safes.
12. For backup purposes, the Recreation Manager and Department Administrative Manager will be the only other staff who will have the safe combinations.

City of



PARKS, AFTER SCHOOL, RECREATION AND COMMUNITY SERVICES DEPARTMENT

DATE: May 5, 2009

TO: BOB KOURY, Principal Internal Auditor
Budget and Management Studies Division/Internal Audit

FROM: RANDALL L. COOPER, Director *RLC*
PAUL MELIKIAN, Administrative Manager *PM*

SUBJECT: FORMAL RESPONSE- PARCS NEW RESERVATION SYSTEM AUDIT

In response to your audit conducted in March 2009 of the new RecTrac Reservation System, the Department has implemented recommendations from the Office of Internal Audit. Our formal responses and actions to the audit are as follows:

Recommendation 1: The PARCS Director or designee should update RecTrac Security Listing regarding status and location of employees to prevent access to the system and for audit trail purposes.

MANAGEMENT RESPONSE TO RECOMMENDATION:

The RecTrac Security listing has been updated to include adding additional sites, deleting duplicate users and disabling accounts for users who are no longer employed by the City. RecTrac will be monitored to ensure that user's in the "security listing" is updated as required. The Supervisor and/or Accounting clerks will notify the RecTrac Administrator immediately following employment status changes. (See attached P.M 31)

Recommendation 2: The PARCS Director or designee should establish and implement a formal policy and procedure regarding an annual fee verification to ensure the fees and descriptions recorded in RecTrac are in compliance with City's Master Fee Schedule.

MANAGEMENT RESPONSE TO RECOMMENDATION:

The RecTrac Administrator will work closely with Administrative Manager and staff in regards to any fees changes to ensure RecTrac is in compliance with City's Master Fee schedule. Master Fee Schedule updates that are submitted in July will be updated in RecTrac and the City's website immediately following approval from City council.

The Department is drafting a procedure to document the steps staff is required to take for RecTrac processing, monitoring and updating users, updating the Master Fee Schedule, system maintenance and accounting processing. Due to the confidentiality reporting, this procedure will be held separate from the general Department policy. The anticipated completion date for this procedure is July 1, 2009.

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