

**Audit of Agreement CA-0917 with
American Parks of Florida, LLC
at Fort Clinch State Park**

Division of Recreation and Parks

Report: A-1920DEP-013

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

January 16, 2020

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

<https://floridadep.gov/>





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The Office of Inspector General (OIG) conducted an audit of Agreement CA-0917 (Agreement) between the Department of Environmental Protection (Department) Division of Recreation and Parks (Division) and American Parks of Florida, LLC (Concessionaire) at Fort Clinch State Park (Park). This audit was initiated as part of the Fiscal Year (FY) 2019-2020 Annual Audit Plan.

Scope and Objectives

The scope of this audit included a review of Agreement activities and financial records during the period July 1, 2018, through June 30, 2019. The objectives were to:

- determine the accuracy of reported gross sales
- determine the Concessionaire's compliance with the Agreement
- evaluate management oversight of Concession activities and performance under the Agreement

Methodology

This audit was conducted under the authority of Section 20.055, Florida Statutes (F.S.), and in conformance with the current *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Our procedures included a site visit, interviews with the Concessionaire and Park management, as well as a review of Concessionaire and Park records.

Background

Under the Agreement, which was executed June 5, 2017, the Concessionaire collects fees for Fort Clinch Tour tickets on behalf of the Department. The Concessionaire also provides food and beverage services, merchandise resale, recreational equipment rental, the sale of bait and

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tackle, and event services at the Park. The Concessionaire uses a laundry service vendor to provide coin operated laundry service in the Park's campground. The Concessionaire is required to remit fees for the sale of Fort Clinch Tour tickets and pay 3% commission of total gross sales to the Department. Reported gross sales for the period of July 1, 2018, through June 30, 2019, were \$172,673.44. The Concessionaire reported the sale of 72,427 Fort Clinch Tour tickets. Payments to the Department for commissions and fees totaled \$151,694.06.

Results and Conclusions

Accuracy of Reported Gross Sales

To determine the accuracy of reported amounts, we compared gross sales as reported in the Monthly Report of Concessionaire's Total Gross Sales to the Concessionaire's monthly Operating Statements. We also compared the Operating Statements for the sampled months of May and June 2019 to daily Point of Sale (POS) records and amounts reported to the Department of Revenue. Amounts recorded in the Operating Statements were generally supported by daily POS entries and were consistent with amounts reported to the Department of Revenue. Reported Department fees collected and remitted for Fort Clinch Tour tickets were supported by Operating Statement entries and daily POS records.

According to Paragraph F of the Agreement, total gross sales are defined as *all sales of goods, merchandise, food and beverage, vending, and other permissible services including but not limited to equipment rentals and ticket sales, generated as a result of the Concessionaire's Services at or associated with the Park*. Total gross sales do not include sales tax collections, gratuities, funds collected on food consumed by employees, processing fees charged to customers for sales of Fort Clinch Tour tickets, pass through fees, or refunds.

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The Concessionaire’s reported total gross sales differed from amounts supported in the monthly Operating Statements as follows.

FY 2018-2019 Reported Gross Sales Comparison with Concessionaire Monthly Operating Statements	
Monthly Report of Concessionaire’s Total Gross Sales	Total Gross Sales Supported by Monthly Operating Statements
\$172,673.44	\$156,645.60

This difference was attributed to several factors. The Concessionaire had included processing fees charged to customers for sales of Fort Clinch Tour tickets as part of total gross sales. The Concessionaire had also deducted sales tax in error from the recorded pre-tax sales totals. Further, the Concessionaire had executed a Lease for coin-operated laundry service with a vendor which was not approved by the Department, and coin operated laundry was not an authorized service under the Agreement. Total sales reported from the coin-operated laundry vendor’s monthly statements were included as subcontract revenue.

Based on review of documentation and discussions with the Concessionaire, we verified that a bank account had been established for the Concessionaire’s operations at the Park. We compared bank deposits to the Concessionaire’s total collections, which included taxes and Fort Clinch Tour ticket sales collected on behalf of the Park as follows.

Fiscal Year 2018-2019 Bank Deposits Comparison to Total Collections	
Total Deposits	Collections Including Taxes and Fort Clinch Tour Tickets Collected on Behalf of the Department
\$348,217.60	\$348,281.63

While deposits were generally consistent with collections, we noted that the Concessionaire had used the bank account for depositing income unrelated to operations under the Agreement.

Agreement Requirements and Management Oversight

Under the Agreement, the Concessionaire is required to meet financial and service obligations. We obtained documentation and correspondence to verify the Concessionaire's compliance with these requirements as follows.

- Utility Payments: Utilities were paid as required.
- Security Bond: A Security Bond in the amount of \$6,000 was on file as required.
- Licenses and Insurance: The Concessionaire had obtained valid business licenses for operations and maintained required insurance certificates in the amounts specified under the Agreement. The Concessionaire also provided documentation of the use of signed liability waivers for recreation equipment rentals.
- Accessibility and Inclusion Policy: We obtained the Concessionaire's Accessibility and Inclusion Policy dated December 30, 2015, under the prior agreement. Based on observations during our site visit, this policy was not posted at the Concessionaire's operations in a visible location nor on the website as required under the Agreement.
- Purchase Card Industry (PCI) Requirement: The current Self-Assessment Questionnaire and Certificate of Compliance had been completed as required in the Agreement.
- E-Verify Employment Eligibility Verification: The Concessionaire provided employment eligibility records for employees and the Concession Manager during the audit period.
- Sexual Predator and Offender Checks: The Concessionaire provided Florida Department of Law Enforcement (FDLE) Sexual Predator and Sexual Offender searches for Concessionaire management and staff. However, the National Sex Offender Public Registry (NSOPR) searches had not been conducted.

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Commission Fee Payments

According to the Monthly Report of Concessionaire's Total Gross Sales, Monthly Profit and Loss Statements, Park issued receipts, and discussions with the Park Manager, commission payments were generally made by the 20th of the following month as required under the Agreement. However, the Park had delayed depositing the commission payments each month during the audit period.

Minimum Accounting Requirements

Based on our site visit and discussions with the Concessionaire, the POS system is equipped with a visual display facing customers, and signs are posted reminding customers to ask for a receipt. Registers produce customer copies of sales receipts that include recorded tax amounts and are closed out daily. Duties associated with handling, recording, and reconciling daily receipts are generally assigned to different employees. The Concessionaire or on-duty manager provides employee supervision.

According to the Minimum Accounting Requirements, *Customer refunds shall be supported by customer signed documents, or alternative method for electronic and online transactions. Transaction voids shall be documented and approved by the Concessionaire's Agreement Manager or designated employee.* We reviewed transaction voids for a sample of 12 days. For the days sampled, register receipts were retained for most voided transactions and included a written explanation for the void transaction. There were no refund transactions recorded during the days sampled. However, one voided transaction was noted as an item return. The noted transaction receipt did not include the customer's signature as required under the Agreement.

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While the Agreement contains no requirements for timely deposits or security over undeposited funds, bank deposits were made once a week on average during the audit period. Undeposited receipts were stored in the Concessionaire's safe in a secured location.

Minimum Operational Requirements

During our site visit, we verified the Concessionaire had posted operating hours and maintained a contact telephone number as required under the Agreement. Employees wore visitor service uniforms and nametags. Food and beverage services, merchandise resale, sale of Fort Clinch tour tickets, recreational equipment rentals and special events management services were being provided consistent with the Agreement. Rental and safety equipment inventory appeared to be well maintained.

Coin-Operated Laundry Service

In addition to services allowed under the Agreement, the Concessionaire uses a laundry service vendor to provide visitors in the campground the use of three coin-operated washing machines and three coin-operated dryers. Provision for this service is not specified in the Agreement.

The agreement between the Concessionaire and vendor is a Laundry Space Lease Agreement (Lease). Under the Lease, the Concessionaire leases the exclusive use and possession of premises in the Park's Beach Camp and River Camp areas to the vendor. Under the Lease, the vendor agrees to pay the Concessionaire rent equal to 60% of sales in connection with the use and possession of the leased premises and operation of equipment. The Department was not a party to the Lease. Section 253.03, F.S., does not indicate that the Citizen Support Organization

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(CSO) or the Concessionaire has the authority to lease premises in the Park, which operates as state-owned lands vested in the Board of Trustees of the Internal Improvement Trust Funds.

Website

According to Paragraph 4 of the Minimum Operational Requirements, *The Concessionaire, at its sole cost and expense, shall maintain a website to promote the Park, activities and Events within the Park according to the following: Concessionaire shall use a domain name and social media accounts which shall be pre-approved by the Department. The website design and content shall be pre-approved, in writing, by the Department or its designee.* The Concessionaire's website does not display content associated with promoting the Park, or the activities and events within the Park. Park management could not provide documentation demonstrating that the website was pre-approved by the Department. Alternatively, the Concessionaire has established a social media account for operations at the Park. During our audit, the Concessionaire submitted a memo to the Park Manager requesting permission to use the social media account to comply with the Agreement requirement for the website. The memo was initialed by the Park Manager.

Maintenance and Repair, Environmental, and Safety Plans

The Agreement Minimum Operating Requirements includes Concessionaire requirements for Maintenance and Repair, Environmental, and Safety Plans. Based on our review, a copy of the Maintenance Plan dated December 30, 2015, had been obtained by the Division upon execution of the Concessionaire's prior agreement. The Park Manager was unable to provide documentation demonstrating the plan dated December 30, 2015, had been approved by Park management as required or that it had been revised since execution of this Agreement.

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The Environmental Protection Policy and Plan originally provided during our audit was dated July 1, 2018, and was labeled as draft. Based on our inquiry, the Park Manager provided the updated document approved as of August 23, 2019.

The Concessionaire's Safety Plan dated September 21, 2016, as well as a revised Safety Plan dated July 23, 2019, had been obtained by Park management. However, the Park Manager was unable to provide documentation demonstrating it had been reviewed, approved, and revised annually as required under the Agreement.

Conclusion

Based on our audit, reported gross sales during the audit period were not reported accurately as required under the Agreement. In addition, the Concessionaire had not complied with Agreement requirements regarding bank accounts, refunds, sexual predator searches, service contract, website maintenance, as well as maintenance, environmental, and safety plans. Park management also had not deposited commission payments in a timely manner.

Findings and Recommendations

Finding 1: Reported Gross Sales

According to Paragraph F of the Agreement, total gross sales do not include sales tax collections, gratuities, funds collected on food consumed by employees, processing fees charged to customers for sales of Fort Clinch Tour tickets, pass through fees, or refunds. Reported total gross sales were \$172,673.44. However, total gross sales supported in the monthly Operating Statements were \$156,645.60. The Concessionaire had included processing fees charged to customers for sales of Fort Clinch Tour tickets as part of total gross sales. The Concessionaire had also deducted sales tax in error from the recorded pre-tax sales totals. Further, the

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Concessionaire had included total sales reported from a coin-operated laundry vendor's monthly statements as subcontractor revenue. This service was not included in the Agreement and had not been formally approved by the Division. As a result, reported gross sales did not represent the Concessionaire's total gross sales as specified in the Agreement.

Recommendation

We recommend the Division work with Park management to ensure the Concessionaire's total gross sales are reported consistent with Agreement requirements.

Finding 2: Concessionaire Bank Account

Section A.1 of the Minimum Accounting Requirements states, *the Concessionaire shall establish and maintain bank accounts (checking, savings, etc.) that are used solely for concession Agreement operations and are separate from any non-concession Agreement operations*. Based on review of financial documentation and discussions with the Concessionaire, the bank account used for the Concessionaire's operations at the Park had been used to deposit revenue unrelated to activities under the Agreement.

Recommendation

We recommend the Division work with Park management and the Concessionaire to ensure that bank accounts are used solely for the Concessionaire's operations under the Agreement as required.

Finding 3: Commission Payment Deposits

According to Chapter 1.8 (c)(2)(c) of the Division Operations Manual (OM), if Park receipts exceed \$2,000, a night bank deposit is mandatory. Monthly commission payments

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consistently exceeded \$2,000 during the audit period. However, each month the Park delayed depositing commission payments received beyond the time frame specified in the OM.

Recommendation

We recommend the Division work with Park management to ensure commission payments are deposited in a timely manner as required under the OM.

Finding 4: Refunds

According to the Minimum Accounting Requirements, *Customer refunds shall be supported by customer signed documents, or alternative method for electronic and online transactions*. There were no recorded refund transactions during the 12 days sampled for audit testing. However, one voided transaction had been noted as an item return. The noted transaction receipt did not include a customer signature as required under the Agreement.

Recommendation

We recommend the Division work with Park management to ensure the Concessionaire's POS system accurately reflects refund transactions. Any refunds issued should be supported by customer signed documents, or alternative method for electronic and online transactions as required under the Agreement.

Finding 5: National Sex Offender Public Registry Checks

Paragraph 35 of the Agreement states, *The Concessionaire shall not employ any person within the Park who is listed on either the sexual predator or sexual offender list maintained by the Florida Department of Law Enforcement ("FDLE") or maintained by the U.S. Department of Justice National Sex Offender Public Registry ("NSOPR"). If the Concessionaire or any subcontractor of the Concessionaire employs a sexual predator or*

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sexual offender, either with knowledge or without knowledge due to failure to perform the required research of the FDLE list or the NSOPR, such violation shall be cause for immediate unilateral termination of this Agreement by the Department. While the Concessionaire provided documentation of FDLE searches for the Concessionaire and employees, the NSOPR searches had not been conducted.

Recommendation:

We recommend the Division work with Park management to ensure that NSOPR sexual predator and sexual offender searches are conducted for the Concessionaire and employees as required.

Finding 6: Coin-Operated Laundry Service Vendor

The Concessionaire uses a laundry service vendor to provide three coin-operated washing machines and three coin-operated dryers for visitor use in the campground under a Laundry Space Lease Agreement (Lease). Provision for this service is not specified in the Agreement. Under the Lease, the Concessionaire leases the exclusive use and possession of premises in the Park's Beach Camp and River Camp areas to the vendor. Under the Lease, the vendor agrees to pay the Concessionaire rent equal to 60% of sales in connection with the use and possession of the leased premises and operation of equipment.

The Lease was signed by the Concessionaire on June 16, 2016¹, for a term of nine years. Part of the Lease was an Extension Addendum whereby the Concessionaire was made the successor of the Lease to the Park's CSO. The original Lease with the CSO was dated July 19, 2013. The Department was not a party to the Lease. Section 253.03, F.S., does not indicate that

¹ The Lease was signed a year prior to execution of the current Agreement. The Concessionaire had operated under prior Agreement CA-1215 for services at the Park. The prior agreement was executed November 10, 2015.

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the Concessionaire has the authority to lease premises in the Park, which operates as state-owned lands vested in the Board of Trustees of the Internal Improvement Trust Funds.

Based on discussions with the Concessionaire and Park Manager, the Concessionaire's Lease with the laundry service vendor had been considered a subcontract. Gross collections as reported on the vendor's monthly commission statements had been included as subcontractor gross sales on the Monthly Report of Concessionaire's Total Gross Sales. The Concessionaire had also been paying \$120 per month for vending machine fees for the three washers and three dryers, at \$20 each. During the course of our audit, the Concessionaire submitted a memo to the Park Manager requesting permission to use the laundry service vendor as a subcontractor. The memo was initialed by the Park Manager.

Recommendation:

We recommend the Division work with the Department's Office of General Counsel to address the Concessionaire's Lease. In addition, the Division should work with Park management to review the Concessionaire's service offerings for consistency with the Agreement. Any request to expand services should be reviewed for approval in writing by the Division. Any approved expansion of services should be incorporated in the Agreement by formal amendment.

Finding 7: Website

Exhibit A Minimum Operational Requirements and Procedures section 4 states, *The Concessionaire, at its sole cost and expense, shall maintain a website to promote the Park, activities and Events within the Park according to the following: Concessionaire shall use a*

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domain name and social media accounts which shall be pre-approved by the Department. The website design and content shall be pre-approved, in writing, by the Department or its designee.

The Concessionaire's website does not display content associated with promoting the Park, or the activities and events within the Park. There was no documentation demonstrating that the website was pre-approved by the Department. During our audit, the Concessionaire submitted a request to the Park Manager to use the Concessionaire's social media account to meet the website requirements in the Agreement. The request memo was subsequently initialed by the Park Manager.

Recommendation:

We recommend the Division work with Park management to ensure the Concessionaire meets the requirements for a website as outlined in the Agreement. Any alternate means of promoting the Park should be reviewed for formal approval in writing by the Department.

Finding 8: Accessibility and Inclusion Policy and the Maintenance and Repair, Environmental Protection and Safety Plans

According to Paragraph 31.c.iv., of the Agreement, *The Concessionaire must post on its premises and its website, if it provides one, the Concessionaire's accessibility and inclusion policy in a highly visible location which will be visible to the public and the Concessionaire's employees at all times.* We obtained the Concessionaire's Accessibility and Inclusion Policy dated December 30, 2015, under the prior agreement. Based on observations during our site visit, this policy was not posted at the Concessionaire's operations in a visible location nor on the website as required under the Agreement.

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Paragraph 5 of the Minimum Operating Requirements states, *Prior to commencement of Services under this Agreement, the Concessionaire shall provide a draft Maintenance and Repair Plan which will be evaluated by the Department or its designee. A final Maintenance and Repair Plan, which incorporates the District and Park Manager's comments and which shall be approved by the Department or its designee, shall be implemented prior to commencement of Services under this Agreement. The Maintenance and Repair Plan shall be revised periodically, through mutual agreement of the Concessionaire and the Department or its designee, to ensure Facilities are maintained for a quality visitor experience.* A copy of the Maintenance Plan dated December 30, 2015, had been obtained by the Division upon execution of the Concessionaire's prior agreement. However, an updated Maintenance Plan had not been submitted for the current Agreement. The Park Manager was unable to provide documentation demonstrating the plan dated December 30, 2015, had been approved by Park management or that it had been revised since execution of the Agreement.

Paragraph 6 of the Minimum Operating Requirements states, *Prior to commencement of Services under this Agreement, the Concessionaire shall provide a draft Environmental Protection Plan which will be evaluated by a Department biologist. A final Environmental Protection Plan which incorporates the Department biologist, the District and the Park Manager's comments and is approved by the Department or its designee shall be implemented prior to commencement of Services under this Agreement.* The Environmental Protection Policy and Plan originally provided during our audit was dated July 1, 2018, and was labeled as a draft. Based on our inquiry, the Park Manager provided the same plan dated July 1, 2018, which was labeled approved as of August 23, 2019.

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Paragraph 7 of the Minimum Operating Requirements states, *Prior to commencement of Services under this Agreement, the Concessionaire shall provide a draft Safety Plan which will be evaluated by the Department's Safety Officer and Park Manager. A final Safety Plan, which incorporates the District and Park Manager's comments and shall be approved by the Department's Safety Officer, shall be implemented prior to commencement of Services under this Agreement. The Safety Plan shall be revised once a year, thereafter by the Agreement execution anniversary date, and shall be submitted to Department's Safety Officer and Park Manager for evaluation and approval.* The Concessionaire's Safety Plan dated September 21, 2016, as well as a revised Safety Plan dated July 23, 2019, had been obtained by Park management. However, the Park Manager was unable to provide documentation demonstrating it had been reviewed, approved, and revised annually as required.

Recommendation

We recommend the Division work with Park management to ensure the Concessionaire posts its Accessibility and Inclusion policy as required under the Agreement. The Division should also work with Park management to ensure Maintenance and Repair, Environmental Protection and Safety Plans are submitted for review and approval by the Department as required under the Agreement.

Management Comment

Quarterly Evaluation Requirement and Timeliness

Part of the Park Manager's understood responsibility for Concessionaire oversight includes completion of a Concessionaire Quarterly Evaluation Report. This evaluation serves as

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a monitoring tool by which Park management ensures that Agreement requirements are being met and as a mechanism for Concession performance feedback.

Concessionaire Quarterly Evaluation Reports were completed for the four quarters during the audit period. However, the reports were completed two or more months after the end of each quarter. Of the four, three were signed by the Park Manager. The completed reports reflected positive results in all areas of the Concessionaire's operations.

Direction concerning Park management's responsibility for the Concessionaire Quarterly Evaluation is not specified in the Agreement, nor is it part of the Division's OM. Originally established in the Division's prior OM, written requirements for completion and use of the Concessionaire Quarterly Evaluation Reports were removed during past OM updates. As a result, Park management does not have clear direction regarding the completion, timing, distribution, and follow-up necessary for the effective and consistent use of this monitoring tool. The Division would benefit from formally addressing specific Park management requirements for completion and use of the Concessionaire Quarterly Evaluation Reports in its OM.

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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 Cindy Newsome 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

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Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Noah Valenstein
Secretary

Memorandum

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

FROM: Eric Draper, Division Director 
Division of Recreation and Parks

SUBJECT: Division Response to Audit of Agreement Audit of Agreement CA-0917
with American Parks of Florida, LLC at Fort Clinch State Park (Report:A-
1920DEP-013)

DATE: January 14, 2020

Finding 1: Reported Gross Sales

According to Paragraph F of the Agreement, total gross sales do not include sales tax collections, gratuities, funds collected on food consumed by employees, processing fees charged to customers for sales of Fort Clinch Tour tickets, pass through fees, or refunds. Reported total gross sales were \$172,673.44. However, total gross sales supported in the monthly Operating Statements were \$156,645.60. The Concessionaire had included processing fees charged to customers for sales of Fort Clinch Tour tickets as part of total gross sales. The Concessionaire had also deducted sales tax in error from the recorded pre-tax sales totals. Further, the Concessionaire had included total sales reported from a coin-operated laundry vendor's monthly statements as subcontractor revenue. This service was not included in the Agreement and had not been formally approved by the Division. As a result, reported gross sales did not represent the Concessionaire's total gross sales as specified in the Agreement.

Recommendation:

We recommend the Division work with Park management to ensure the Concessionaire's total gross sales are reported consistent with Agreement requirements.

Division Response:

Concur with finding and recommendation. Beginning in November, the Division corrected the procedure for reporting total gross sales. Additionally, the Division will

conduct a full reconciliation of reported total gross sales for the life of the Agreement to date.

Finding 2: Concessionaire Bank Account

Section A.1 of the Minimum Accounting Requirements states, *the Concessionaire shall establish and maintain bank accounts (checking, savings, etc.) that are used solely for concession Agreement operations and are separate from any non-concession Agreement operations.* Based on review of financial documentation and discussions with the Concessionaire, the bank account used for the Concessionaire's operations at the Park had been used to deposit revenue unrelated to activities under the Agreement.

Recommendation:

We recommend the Division work with Park management and the Concessionaire to ensure that bank accounts are used solely for the Concessionaire's operations under the Agreement as required.

Division Response:

Concur with finding and recommendation. The Park Manager directed the Concessionaire to use the bank account(s) solely for the Concessionaire's operations as required by the Agreement. The Division will continue to confirm compliance.

Finding 3: Commission Payment Deposits

According to Chapter 1.8 (c)(2)(c) of the Division Operations Manual (OM), if Park receipts exceed \$2,000, a night bank deposit is mandatory. Monthly commission payments consistently exceeded \$2,000 during the audit period. However, each month the Park delayed depositing commission payments received beyond the time frame specified in the OM.

Recommendation:

We recommend the Division work with Park management to ensure commission payments are deposited in a timely manner as required under the OM.

Division Response:

Concur with finding and recommendation. The Park Manager will ensure commission payments are deposited according to the requirements in the Operations Manual.

Finding 4: Refunds

According to the Minimum Accounting Requirements, *Customer refunds shall be supported by customer signed documents, or alternative method for electronic and online transactions.* There were no recorded refund transactions during the 12 days sampled for audit testing. However, one voided transaction had been noted as an item return. The noted transaction receipt did not include a customer signature as required under the Agreement.

Recommendation:

We recommend the Division work with Park management to ensure the Concessionaire's POS system accurately reflects refund transactions. Any refunds issued should be supported by customer signed documents, or alternative method for electronic and online transactions as required under the Agreement.

Division Response:

Concur with finding and recommendation. The Park Manager directed the Concessionaire to ensure refunds are accurately reported and documented as required by the Agreement.

Finding 5: National Sex Offender Public Registry Checks

Paragraph 35 of the Agreement states, *The Concessionaire shall not employ any person within the Park who is listed on either the sexual predator or sexual offender list maintained by the Florida Department of Law Enforcement ("FDLE") or maintained by the U.S. Department of Justice National Sex Offender Public Registry ("NSOPR"). If the Concessionaire or any subcontractor of the Concessionaire employs a sexual predator or sexual offender, either with knowledge or without knowledge due to failure to perform the required research of the FDLE list or the NSOPR, such violation shall be cause for immediate unilateral termination of this Agreement by the Department.* While the Concessionaire provided documentation of FDLE searches for the Concessionaire and employees, the NSOPR searches had not been conducted.

Recommendation:

We recommend the Division work with Park management to ensure that NSOPR sexual predator and sexual offender searches are conducted for the Concessionaire and employees as required.

Division Response:

Concur with finding and recommendation. The NSOPR sexual predator and sexual offender searches have been conducted.

Finding 6: Coin-Operated Laundry Service Vendor

The Concessionaire uses a laundry service vendor to provide three coin-operated washing machines and three coin-operated dryers for visitor use in the campground under a Laundry Space Lease Agreement (Lease). Provision for this service is not specified in the Agreement. Under the Lease, the Concessionaire leases the exclusive use and possession of premises in the Park's Beach Camp and River Camp areas to the vendor. Under the Lease, the vendor agrees to pay the Concessionaire rent equal to 60% of sales in connection with the use and possession of the leased premises and operation of equipment.

The Lease was signed by the Concessionaire on June 16, 2016, for a term of nine years. Part of the Lease was an Extension Addendum whereby the Concessionaire was made the successor of the Lease to the Park's CSO. The original Lease with the CSO was dated July 19, 2013. The Department was not a party to the Lease. Section 253.03, F.S., does not indicate that the Concessionaire has the authority to lease premises in the Park, which operates as state-owned lands vested in the Board of Trustees of the Internal Improvement Trust Funds.

Based on discussions with the Concessionaire and Park Manager, the Concessionaire's Lease with the laundry service vendor had been considered a subcontract. Gross collections as reported on the vendor's monthly commission statements had been included as subcontractor gross sales on the Monthly Report of Concessionaire's Total Gross Sales. The Concessionaire had also been paying \$120 per month for vending machine fees for the three washers and three dryers, at \$20 each. During the course of our audit, the Concessionaire submitted a memo to the Park Manager requesting permission to use the laundry service vendor as a subcontractor. The memo was initialed by the Park Manager.

Recommendation:

We recommend the Division work with the Department's Office of General Counsel to address the Concessionaire's Lease. In addition, the Division should work with Park management to review the Concessionaire's service offerings for consistency with the Agreement. Any request to expand services should be reviewed for approval in writing by the Division. Any approved expansion of services should be incorporated in the Agreement by formal amendment.

Division Response:

Concur with finding and recommendation. The Division consulted with the Office of General Counsel regarding the Lease. Formal amendment will update the Agreement to incorporate the approved expansion of services.

Finding 7: Website

Exhibit A Minimum Operational Requirements and Procedures section 4 states, *The Concessionaire, at its sole cost and expense, shall maintain a website to promote the Park, activities and Events within the Park according to the following: Concessionaire shall use a domain name and social media accounts which shall be pre-approved by the Department. The website design and content shall be pre-approved, in writing, by the Department or its designee.* The Concessionaire's website does not display content associated with promoting the Park, or the activities and events within the Park. There was no documentation demonstrating that the website was pre-approved by the Department. During our audit, the Concessionaire submitted a request to the Park Manager to use the Concessionaire's social media account to meet the website requirements in the Agreement. The request memo was subsequently initialed by the Park Manager.

Recommendation:

We recommend the Division work with Park management to ensure the Concessionaire meets the requirements for a website as outlined in the Agreement. Any alternate means of promoting the Park should be reviewed for formal approval in writing by the Department.

Division Response:

Concur with finding and recommendation. The Division is reviewing the concessions business model to recommend a stronger marketing strategy including web-based marketing.

Finding 8: Accessibility and Inclusion Policy and the Maintenance and Repair, Environmental Protection and Safety Plans

According to Paragraph 31.c.iv., of the Agreement, *The Concessionaire must post on its premises and its website, if it provides one, the Concessionaire's accessibility and inclusion policy in a highly visible location which will be visible to the public and the Concessionaire's employees at all times.* We obtained the Concessionaire's Accessibility and Inclusion Policy dated December 30, 2015, under the prior agreement. Based on observations during our site visit, this policy was not posted at the

Division Response to Audit of Agreement Audit of Agreement CA-0917 with American Parks of Florida, LLC at Fort Clinch State Park (Report:A-1920DEP-013)

Concessionaire's operations in a visible location nor on the website as required under the Agreement.

Paragraph 5 of the Minimum Operating Requirements states, *Prior to commencement of Services under this Agreement, the Concessionaire shall provide a draft Maintenance and Repair Plan which will be evaluated by the Department or its designee. A final Maintenance and Repair Plan, which incorporates the District and Park Manager's comments and which shall be approved by the Department or its designee, shall be implemented prior to commencement of Services under this Agreement. The Maintenance and Repair Plan shall be revised periodically, through mutual agreement of the Concessionaire and the Department or its designee, to ensure Facilities are maintained for a quality visitor experience.* A copy of the Maintenance Plan dated December 30, 2015, had been obtained by the Division upon execution of the Concessionaire's prior agreement. However, an updated Maintenance Plan had not been submitted for the current Agreement. The Park Manager was unable to provide documentation demonstrating the plan dated December 30, 2015, had been approved by Park management or that it had been revised since execution of the Agreement.

Paragraph 6 of the Minimum Operating Requirements states, *Prior to commencement of Services under this Agreement, the Concessionaire shall provide a draft Environmental Protection Plan which will be evaluated by a Department biologist. A final Environmental Protection Plan which incorporates the Department biologist, the District and the Park Manager's comments and is approved by the Department or its designee shall be implemented prior to commencement of Services under this Agreement.* The Environmental Protection Policy and Plan originally provided during our audit was dated July 1, 2018, and was labeled as a draft. Based on our inquiry, the Park Manager provided the same plan dated July 1, 2018, which was labeled approved as of August 23, 2019.

Paragraph 7 of the Minimum Operating Requirements states, *Prior to commencement of Services under this Agreement, the Concessionaire shall provide a draft Safety Plan which will be evaluated by the Department's Safety Officer and Park Manager. A final Safety Plan, which incorporates the District and Park Manager's comments and shall be approved by the Department's Safety Officer, shall be implemented prior to commencement of Services under this Agreement. The Safety Plan shall be revised once a year, thereafter by the Agreement execution anniversary date, and shall be submitted to Department's Safety Officer and Park Manager for evaluation and approval.* The Concessionaire's Safety Plan dated September 21, 2016, as well as a revised Safety Plan dated July 23, 2019, had been obtained by Park management. However, the Park Manager was unable to provide documentation demonstrating it had been reviewed, approved, and revised annually as required.

Recommendation:

We recommend the Division work with Park management to ensure the Concessionaire posts its Accessibility and Inclusion policy as required under the Agreement. The Division should also work with Park management to ensure Maintenance and Repair, Environmental Protection and Safety Plans are submitted for review and approval by the Department as required under the Agreement.

Division Response:

Concur with findings and recommendations. The Park Manager has confirmed the Accessibility and Inclusion Policy is posted. The Maintenance and Repair and Environmental Protection Plans have been approved by the Park Manager. The Safety Plan has been reviewed and approved as required by the Agreement.