



Department of Environmental Protection Office of Inspector General

March 27, 2023

Report A-2122DEP-019

Audit of Agreement with the Olustee Battlefield Citizens Support Organization, Inc.

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of the Division of Recreation and Parks (Division) Citizen Support Organization Agreement (Agreement) with the Olustee Battlefield Citizens Support Organization, Inc. (CSO). This audit was initiated as a result of the Fiscal Year (FY) 2021-2022 Annual Audit Plan.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included CSO activities and financial records for the period beginning January 1, 2021. The objectives of the audit were to:

- Evaluate controls over CSO Agreement revenue and expenses.
- Determine the CSO's compliance with the Agreement and applicable requirements.
- Evaluate Park management oversight of CSO activities.

To achieve the audit objectives, our methodology included a review of authoritative information; interviews with CSO Officers, Park and Division staff; and a review of Division and CSO records.

BACKGROUND

The Agreement between the CSO and the Olustee Battlefield Historic State Park (Park) was executed in March 2015. The CSO raises funds through donations, membership dues, specials events, and sales of merchandise in support of the Park. The Annual Reenactment of the Battle of Olustee is the CSO's main event that takes place in February each year. Another focus of the CSO is an ongoing project to construct a museum facility to include interpretive exhibits as part of the Park's Unit Management Plan. Funding for this project derives from donations and grants. In 2013, the Hill Truck Rental (HTR) Foundation approved a grant of \$1,000,000 to the CSO as financial support for this project. The CSO received a portion of the grant funds for the initial cost of design and construction. Requests from the CSO to receive any of the remaining grant funds from the HTR Foundation are dependent on the progress of the project.

**Department of Environmental Protection
Office of Inspector General
Audit of Agreement with the Olustee Battlefield Citizens Support Organization, Inc.**

During calendar year 2021, the CSO reported \$28,914.07 in revenues and \$1,572.07 in expenses. Additionally, the CSO's combined expenditures for the design and construction of the new museum totaled \$21,000 in 2021. The CSO maintains a checking, savings, and two investment accounts which hold money market and mutual funds. Account ending balances as of May 2022 were as follows:

Account	Ending Balance
<i>Checking</i>	\$78,237.37
<i>Savings</i>	\$51.36
<i>Money Market</i>	\$264,216.29
<i>Money Market and Mutual Funds</i>	\$428,586.43
Balance as of May 31, 2022	\$771,091.45

RESULTS OF AUDIT

During the audit, we reviewed documentation from the CSO and the Division for the months of January 2021 through May 2022, including but not limited to monthly bank statements and reconciliation worksheets, general ledger, records associated with CSO sponsored events, CSO meeting minutes, CSO membership list and payments, CSO reports required by the Division, volunteer records, as well as current records as necessary. In addition, we reviewed CSO revenue and expense source documents for the sample months of February and March 2022. Based on our review, we found the following:

Revenue and Expenses

According to the CSO's financial records and 2022 Legislative Report, revenues and expenses for calendar year 2021 were as follows:

2021 CSO Revenues and Expenses	
Revenues	
<i>Sutlers Fees</i>	\$3,236.23
<i>Memberships</i>	\$255.00
<i>Investment Income</i>	\$25,417.45
<i>Other Income</i>	\$5.39
Total Revenue	\$28,914.07
Expenses	
<i>Supplies, Reenactment</i>	\$454.31
<i>Other Fees</i>	\$287.00
<i>Postage</i>	\$56.00
<i>Taxes</i>	\$24.76
<i>Accounting Fees</i>	\$750.00
Total Expenses	\$1,572.07
Net Profit/(Loss)	\$27,342.00

During the audit, we compared amounts reported in the CSO's record of checks and deposits to the general ledger, bank statements, and other financial documentation provided for the sampled months of February and March 2022. Based on our review,

reported revenues and expenses were generally consistent with the records reviewed for the sample months.

Chapter 2.12 of the Division's CSO Handbook recommends *CSOs to address financial policies either in their Bylaws or through a separate stand-alone financial policy*. The CSO's Bylaws outline the duties of the Treasurer and provide general rules regarding contracts, checks, deposits, and funds; however, the CSO does not have a separate financial policy. Based on our review we noted some discrepancies with the revenue collection process during the annual event, some CSO expenditures did not have supporting documentation, and petty cash was not properly documented (see Finding 1, page 7).

CSO Revenues

According to the CSO, revenues are generated from donations, events, membership dues, and merchandise sales. The CSO accepts donations and sales made by cash, check, credit card, and online payments through a PayPal account. Membership dues are generally collected during the annual meeting¹ by the CSO Treasurer and recorded in the minutes by the CSO Secretary. The CSO Treasurer issues a receipt for each paid due as means of tracking members' payments.

We reviewed the revenue and supporting documentation for two sample months of February and March 2022. Funds received via cash, check, and credit card were documented on the CSO's deposit record and totaled \$55,636.56. Based on a review of deposit slips, transaction reports, and bank statements, the total deposited appeared to be consistent with the CSO's deposit record.

CSO Expenditures

According to the CSO's Annual Program Plan for both 2021² and 2022, the CSO's planned use of funds were to continue the construction of the museum pursuant to the Park's Unit Management Plan and for the annual reenactment event. Expenditures made for the museum project used funds from the CSO's money market account. In February and May of 2021, expenditures for the design and construction of the new museum totaled \$21,000. These expenditures appear to be consistent with the Annual Program Plan and supported by the general ledger, bank statements, and expense source documents.

We reviewed expenditures for the sample months of February and March 2022 and noted that most expenditures appeared to be for purchases consistent with the CSO's support for the Park. However, our review found that 37 of the 48 (or 77%) sampled expenditures were not supported by receipts, as required (see Finding 1, page 7).

Sales Tax

Chapter 2.11 of the Division's CSO Handbook states *the sales tax number is required for any organization or business selling items such as books, posters, T-shirts, admission tickets, and any other retail items. Florida law requires a CSO to collect and report sales tax on all taxable sales*. According to the Florida Department of Revenue (DOR) Florida Sales and Use Tax GT-800013 (GT-800013) form, State sales tax, plus any applicable discretionary sales surtax, is due on sales of taxable goods or services. A portion of CSO

¹ An annual meeting of the voting members of the CSO is held between February 25 and May 25.

² No events were held in 2021 due to the impact of the COVID-19 pandemic.

revenue is generated from sales of merchandise and sutler fees. Based on interviews, the CSO collects and reports sales tax for these sales.

As part of the audit, we reviewed financial records received from the CSO and compared the CSO's revenue and expenses to the reported sales tax collections for calendar year 2021. Our review determined that sales, in the amount of \$3,236.23, made from sutler fees were reported and sales tax remitted to DOR as required. However, while the documentation did not indicate revenue from merchandise sales, minutes for a CSO meeting held in May 2021 indicate there were merchandise sales made online (see Finding 2, page 9).

CSO Compliance with Agreement and Division Requirements

The CSO was established and operates in compliance with § 258.015, Florida Statutes (F.S.). Based on our audit, the following was noted:

- Not-For-Profit Corporation Annual Report: Section 13 of the Agreement states that *the CSO shall file and renew the Not-For-Profit Corporation Annual Report annually with the Department of State, in accordance with Chapter 617, Florida Statutes*. We verified that the report was filed as required.
- CSO Annual Legislative Report: According to § 20.058, F.S., the Department must collect information from the CSO and submit a report to the Governor and Legislature by August 15th of each year. Section 14 of the Agreement requires the CSO to submit the necessary information to the Division by July 1st in order to meet the statutory requirement. Our review determined the report was timely submitted and contained information in accordance with the Agreement and § 20.058, F.S.
- Code of Ethics: The CSO has an established Code of Ethics that is posted on the CSO's website, pursuant to § 112.3251, F.S.
- Payment Card Industry (PCI) Data Security Standards (DSS): Chapter 4.11 of the Division's CSO Handbook and Chapter 1.4 of the Operations Manual (OM) requires the CSO to comply with PCI DSS when accepting payment cards directly or indirectly through a third-party provider, such as PayPal. For the audit period, the CSO did not complete a PCI Self-Assessment Questionnaire (SAQ) and an Attestation of Compliance as required (see Finding 2, page 9).

Annual Program Plan

Section 5.b. of the Agreement requires the CSO to submit an Annual Program Plan to the Park Manager on or before the end of the CSO's fiscal year. According to Chapter 1.4 of the OM, the CSO's Board of Directors and Park Manager must approve an Annual Program Plan before January 31st of each year. The CSO's 2022 Annual Program Plan, signed by the CSO President and Park Manager in December 2021, included a list of planned events at the Park, along with estimated dates and frequency of occurrence. While the Annual Program Plan was inadvertently dated for calendar year 2021, Park management confirmed that the plan was for calendar year 2022 and provided documentation to support that it was timely submitted.

CSO Events

The Battle of Olustee Reenactment is an annual event held and coordinated by both Park staff and the CSO. The Annual Battle of Olustee Reenactment conducted at the Park was listed on the approved 2022 Annual Program Plan. Chapter 1.4 of the OM requires a written Essential Eligibility Criteria (EEC) for all in-park events. Park management provided the approved EEC, along with pre-event information to include participation requirements, provided to participants for the event as required.

Additionally, our review noted the following:

- We were unable to reconcile cash collected during the event to deposit slips or deposits documented in the bank statements (see Finding 1, page 7).
- Written approval from the Park Manager was not obtained prior to the release of publicity for the event, as required (see Finding 3, page 10).

CSO Membership and Meetings

The CSO's Board of Directors is comprised of 15 Directors; four of which are also CSO Officers. According to § 617.1601, F.S., the CSO is required to maintain corporate records including minutes of all meetings of its members and Board of Directors, a list of the names and addresses of all members by class of voting members, and a list of the names and addresses of its current Directors and Officers. Our review determined that documentation of meeting minutes, Directors and Officers of the corporation, and membership lists were maintained by the CSO. However, our review revealed some inconsistencies in CSO membership records (see Finding 4, page 11).

The CSO provided minutes for board and committee meetings held during the audit period. According to the CSO's Bylaws, Directors and Officers³ are elected to positions and serve two-year terms. Elections of CSO Officers are held *at the first regular meeting of the Board of Directors held after the annual meeting of voting members of the Corporation*. Elections of Directors are conducted in annual meetings with half being elected in even-numbered years and half in odd-numbered years. Further, the Bylaws state, *if an officer's term as Director expires during his term as an officer and he or she is not re-elected as a Director, then another board member will be elected to fill the position*. Based on our review of the minutes and record of CSO Board of Directors provided by the CSO, we determined that elections of Officers and Directors were held at CSO meetings and conducted as required.

Article V of the CSO's Articles of Incorporation states that *there shall be classes of members known as Individual Members and Family Members and such other classes of members as may be prescribed in the by-laws. Provided, however, that the right to vote at meetings of the Corporation shall be limited to voting members as designated in the Corporation's by-laws*. According to the CSO's Bylaws and website, any persons having made application to the Board of Directors and paid dues shall obtain membership and have voting privileges. On the CSO's website, memberships and membership renewals may be purchased online via PayPal or by mailing a check with a completed application

³ The general officers of the CSO are the President, Vice President, Secretary, and Treasurer. An officer of the CSO must also be an elected Director.

to the CSO's Post Office Box.⁴ Based on our review, we determined the CSO is composed of Individual and Family Members which generally pay annual dues⁵ during the CSO's annual meetings. The CSO also includes Individual Members with a Lifetime membership which does not require reinstatement through annual dues. According to the CSO's record of dues collected during annual meetings and deposit receipts, the CSO received membership dues totaling \$255 in year 2021 and \$345 in year 2022.

Park Management Oversight of CSO Activities

The CSO holds annual meetings, reenactment committee meetings, and board meetings, as necessary. Minutes are recorded by the Secretary and retained by the CSO. Chapter 1.6 of the Division's CSO Handbook states the role of the Park Manager includes *attending all CSO meetings and encouraging additional park staff to participate in CSO meetings to promote a successful working relationship*. As part of the audit, we reviewed meeting minutes obtained from the CSO and interviewed Park staff and the CSO to determine staff involvement and oversight of CSO activities. According to the minutes of CSO meetings held from January 2021 to June 2022, Park management attended all eight CSO meetings. The minutes included discussions over the new museum project, CSO sales, event advertising and other preparations.

However, based on our review we determined:

- Volunteer records, including background checks and Volunteer Agreements, were not maintained in the Division's Volunteer Management System (V Sys), as required (see Finding 5, page 12).
- There had been no CSO Management Review conducted within the last four years, as required by the CSO Handbook (see Finding 6, page 15).

CONCLUSION

The CSO was established and operates in accordance with § 258.015, F.S., pursuant to the Agreement. However, we noted control weaknesses in the areas of cash management, PCI DSS compliance, CSO membership processes, CSO Board membership, volunteer coordination and recordkeeping, and management review. Further, we identified opportunities for management to strengthen some internal controls, as well as some areas where new monitoring controls could be established and implemented, to ensure compliance with Agreement terms and Division requirements. Our findings and recommendations are listed below.

⁴ According to the CSO's website, to obtain or renew membership, individuals may provide their name and contact information while purchasing online via PayPal. The website also offers individuals to print, complete, and mail a Membership Application, along with a check made payable to the CSO.

⁵ CSO membership fees are \$20 for Individual Members and \$25 for Family Members.

FINDINGS AND RECOMMENDATIONS

Finding 1: Cash Management – Control weaknesses were identified in CSO revenue collection and reporting, expenditure documentation, and petty cash due to lack of financial policy.

Chapter 2.12 of the Division’s CSO Handbook recommends that CSOs adopt a financial policy and provides a framework of recommended key controls and best practices for CSO financial activities. The CSO’s Bylaws address the duties of the Treasurer and general procedures regarding contracts, checks, deposits, and funds of the CSO. However, the CSO has not established a separate stand-alone financial policy.

Based on our review we found discrepancies with the revenue collection process during the annual event, CSO expenditures did not have supporting documentation, and petty cash was not properly documented.

Event Revenue Collection Process

The CSO’s main source of revenue is the Annual Battle of Olustee Reenactment (event). For the 2022 event, funds were collected as follows:

- CSO volunteers collected entry fees in designated booths or gates⁶ and documented sales from gate admissions on a revenue collection form⁷.
- A CSO Officer collected reenactor fees from an honor box at the registration tent.
- The CSO received a check for service fees collected from an ATM at the Park.

Based on discussions with the CSO and Park management, collected funds and numbered tickets sold during the event are counted by CSO Officers and verified by the Treasurer and at least two other board members at the end of each day of the event. In addition, a change fund in the amount of \$10,000 was used for the event. Park staff are present during the counting and verification process. After verification and discussion of any discrepancies, the funds are sealed in a deposit bag and the Treasurer makes a nightly deposit at the credit union.

As part of the audit, we reviewed the CSO’s record of checks and deposits, general ledger, bank statements, and other documents⁸ provided for the months of February and March 2022. Funds collected from gate admissions during the annual event held in February were recorded on a revenue collection form.

With respect to cash handling procedures during special events, the Division’s CSO Handbook specifically recommends the following:

- *All movement of cash be documented in a log sheet for the event.*

⁶ All three booths/gates accepted cash and checks; however, only one accepted credit card payments.

⁷ The CSO Register Daily Operator Worksheet is a revenue collection form used by the CSO to track the number of tickets sold and cash collected during an event.

⁸ Source documents included revenue collection forms, deposit slips, checks, receipts, and invoices.

**Department of Environmental Protection
Office of Inspector General**

Audit of Agreement with the Olustee Battlefield Citizens Support Organization, Inc.

- *Each person handling cash is assigned a cash box which is counted before and after his or her shift. Each person is responsible for his or her collections, receipts, and end of shift reconciliation reports.*
- *It is recommended all deposits be counted in dual control by staff, park staff, and/or a volunteer. The person verifying the deposit should place his or her initials on the deposit slip, documenting a second count, and a verification of the amount should be written on the deposit slip.*

During our review, we were unable to reconcile cash collected during the event to deposit slips or deposits documented in the bank statements due to the following observations:

Audit Observation	CSO Handbook Criteria
Funds collected from reenactor registration fees, including \$1,019 in cash found in the museum, ⁹ were not documented during the event.	<i>All movement of cash be documented in a log sheet for the event.</i>
Most of the revenue collection forms did not include the amount of the change fund for each booth where ticket sales were collected.	<i>Each person handling cash is assigned a cash box which is counted before and after his or her shift. Each person is responsible for his or her collections, receipts, and end of shift reconciliation reports.</i>
Some of the revenue collection forms lacked signatures or initials of the individual collecting funds or verifying the amount.	<i>Each person handling cash is assigned a cash box which is counted before and after his or her shift. Each person is responsible for his or her collections, receipts, and end of shift reconciliation reports.</i>
Deposit slips noted collections from gate admissions and registration fees but did not discern the amounts collected for each.	<i>It is recommended all deposits be counted in dual control by staff, park staff, and/or a volunteer. The person verifying the deposit should place his or her initials on the deposit slip, documenting a second count, and a verification of the amount should be written on the deposit slip.</i>

CSO Expenditures

The Division's CSO Handbook recommends all disbursements for goods and services be paid for by credit card or check and receipts and invoices retained. Further, the CSO's Bylaws¹⁰ state *receipts must be kept by the CSO to verify all expenditures*. Both the CSO President and Treasurer have access to the CSO's debit cards and are authorized to sign checks/drafts made on behalf of the CSO.

During the sampled months of February and March 2022, there were 48 expenditures totaling \$32,078.98. Of those, 39 were made by checks and were signed by the Treasurer and another CSO Officer. Most of the expenditures appeared to be purchases that were consistent with the CSO's support for the Park. However, based on our review, 37 (77%) of the 48 sampled expenditures were not supported by receipts, as required. Additionally, both vendor invoices and receipts were not provided for 17 of the 37 expenditures resulting in \$6,282.60 in questionable costs.

⁹ Cash from a previous event, in the amount of \$1,019, was denoted as "found money" on the general ledger.

¹⁰ CSO's Bylaws, Article X, Section 2

Petty Cash

The CSO's Bylaws state *the Secretary of the Corporation shall be given a petty cash fund for necessary expenses. The amount of the fund shall be determined by the Board of Directors.* Additionally, Chapter 2.12 of the Division's CSO Handbook recommends *all cash transactions and/or donations have an explanation and original receipts and invoices retained for audit purposes.*

Based on interviews with CSO Officers, there is no petty cash fund, although there was a \$10,000 change fund used during the Annual Battle of Olustee Reenactment. In addition, \$1,019 in cash was denoted as "found money" on the general ledger and presumed to be from a previous event.

After the previous Secretary of the CSO stepped down from their position, an envelope containing \$50.00 in cash was given to the Treasurer and was later assumed to be the petty cash fund kept by the previous Secretary. This amount was not recorded in the CSO's general ledger as there were no details on the envelope nor documentation associated with the \$50.00 to specify its purpose. Further, the CSO's general ledger showed a balance of \$4.00 remaining in an account for "cash on hand." The CSO could not provide an explanation for this account to determine the source and location of these funds.

Recommendation

We recommend:

- 1.1 The Division work with the Park to provide additional oversight of CSO fiscal activities and ensure funds have been properly expended and documented.
- 1.2 The Division work with the Park and CSO to ensure the CSO establishes a financial policy that outlines fiscal controls and responsibilities for all areas of cash collections and expenditures consistent with standards in the Division's OM and CSO Handbook.

Division Response

The Division concurs with the finding and will work with the Park to provide additional oversight of CSO fiscal activities. Additionally, the Division will reinforce to the CSO the recommendation to establish a financial policy.

Finding 2: Online Sales – For online sales, the CSO was not in compliance with Payment Card Industry standard requirements and there was no evidence of sales taxes paid or prompt deposits made.

Based on our review, we found merchandise sales were made via the CSO's website; however, the CSO had not complied with Payment Card Industry (PCI) standard requirements. Additionally, there was no evidence of sales taxes paid or prompt deposits made.

Payment Card Industry Data Security Standards (DSS)

Chapter 4.11 of the Division's CSO Handbook and Chapter 1.4 of the Operations Manual (OM) requires the CSO to comply with PCI DSS when accepting payment cards directly or indirectly through a third-party provider, such as PayPal. The CSO is required to complete a PCI Self-Assessment Questionnaire (SAQ) and an Attestation of Compliance. Based on our review we determined, while payment cards are accepted, the CSO had not completed a PCI SAQ or an Attestation of Compliance. During our audit, Park management explained they had not implemented the requirement for the CSO to complete a PCI SAQ and Attestation of Compliance due to oversight.

Florida Sales Tax

All sales made by a CSO are subject to Florida Sales Tax. Chapter 2.11 of the Division's CSO Handbook states *Florida law requires a CSO to collect and report sales tax on all taxable sales* to the Florida Department of Revenue (DOR). According to the CSO, a portion of revenue comes from sutler fees and merchandise sales. According to interviews with CSO Officers and minutes of CSO meetings, sales were made from the website during the audit period. In March of 2022, postage was spent for CSO items ordered from the CSO's website. However, revenue from these online sales were not reflected on the general ledger, bank statements, and source documents. The CSO filed returns and paid sales and use tax for sales made from sutler fees during calendar year 2021; however, online merchandise sales were not included.

Prompt Deposits

Article X, Section 3, of the CSO's Bylaws state *all funds of the Corporation shall be deposited promptly to the credit of the Corporation in such banks, trust companies or to other depositories as the Board of Directors may select*. During the audit, the CSO was unable to provide documentation to show whether online payments received through the PayPal account on the CSO's website were deposited into the CSO's primary depository.

During the audit, documentation of donations and sales made from the CSO's website was not provided. Based on discussions with CSO Officers and a review of the CSO's website, the PayPal account is linked to a previous Treasurer of the CSO and the current CSO Officers do not have access to the PayPal account.

Recommendation

We recommend the Division and Park work with the CSO to ensure the following:

- 2.1** The CSO complies with the PCI standards and annually completes a PCI SAQ and Attestation of Compliance.
- 2.2** Sales tax is collected and paid to DOR on revenue generated through the CSO's online merchandise sales.
- 2.3** Revenue generated from the CSO's online sales are timely deposited into the CSO's primary depository.

Division Response

The Division concurs with the finding and will work with the CSO to ensure they understand the requirements to comply with the PCI standards and annually completes a PCI SAQ and Attestation of Compliance, that sales tax is collected and paid to DOR on revenue generated through the CSO's online merchandise sales, and that revenue generated from the CSO's online sales are timely deposited into the CSO's primary depository.

Finding 3: Event Publicity – The CSO released event publicity without written approval from the Park Manager, as required by the Operations Manual.
--

Chapter 1.4 of the OM requires the CSO to *obtain approval from the park manager, in writing, prior to any publicity being released about the special event.* The Battle of Olustee Reenactment is an annual event held and coordinated by both Park staff and the CSO. The CSO advertised the event, held in February 2022, through various broadcast media.

Based on interviews with Park management and CSO Officers, the CSO coordinates with Park staff regarding publicity for the event to include budget, sources of media, and associated costs. Discussions between the CSO and Park staff regarding scheduling deadlines for publicity and the release of publications and advertisements for the annual event were recorded in the minutes of CSO meetings held prior to the event, with the Park Manager present or in attendance by phone. However, our review determined that written approval from the Park Manager was not obtained prior to the release of publicity regarding the annual event, as required.

Recommendation

- 3.1** We recommend the Division and Park work with the CSO to ensure that all event publicity is approved in writing by the Park Manager prior to release of the publicity, as required by the OM.

Division Response

The Division concurs with the finding and will work with the CSO to ensure they comply with the OM.

Finding 4: CSO Board Membership – Membership records were not maintained in accordance with the Bylaws.
--

Article V of the CSO's Articles of Incorporation states that *there shall be classes of members known as Individual Members and Family Members and such other classes of members as may be prescribed in the by-laws. Provided, however, that the right to vote at meetings of the Corporation shall be limited to voting members as designated in the Corporation's by-laws.* According to the CSO's Bylaws and website, to become an Individual or Family Member, persons provide their contact information by way of

completing a membership application and pay membership dues.¹¹ Individual and Family Members have voting privileges and may be elected to the Board of Directors.

Based on our review, we found the CSO is composed of Individual and Family Members which pay annual dues generally during the CSO's annual meetings. The CSO also includes Individual Members with a Lifetime Membership. Based on interviews with CSO Officers and review of the master membership list, Lifetime Members do not pay annual dues or require reinstatement. Lifetime memberships are not listed as a category in the Bylaws; however, it is an option listed on the CSO's website and membership application form. The CSO's Bylaws do not address Lifetime memberships nor the process of reinstatement for Individual and Family Members.

As part of the audit, we discussed and reviewed with CSO Officers their processes and documentation for monitoring CSO memberships. Membership dues are collected during annual meetings and payments are deposited and tracked by the CSO Treasurer. In addition, the master CSO membership list is updated accordingly. According to the CSO's record of dues collected during annual meetings and deposit receipts, the CSO received membership dues totaling \$255 in year 2021 and \$345 in year 2022.

As a Division requirement, the CSO must report their number of general memberships as part of the Annual Legislative Report. In addition:

- Article VIII of the CSO's Bylaws state that *the secretary shall ensure an up-to-date list of membership is maintained by category, to be used solely for the benefit of the organization.*
- Chapter 1.4 of the OM states *a completed CSO Legislative Report form and a copy of the CSO's Code of Ethics must be emailed as attachments to the CSO's district office, who must review the documents and work with the CSO to assure the documents are complete and accurate.*
- Chapter 2.8 of the Division's CSO Handbook recommends the Bylaws *be reviewed periodically to assure they continue to meet the needs of the organization* and provides a sample outline as general guidance.

During our review, we compared records of memberships and paid dues documented in the master membership list, meeting minutes, and record of dues deposited for calendar year 2021 and 2022, as well as reviewed minutes of CSO meetings for elections of CSO Officers and Directors. Our review revealed inconsistencies in CSO membership records and noted the following:

- Not all elected board members had paid their annual dues.
- We were unable to determine the names of the board members nominated and elected during the CSO meeting held in February 2022 based on the minutes of the meeting. Those serving on the Board of Directors should be documented

¹¹ CSO membership fees are \$20 for Individual Members and \$25 for Family Members.

members in accordance with the Articles of Incorporation and elected by members in accordance with the Bylaws.

- Discrepancies between the amount of membership fee paid and the class of membership on record (e.g., a Family Member paid the fee designated for an Individual Member).
- Documentation and evidence maintained to support membership dues and classes of memberships were inconsistent. There were discrepancies between the master membership list and the record of dues collected, which was maintained by the Treasurer and supported by deposit receipts.
- The total number of CSO general memberships for calendar year 2021 reported on the Annual Legislative Report was inconsistent with the master membership list and record of collected dues.

Recommendation

- 4.1** We recommend the Division and Park work with the CSO to ensure compliance with its Bylaws regarding CSO membership, to include establishing written guidelines and procedures regarding memberships, particularly dues, categories, and reinstatement, either in their Bylaws or in a separate stand-alone policy.

Division Response

The Division concurs with the finding and will reinforce to the CSO the requirements to comply with their By-Laws.

Finding 5: Volunteer Records – Volunteer records, including background checks and Volunteer Agreements, were not maintained in the Division’s Volunteer Management System (V Sys), as required.

The Annual Battle of Olustee Reenactment (event) is coordinated by the Park and the CSO. All participants in the event are required to register, either as an individual or group, by completing the Reenactor Application Form and a Florida Park Service (FPS) Volunteer Application and Agreement. Based on discussions with CSO Officers and Park staff, all reenactors participating in the event are considered FPS volunteers.

The Division’s CSO Handbook and Chapter 1.6 of the OM requires all volunteer records be maintained in the volunteer’s V Sys¹² profile to include, but not limited to, the following: Volunteer Agreements, hours served, training, and background checks (see chart below).

¹² Division’s Volunteer Management System (V Sys) is an application system used to maintain all volunteer records including volunteer hours, trainings, sexual offender and predator checks, award milestones, and agreements, if applicable.

Volunteer Requirements Operations Manual, Chapter 1.6, Section 4	
4.1.	<i>The Volunteer Agreement (DRP-059) must be completed annually by all individuals serving as a regular service volunteer, including CSO officers and board members (see CSO Agreement). This must not include occasional service volunteers who are involved in a group-sponsored, one-time project. The form should be completed through VSysLive.</i>
4.2.	<i>The Group Volunteer Application and Agreement (DRP-057) must be completed by all groups who are performing volunteer projects in the park. The agreement must reflect all names of the participants serving as volunteers in the group. The record is maintained in VSys.</i>
4.3.	<i>Both the U.S. Department of Justice National Sexual Offender Public Website and the Florida Sexual Predator and Offender's Checks must be run and saved to parks' regular service volunteer's VSys profiles before the volunteer service starts at the park. See Operations Manual, Chapter 1.5.</i>

Regular Service Volunteers

To determine compliance with the Division's volunteer requirements, we reviewed volunteer records contained in VSys and a sample of registration forms¹³ related to the event. Based on our review, we noted that volunteer hours served during the event were recorded as a lump sum in VSys; however, neither Volunteer Agreements nor background checks were maintained in VSys as required.

CSO Board Members

Chapter 1.4 of the OM states *all CSO Board of Directors, like all FPS regular service volunteers must follow the Division's volunteer requirements.* To determine compliance with the Division's volunteer requirements, we reviewed volunteer records maintained in VSys for the CSO's Board of Directors. According to Section 20 of the Agreement, *each CSO officer and member of its Board of Directors must annually sign the Division's Volunteer Agreement.* Volunteer Agreements were completed for 13 of the 15 board members; three of which were last signed in 2017 or earlier. The remaining two board members had no record of a Volunteer Agreement in VSys.

Chapter 1.6 of the OM requires a record of search of the State and national sexual predator's registry on file in the volunteer's VSys profile. Searches were conducted, and maintained in VSys, through both the U.S. Department of Justice National Sexual Offender Public Website (NSOPW) and the Florida Department of Law Enforcement (FDLE) Sexual Offenders and Predators Search for 11 of the board members, as required.

Based on our review, we noted volunteer records were not maintained in VSys as required. For the 15 members of the CSO's Board of Directors and the Reenactor Pre-Event Registration Group Volunteer forms for the 2022 Battle of Olustee Reenactment provided by Park staff, we noted the following:

- Volunteer Agreement: Five CSO board members did not complete a current Volunteer Agreement. Two members had no Volunteer Agreement on record in

¹³ Sample consists of Reenactor Application Forms and Group Application and Agreements from group volunteers that pre-registered for the 2022 Battle of Olustee Reenactment.

VSys, whereas the remaining three had expired Agreements that were last signed in 2017 or earlier.

- **Background Check:** Four CSO board members were missing results of the required background checks in VSys. One did not have any background checks on record and the remaining three were missing a search conducted through either the NSOPW or FDLE registry.
- **Volunteer Hours:** According to the CSO's Annual Legislative report, the total number of volunteer hours for the Board of Directors for calendar year 2021 was 2,034. However, there were only 1,252.5 hours reported in VSys, resulting in a 781.5-hour difference from the Annual Legislative Report.
- **Annual DEP Combo Training:** During calendar years 2021 and 2022, ten CSO board members did not complete the Annual DEP Combo Training. Of the ten, nine CSO board members did not have any records to indicate completion of the required training for previous years.
- **Group Volunteer Hours/Agreements:** A total of 23,328 hours were recorded in VSys for all reenactors that participated during the three-day event. None of the Group Volunteer Agreements or participant lists were uploaded in VSys. Additionally, there was insufficient information in VSys to indicate the total number of groups and service hours per group. Also, several of the Group Volunteer Agreements were not signed or were incomplete.

Recommendation

We recommend the Division and Park work with the CSO to ensure the following:

- 5.1** All Volunteer Agreements and background checks are completed prior to start of volunteer service at the Park, including special events.
- 5.2** All volunteer records, including individual and group Volunteer Agreements, background checks, completed trainings, and hours of service, are maintained in VSys as required.

Division Response

The Division concurs with the finding and will work with the CSO to ensure Volunteer Agreements, background checks, or Short-Term Volunteer Agreements are completed prior to service at the park and that volunteer records, including individual and group Volunteer Agreements, Short-Term Volunteer Agreements, background checks, completed trainings, and hours of service, are maintained in VSys as required.

Finding 6: CSO Management Review – There has been no CSO Management Review conducted within the last four years, as required by the CSO Handbook.
--

According to Chapter 1.4 of the OM, *the Division must conduct management reviews of all CSOs falling below the annual \$300,000 expenditure limit.* Further, Chapter 5.5 of the Division's CSO Handbook states, *it is a Division requirement that all CSOs below the*

expenditure limit will participate in a CSO Management Review conducted once every four (4) years, pursuant to § 215.981, F.S. The District Park Programs Development Specialist, CSO President, and Park Manager must attend the review.

Based on documentation provided by Park management, the last CSO Management Review was conducted by the District on May 13, 2016, with the CSO President and Park Manager in attendance. The review generally reflected positive results; however, there have been no further reviews completed within the last six years.

Recommendation

- 6.1** We recommend the Division work with the District, Park, and CSO to ensure that a management review of the CSO is scheduled and conducted every four years in accordance with Division's CSO Handbook and OM.

Division Response

The Division concurs with the finding and will work with the District, Park, and CSO to ensure a management review is conducted every four years in accordance with the CSO Handbook and OM.

Finding 7: CSO Reporting Requirements – The Division's CSO Handbook and Agreement have not been updated to reflect current practices and requirements.

The Division's CSO Handbook and Agreement have not been updated to reflect current practices and requirements regarding the submission of an Annual Financial Report and other requirements. According to Chapter 5.7 of the Division's CSO Handbook, a CSO must submit an Annual Financial Report to the Division no later than six months after the end of the CSO's fiscal year. Additionally, the Annual Financial Report remains a requirement in Section 11 of the Agreement.

However, the required financial reporting is part of the CSO's Annual Report to the Legislature. The Division eliminated the requirement to submit a separate report to avoid duplicative information, as a result of legislative changes made in 2019 to § 20.2551 F.S. The Division's CSO Handbook, dated January 15, 2015, has not been revised to reflect the updated reporting requirement. Additionally, the Annual Financial Report remains a requirement in Section 11 of the Agreement.

This issue was previously addressed in a prior audit (Audit Report A-1920DEP-019, *Audit of Agreement with the Friends of Lake Louisa State Park, Inc., Citizen Support Organization*) published in 2019.

Further, Section 5b. of the Agreement and Chapter 4.2 of the Division's CSO Handbook require the CSO's Annual Program Plan to include the designation of a specific location, date, and time for each proposed in-park activity and event. According to Division management and Chapter 1.4 of the OM, this information is no longer required on the Annual Program Plan.

Recommendation

- 7.1 We recommend the Division revise the CSO Handbook to remove outdated information so as to reflect current Division policies and requirements. Further, we recommend the Division work with the Park and CSO to ensure the Agreement is also updated to be consistent with current Division requirements.

Division Response

The Division concurs with the finding and will work with the Friends Groups and Volunteer Manager to ensure that the CSO Handbook and CSO Agreement template are updated to reflect the updated reporting requirements.

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 work product was prepared pursuant to § 20.055, Florida Statutes, in accordance with the *Principles and Standards for Offices of Inspectors General* as published by the Association of Inspectors General and the *International Standards for the Professional Practice of Internal Auditing*, as published by the Institute of Internal Auditors, Inc. The audit was conducted by Erica L. Reeve and supervised by Candie M. Fuller.

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