

**Audit of Grayton Beach State Park and the
Friends of Grayton Beach State Park
and Deer Lake State Park, Inc.
Citizen Support Organization**

Division of Recreation and Parks

Report: A-1920DEP-021

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

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

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Audit of Grayton Beach State Park and the Friends of Grayton
Beach State Park and Deer Lake State Park, Inc. Citizen Support Organization
Division of Recreation and Parks



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The Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Grayton Beach State Park (Park), as well as the Agreement with the Friends of Grayton Beach State Park and Deer Lake State Park, Inc. Citizen Support Organization (CSO).

Scope and Objectives

The scope of this audit included Park and CSO activities and financial records during the period beginning July 1, 2018, to current activities. The objectives were to determine whether:

1. the Park is operating in compliance with applicable requirements and controls are in place with respect to:
 - revenue collection and reporting attendance
 - park expenditures, procurement, and Purchasing Card (P-Card) use
 - property and equipment management
 - volunteer activities
2. the CSO is operating in compliance with the Agreement and applicable requirements, and whether controls are in place regarding reported revenues and expenditures.

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 review of authoritative information, interviews with Park and Division staff and CSO Officers and review of Park and CSO records.

Background

The Park, located in Santa Rosa Beach, Florida, offers visitors amenities such as cabins, campsites, access to the beach, picnic pavilions, and boat ramps. Day use revenues are received at the ranger station. To promote visitation and support for the Walton County (County) Tourist

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Development Plan, the Division entered into an interlocal Agreement with the County for reimbursement of day-use admission fees for visitors entering the Park for a limited period between Memorial Day weekend and Labor Day weekend. Between July 1, 2018, and December 31, 2019, the Park reported \$2,635,866.80 in revenues and attendance of 222,100 visitors.

The current Agreement with the CSO was executed in February 2015. The CSO raises funds in support of the Park through donations, sale of merchandise, coin-operated laundry, and recreation rentals. According to the CSO's Profit and Loss Report, the CSO reported \$99,265.51 in revenue and \$56,422.22 in expenses in 2019¹.

Results and Conclusions

Revenue Collection and Reporting

Park revenue is collected at the Park's ranger station and through the Division's Central Reservation System². Based on discussions with Park staff, and observations during our site visit, security over Park gates and daily cash collections is consistent with requirements outlined in the Division's Operations Manual (OM).

To determine the accuracy of reported revenue, we compared revenue documented on Daily Deposit Worksheets (DDW) to support documentation for the sampled months of May and June 2019. For the months reviewed, reported amounts were generally consistent with the Park's DDWs. Adjustments documented on DDWs were consistent with the financial session reports and credit/cash receipts. Discrepancies were generally documented in the Comments Section of the DDW, per the Florida State Parks and CAMA Revenue Collection Procedures (Revenue

¹ The CSO's fiscal year begins on January 1 and ends on December 31.

² The Central Reservation System collects revenues for online camping reservations.

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Procedures), with minor exceptions. Based on the review of the DDWs and Financial Sessions, there were no tax-exempt transactions during the sampled months.

According to the Division's interlocal Agreement with the County, the County agrees to reimburse and timely pay the Park fees invoiced at the end of each calendar month. The Park invoiced the County \$10,208.00 for May 24, 2019, through May 31, 2019, and \$37,726.00 for the month of June 2019 on July 11, 2019. Payment from the County was received July 30, 2019. These amounts were supported by Point of Sale Summary Reports.

During the sampled months, the Park issued one cash and nine credit card refunds. According to the Revenue Procedures, *the Park is responsible for maintaining all documentation related to refunds*. The refunds reviewed were supported by receipt documentation. Chapter 1.8(d)(4) of the OM requires voided transaction receipts be marked "VOID" and include the reason for the void. The original receipt should be attached and included in the daily shift sheet. During the sampled months, the Park processed 26 void transactions. Of the 26 voided transactions, 16 had receipts and explanations for the void, five had a receipt attached, and the remaining five did not have documentation.

The District completed a Fiscal Compliance Review for the Park in May 2019, as required in the OM. According to the May 2019 review, the Park met fiscal requirements, with a noted comment to document voids with a reason and a visitor signature.

According to the Revenue Procedures, deposit slips should be initialed by both the individual preparing and the individual verifying deposited amounts. Of the 61 deposit slips reviewed for the sampled months, all were initialed by two staff as required. Chapter 1.8(c)(2) requires that a daylight hour deposit be made if Park receipts amount to \$1,000 or more. If Park receipts exceed \$2,000, a night deposit is required when staff safety can be assured. During the

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sample months, cash/check receipts for three days exceeded \$1,000. Based on our review, two of the three deposits were not made the next day as required. The remaining deposits were made timely as required with minor exceptions.

Attendance Reporting

According to the attendance reporting plan, attendance reporting includes an actual count of visitors recorded daily through the ranger station. Attendance reported during the sampled months was generally consistent with Point of Sale Summary Reports invoiced to the County, given adjustments for voided transactions.

Expenditures and P-Card Use

To verify compliance with purchasing requirements, we reviewed a sample of four purchase orders processed through MyFloridaMarketPlace (MFMP)³ and ten P-Card expenditures in the Department's P-Card Works system⁴. According to Chapter 60A-1.002, Florida Administrative Code (F.A.C.), purchases \$2,500 or greater require two written quotes. If less than two quotes are received, the Department must provide justification as to why additional quotes could not be obtained. If commodities or contractual services are available from a single source, the Department must document the conditions and circumstances. We reviewed four purchase orders that exceeded \$2,500.00. Two written quotes were obtained for three of the four purchase orders. The remaining purchase order, which was for linen services during FY 2018-2019, included a single source contract exception form (DEP 55-201). Justification documented on this form indicated that the vendor had been used by the Park with excellent service and competitive prices during the prior two fiscal years. The reason cited on the form did not justify

³ MFMP is the online procurement processing system for the State of Florida.

⁴ P-Card Works is a web-based application system used to process state purchasing card transactions.

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why additional quotes could not be obtained. Subsequently, for FY 2019-2020, the Park's linen service purchase order documented the receipt of two quotes, with the award given to the vender with the lowest quote.

For the ten P-Card transactions reviewed, all were pre-approved by the Park Manager or had a pre-authorized memo attached, were supported by invoices or receipts, and reviewed or reconciled by staff other than the cardholder. During our review, we noted the following:

- One P-Card purchase of \$4,008.40 was for repairs of a Park truck. The Park could not provide documentation that two quotes were received, nor justification as to why additional quotes could not be obtained. The cardholder indicated that the truck had broken down and the District provided verbal approval for the repair.
- Three of the P-Card transactions were made by one cardholder for cabin supplies to a single vendor within a 24-hour period. Collectively the three transactions totaled \$2,524.92. The Park did not obtain two quotes for the supplies. However, Park staff indicated that the cabin supply purchases were not intentionally split to avoid procurement requirements.

Bulk Fuel

The Park maintains two 36-gallon tanks for unleaded and diesel bulk fuel. Per Chapter 1.8(j) of the OM, a Bulk Fuel and Oil Issue Log is to be used to track the use of bulk fuel and oil. The Park maintains a Miscellaneous Fuel Log which documents beginning inventory, purchases, use, and a reconciliation between the ending fuel balance and actual quantity on hand at the end of the month. Fuel is purchased on a miscellaneous fuel card and is reconciled monthly. Reported fuel purchase transactions were supported by receipts. Based on a review of monthly usage logs and the monthly inventory report, reported fuel inventory and usages was not consistent with receipts provided. This appears to be due to incorrect type of fuel recorded on the usage logs.

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State Property and Equipment Management

To verify compliance with Department requirements regarding property, we reviewed a sample of 12 property items from the Park's Master Property file, as well as three items that were purchased on staff P-Cards. We verified that all property items sampled were located at the Park or were supported with surplus property documentation.

Park inventory included two firearms. One was being transferred to the District and we verified the other was kept in a locked safe in a secure location. We reviewed the Firearm Activity Logs for the audit period. Based on these Logs, the Park has documented the firearm's use. According to the Firearm Use Standard, staff must complete classroom training, Division in-house training, and range qualification. We received documentation for the Park Manager and one staff member. Both had documentation of Division firearms qualifications, training, as well as hunter safety certification.

For the three employees who reside in the Park's state-owned residences, each had approved Agreements of Occupancy on file. Employees pay utilities directly through the provider as required in Section 11 of the Agreement. Per the Agreement, a resident employee is required to notify the Department of all occupants, which must be approved by the Department. Chapter 1.5(c)(8)(b) of the OM requires individuals occupying the residence with the employee who are not considered immediate family pay a rental fee based on the approved Florida Park Service (FPS) housing rental schedule. The rental rate for additional occupants is \$100 per person, per month. We verified that one employee had an additional occupant in their residence and was paying the fee until June 15, 2019. Based on discussions with Division staff, the Division ceased charging the additional occupant fee as of August 2019; however, the OM was not updated to reflect this change.

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Chapter 1.5(c)(11) of the OM states, *an annual inspection of all park residences should be performed by the Park Manager utilizing the Residence Inspection Report*. Further, Chapter 1.2(h) of the OM requires an annual Park inspection be performed by District management. The District is required to complete the Park Management Summary (DRP-033). Based on documentation provided, all site and Park inspections were completed in October 2019.

Volunteers

We reviewed volunteer records provided by the Park and in the Volunteer Service Tracking System (V Sys)⁵ for 17 regular service volunteers documented during the audit period. All 17 volunteers had applications completed. According to Chapter 1.5 of the OM, all regular service volunteers must have searches conducted through the U.S. Department of Justice National Sexual Offender Public Website and Florida Department of Law Enforcement (FDLE) Sexual Offenders and Predators and these searches must be recorded in V Sys by electronic documentation maintained in the volunteer's V Sys profile. Of the total, predator searches had been completed for all but one. Both National and FDLE sexual predator searches were conducted for the volunteer during the time of our audit.

According to the Division's Volunteer Handbook, volunteers are required to work a minimum of 20 hours per week in order to reside in the campground host site. Hours logged in V Sys are not assigned to a specific date that volunteers serve. Hours are often reported as a lump sum, thereby limiting accountability for the number of hours worked. The list of volunteers provided by the Park included Department staff with V Sys access. Many of these individuals were not volunteers. Of the volunteers with hours entered in V Sys during the sampled months of

⁵ V Sys is the web-based application that the Department records and stores volunteer information.

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May and June 2019, we noted that one had occupied a campground host site for two weeks, but only documented 31.5 hours.

CSO Statutory and Agreement Compliance

The CSO was established and operates in compliance with Section 258.015, F.S. Based on our audit, the following circumstances were noted:

- According to the CSO Handbook, the CSO's Annual Financial Report is due to the Division no later than six months following the close of the CSO's fiscal year. The CSO submitted the 2018 Annual Financial Report to the Park Manager on July 23, 2019. However, the Park Manager issued a Memorandum to the District dated May 13, 2019, approving the CSO's Annual Financial Report.
- The 2018 Annual Financial Report included the 2018 Form 990 income tax report, Park Manager's Letter, CSO President's Letter, CSO Statement of Accomplishments and Goals, and CSO Statement of Value and Contributed Services. The CSO's Statement of Accomplishments and Goals within the Annual Financial Report did not contain the list of CSO board members or estimated volunteer hours for 2018, as required by Section 5.7 of the CSO Handbook.
- The CSO paid sales tax to the Department of Revenue, as required during the sampled months.
- The CSO has an established Code of Ethics; however, the CSO does not have an established website to post the Code of Ethics as required under Section 112.3251, F.S.
- According to the Agreement, the CSO is required to submit an Annual Program Plan on or before the end of the CSO's fiscal year. The Annual Program Plan for 2019 was signed by the CSO president and approved by the Park Manager on January 25, 2019. According to Division leadership, an extension was granted for submittal of program plans for 2019. The Annual Program Plan for 2020 was signed by the CSO President and Park Manager on December 2, 2019.

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Paragraph 5(b) of the Agreement states, *the Annual Program Plan shall include a complete plan as described in the CSO Handbook for all park improvement projects, activities, fundraisers, and events the CSO proposes. For any activities, programs or events anticipated to take place on Park property, the CSO's Annual Program Plan must also include the requested designation of the specific location, facilities, and time for each such use.* Paragraph 7 of the Agreement states that the CSO is authorized to sell merchandise in the Park ranger's station subject to the Park Manager's approval. CSO funds are collected from coin-operated laundry machines located in the campground area and from the sale of merchandise, a donation box, and the rental of recreational equipment at the ranger station. However, the locations of the facilities associated with coin-laundry operation and recreation rental equipment were not specifically designated in the Annual Program Plan approved by the Park Manager.

CSO Finances

CSO revenues are generated from donations, merchandise sales, recreational rentals, campground coin-operated laundry services, and vending. The CSO does not have an established Financial Policy. Park staff and Park volunteers manage the sale of firewood, ice, and merchandise on behalf of the CSO. Park staff also manage the CSO's recreational kayak and canoe rentals. The CSO's daily cash drawer and change fund for coin-laundry are maintained by Park staff and are kept in the Park safe. As of December 2019, a separate safe was installed for security over CSO funds. Based on discussions with CSO Officers, the CSO Treasurer and Vice President are the only members with bank access. The CSO has retained the services of a bookkeeper to manage CSO finances. The CSO maintains a checking and investment account. As of October 2019, the ending balance for these accounts was as follows:

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Account	Ending Balance
Business Interest Checking	\$143,051.97
Investment Account	\$150,203.53
Total Account Balance	\$293,255.50

According to the CSO's 2020 Annual Program Plan, planned use of these funds included improvements to the cabin laundry, Western Lake Paddle House, and CSO Store. According to Profit and Loss Reports for 2018 and 2019, CSO income and expenses were as follows.

CSO Income			
Category	Description	2018	2019
Merchandise Sales	Firework, Ice, Merchandise	\$13,477.99	\$20,486.30
Recreational Rentals	Kayaks, Canoes	\$14,986.04	\$16,013.98
Coin Laundry		\$5,728.04	\$6,472.21
Vending		\$252.19	\$211.87
Used Kayak/Canoe Sales		\$1,004.68	
Donations -Named		\$175,200.00	\$50,100.00
Donations	Donation Box	\$713.60	\$17,819.00
Recycle			\$156.00
Other Income	Interest, Discounts, Over/Short	\$1,444.52	\$4,076.33
Total Income		\$212,807.06	\$115,335.69
CSO Expenses			
Category	Description	2018	2019
Cost of Goods Sold	Firework, Ice, Merchandise	\$10,194.23	\$16,070.18
Deer Lake Expense		\$265.62	
Park Operating Expenses	Furnishings, Improvements, Repairs	\$81,040.78	\$50,046.06
CSO Operating Expenses	Administrative	\$3,394.97	\$6,396.16
Total Expenses		\$94,895.60	\$72,512.40
Net Income		\$117,911.46	\$42,823.29

We compared amounts documented in the Profit and Loss Report and general ledger to bank statements and source documentation for the sampled months of May and June 2019.

Overall, amounts reported on the general ledger were consistent with bank statements and were supported by revenue and expense source documents.

Each visitor that rents a kayak or canoe is required to sign a liability waiver. Based on discussions with Park staff, waivers are only maintained for one month by the Park. Chapter 3.1(d)(3) of the OM outlines the requirements of a water safety component in the Park Protection

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Plan. The Park Protection Plan dated May 2019 did not include water safety guidelines.

However, subsequent to our review, a separate safety plan for kayaks and stand up paddle boards was completed. The safety plan was approved by the Department's Safety Officer on February 3, 2020. According to District management, the CSO has general liability insurance for the recreational equipment operations through the Florida State Parks Foundation.

During the sampled months of May 2019 and June 2019, there were 20 expenditures totaling \$10,069.95. All expenditures were made by checks and signed by one Board member. Of the 20, two checks were written to and signed by the Treasurer, and 18 were supported by vendor invoices or receipts, and appeared to be purchases consistent with the CSO's support of the Park. Based on correspondence with the Park Service Specialist, one expenditure lacking an invoice or receipt was for TV installation in a rental cabin being renovated. The other expenditure was to reimburse a CSO Board member for the purchase of merchandise and supplies. Receipts were available for only a portion of the reimbursed amount.

Park Management Oversight of CSO Activities

CSO Officers include a President, Vice President, Secretary, and Treasurer, as well as 10 other Board members. According to Chapter 1.5(b)(5) of the OM, a sexual predator and offender's registration search must be conducted for all volunteers. At the time of our audit, sexual predator searches had not been conducted for 11 of the 13 CSO Officers and Board members. Subsequent to our request, the searches were completed by the Park Service Specialist. We verified Volunteer Agreements were established for nine of the 13 CSO Officers and Board members. Of these, two were dated for the current year. The remaining seven were not dated. Volunteer hours for Officers and Board members were documented in VSys for 11 of the 13 members.

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The CSO holds Board meetings as needed. A meeting did not occur during the sampled months in the audit. However, the Park Manager and Assistant Park Manager attended the meeting in September 2018. The Park Manager attended the meeting in January 2019. Meeting minutes were retained by the CSO and provided for the audit period.

Chapter 1.4 of the OM requires the District to conduct a CSO Management Review every four years. The last review was conducted on August 1, 2019. The review generally reflected positive results; however, District staff noted deficiencies in the CSO submitting the Annual Financial Report timely and maintaining volunteer documentation in VSys. District staff also recommended developing a written financial policy.

Conclusions

Based on our audit, the Park was generally in compliance with Division requirements regarding revenue collection, deposits, attendance reporting, and volunteer documentation with minor exceptions. However, we noted control weaknesses regarding park safe access, P-Card usage, management of miscellaneous fuel, and housing requirements. While the CSO was established and operates in compliance with Section 258.015, F.S., we noted control weaknesses regarding policies and procedures as well as Park oversight of CSO operations.

Findings and Recommendations

Finding 1: Documentation of Voids

Chapter 1.8(d)(4) of the OM requires voided transaction receipts be marked “VOID” and include the reason for the void. The original receipt should be attached and included in the daily shift sheet. During the sampled months, the Park processed 26 voided transactions. Of the 26 voided transactions, 16 were supported by receipts and documented explanations for the void, five included an attached receipt, and the remaining five had no documented reason or receipt.

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The majority of voids resulted from staff entering day-use admission transactions as standard entry rather than County reimbursed entry. The Fiscal Compliance Review completed in May 2019 also noted that the Park needed to document voids with a reason and visitor signature.

We noted that most voids resulted from staff entering day-use admission transactions as standard entry during the limited period between Memorial Day weekend and Labor Day weekend when the County has agreed to reimburse the Division for visitor day-use entrance fees.

Recommendation:

We recommend the Division work with the Park to ensure that all voids are documented in accordance with the OM. In addition, during the period when day-use entrance fees are not collected from visitors but rather reimbursed by the County, the Division should work with the Park to promote additional staff training and awareness to reduce the need for voids.

Finding 2: P-Card Usage

Chapter 60A-1.002, F.A.C. requires the Department to obtain two written quotes for purchases of \$2,500.00 or greater. If less than two quotes are received, the Department must provide justification as to why additional quotes could not be obtained. If commodities or contractual services are available from a single source, the Department must document the conditions and circumstances. In February 2019, the Department began using the contracted P-Card Works program established by the Department of Financial Services. As part of the Department's transition to the Works program, P-Card cardholders' single transaction limits were raised from \$2,500.00 to \$5,000.00.

We reviewed ten P-Card transactions that occurred during the sample months of May and June 2019. All included documented approval, were supported by invoices or receipts, and were reviewed or reconciled by staff other than the cardholder consistent with the Department's P-

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Card Works training guidance. However, there were noted inconsistencies in obtaining necessary written quotes, as required under Chapter 60A-1.002, F.A.C. One P-Card purchase of \$4,008.40 was for repairs of a Park truck which had broken down. Based on discussions with the cardholder, two quotes were not obtained, but the District provided verbal approval for the repair. In addition, three P-Card transactions were made by one cardholder for cabin supplies to a single vendor within a 24-hour period. Collectively the purchases totaled \$2,524.92. The Park did not obtain two quotes for the supplies. Upon inquiry, Park staff indicated that the cabin supply purchases were not intentionally split to avoid procurement requirements. Subsequent to our audit, District management provided Park management and administration clarification and guidance regarding requirements for P-Card purchases.

Recommendation:

Going forward, we recommend the Division work with the District and Park to provide oversight and ensure P-Card approvers review and verify that cardholders obtain necessary written quotes or single source justification for purchases exceeding \$2,500.00 as required under Chapter 60A-1.002, F.A.C. The Division should also ensure that District and Park management and P-Card approvers monitor cardholder activities for appropriate use to avoid purchases that indicate, or may be perceived as, split transactions to avoid exceeding procurement limits.

Finding 3: Bulk Fuel Documentation

The Park maintains two 36-gallon tanks for unleaded and diesel bulk fuel. Per Chapter 1.8(j) of the OM, a Bulk Fuel and Oil Issue Log is to be used to track the use of bulk fuel and oil. The Park maintains a Miscellaneous Fuel Log which documents beginning inventory, purchases, use, and a reconciliation between the ending fuel balance and actual quantity on hand at the end of the month. Based on a review of monthly usage logs and the monthly

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inventory report, reported fuel inventory and usages were not consistent with receipts provided. This appears to be due to incorrect type of fuel being recorded on the usage logs.

Recommendation:

We recommend the Division work with the Park to ensure that inventory recorded on the fuel logs is accurately maintained and reconciled by Park staff.

Finding 4: Rental Fee Requirements in the OM

According to the Agreement of Occupancy, a resident employee is required to notify the Department of all occupants, which must be approved by the Department. Chapter 1.5(c)(8)(b) of the OM requires individuals occupying the residence with the employee who are not considered immediate family pay a rental fee based on the approved FPS housing rental schedule. The rental rate for additional occupants is \$100 per person, per month. We verified that one employee had an additional occupant in their residence and was paying the fee until June 15, 2019. Based on discussions with Division staff, the Division ceased charging the additional occupant fee as of August 2019. However, the Division's most recent revision of the OM dated May 1, 2020 had not been revised to reflect this updated direction.

Recommendation:

We recommend the Division review the current OM to ensure it reflects the Division's current direction regarding resident and additional occupant fees.

Finding 5: Documentation of Hours and Reporting in VSys

According to the Volunteer Camping Policy in the Division's Volunteer Handbook, *The minimum number of work hours an occupied campsite shall contribute for the campground host position is 20 hours a week.* Hours logged in VSys are not assigned to a specific date that volunteers serve. Hours are often reported as a lump sum, thereby limiting accountability for the

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number of hours worked. The list of volunteers provided by the Park included Department staff with VSys access. Many of these individuals were not volunteers at the Park. Of the volunteers with hours entered in VSys during the sampled months of May and June 2019, we noted that one had occupied a campground host site for two weeks, but only documented 31.5 hours⁶.

Recommendation:

We recommend the Division work with the Park to ensure that resident volunteers document working the number of required hours for campground host sites. The Division should also review the current process for recording volunteer hours. Volunteer hours should be documented in a manner in which they can be verified for consistency with requirements in the Division's Volunteer Handbook.

Finding 6: Controls Regarding CSO Financial Activities and Use of Park Staff

According to the Division's CSO Handbook, *it is important for CSOs to address financial policies either in their Bylaws or through a separate stand-alone financial policy*. The CSO Handbook further outlines recommended best practices in governing financial activities. Based on review of documentation provided, as well as discussion with the CSO members, the CSO does not have an established financial policy. Further, the CSO's Bylaws contain minimal guidance on financial activities. CSO Officers indicated that the Treasurer and Vice President are the only members who withdraw funds from the CSO bank account.

Based on our review of 20 expenditures during the sample months of May and June 2019, two checks were written to and signed by the Treasurer for reimbursement of expenses. In addition, two expenditures were not supported by receipt or invoice documentation. Without an

⁶ This determination was possible due to the limited circumstance of the campground host's reservation and single hour entries in VSys.

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established CSO financial policy which outlines fiscal controls and responsibilities, the Division lacks assurance that CSO funds are being safeguarded and used as intended.

According to Section 1.4(f)(11)(d) of the Division's OM, *Park staff are authorized to facilitate sales or rentals and collect funds on behalf of the CSO. Any facilitation by park employees must be incidental to their regular work duties. Park staff must not operate CSO merchandise sales, rentals, or vending operations. This includes, but is not limited to stocking merchandise, managing rental equipment, or serving as the primary tour guide for regularly scheduled tours where the CSO receives a fee, servicing vending machines provided by the CSO, operating food services of the CSO, etc. Division employees must not be engaged in substantial ways to operate a CSO's regular business or CSO revenue-generating activities.* Based on discussions with Park staff and CSO Officers, the CSO's sale of firewood, ice, merchandise, and rental of recreational equipment are managed solely by Park staff and Park volunteers. The CSO's cash register, daily cash drawer and change fund for coin-laundry are also operated and maintained by Park staff. This use of Park staff and volunteers to substantially operate the CSO's revenue generating activities is not consistent with direction in the OM.

Recommendation:

We recommend the Division work with the Park and CSO to establish a financial policy which outlines fiscal controls and responsibilities consistent with direction in the CSO Handbook. We also recommend the Division review the Park's current use of staff and volunteers as the sole operators of the CSO's retail sales and recreational rentals to ensure the CSO's financial operations are managed in compliance with the OM.

Finding 7: Management Oversight of CSO Volunteer Documentation

According to Chapter 1.4(g)(1) of the Division’s OM, each CSO Officer and Board member must sign the Division’s Volunteer Agreement or complete it as part of the volunteer’s profile on VSys annually. Sections 110.504, and 768.28, F.S., provide for state liability coverage for volunteers including CSOs. According to Chapter 3.11 *Liability, Sovereign Immunity, and Insurance* of the CSO Handbook, the CSO Board members are state volunteers and therefore covered by state liability when performing duties as volunteers for the Park. To ensure coverage, Board members must have a signed Volunteer Agreement on file that is updated annually along with a position description. At the time of our audit, the CSO consisted of 13 Board members. We verified Volunteer Agreements were established for nine of the 13 Board members. Of these, two were dated for the current year. The remaining seven were not dated.

According to Chapter 1.5(b)(5) of the Division’s OM, a sexual predator and offender’s registration search must be conducted for all volunteers. Sexual predator searches had not been conducted for 11 of the 13 CSO Board members. Subsequent to our request, the searches were completed by the Park Service Specialist.

Recommendation:

We recommend the Division work with the Park and CSO to ensure that all Volunteer Agreements are signed annually and maintained by the Park or in VSys as required. Going forward, we also recommend the Division work with the Park to ensure that sexual predator searches are completed as necessary for additions to the Board.

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Management Comment

Code of Ethics Posting

According to Section 112.3251 F.S., the CSO must adopt its own Code of Ethics. The Code of Ethics must contain the standards of conduct and required disclosures. Section 112.3251, F.S., also requires that the Code of Ethics be conspicuously posted on the CSO's website. While the CSO has adopted a Code of Ethics as required, they have not established a website for the required posting. The Division and CSO would benefit from establishing a CSO website to include the required Code of Ethics and to provide greater public awareness of the CSO's support for the Park.

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 Christine Cullen 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,
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Inspector General*



FLORIDA DEPARTMENT OF Environmental Protection

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Lt. Governor

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Secretary

Memorandum

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

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

SUBJECT: Audit of Grayton Beach State Park and the Friends of Grayton Beach
State Park and Deer Lake State Park, Inc. Citizen Support Organization
(Report: A-1920DEP-021)

DATE: June 24, 2020

Finding 1: Documentation of Voids

Chapter 1.8(d)(4) of the OM requires voided transaction receipts be marked "VOID" and include the reason for the void. The original receipt should be attached and included in the daily shift sheet. During the sampled months, the Park processed 26 voided transactions. Of the 26 voided transactions, 16 were supported by receipts and documented explanations for the void, five included an attached receipt, and the remaining five had no documented reason or receipt.

The majority of voids resulted from staff entering day-use admission transactions as standard entry rather than County reimbursed entry. The Fiscal Compliance Review completed in May 2019 also noted that the Park needed to document voids with a reason and visitor signature.

We noted that most voids resulted from staff entering day-use admission transactions as standard entry during the limited period between Memorial Day weekend and Labor Day weekend when the County has agreed to reimburse the Division for visitor day-use entrance fees.

Recommendation:

We recommend the Division work with the Park to ensure that all voids are documented in accordance with the OM. In addition, during the period when day-use entrance fees are not collected from visitors but rather reimbursed by the County, the Division should

work with the Park to promote additional staff training and awareness to reduce the need for voids.

Division Response:

Concur with the finding and recommendation. A refresher training on voids has been provided to those staff handling revenue collection transactions to minimize these errors in the future and ensure compliance with the OM.

Finding 2: P-Card Usage

Chapter 60A-1.002, F.A.C. requires the Department to obtain two written quotes for purchases of \$2,500.00 or greater. If less than two quotes are received, the Department must provide justification as to why additional quotes could not be obtained. If commodities or contractual services are available from a single source, the Department must document the conditions and circumstances. In February 2019, the Department began using the contracted P- Card Works program established by the Department of Financial Services. As part of the Department's transition to the Works program, P-Card cardholders' single transaction limits were raised from \$2,500.00 to \$5,000.00.

We reviewed ten P-Card transactions that occurred during the sample months of May and June 2019. All included documented approval, were supported by invoices or receipts, and were reviewed or reconciled by staff other than the cardholder consistent with the Department's P-Card Works training guidance. However, there were noted inconsistencies in obtaining necessary written quotes, as required under Chapter 60A-1.002, F.A.C. One P-Card purchase of \$4,008.40 was for repairs of a Park truck which had broken down. Based on discussions with the cardholder, two quotes were not obtained, but the District provided verbal approval for the repair. In addition, three P-Card transactions were made by one cardholder for cabin supplies to a single vendor within a 24-hour period. Collectively the purchases totaled \$2,524.92. The Park did not obtain two quotes for the supplies. Upon inquiry, Park staff indicated that the cabin supply purchases were not intentionally split to avoid procurement requirements. Subsequent to our audit, District management provided Park management and administration clarification and guidance regarding requirements for P-Card purchases.

Recommendation:

Going forward, we recommend the Division work with the District and Park to provide oversight and ensure P-Card approvers review and verify that cardholders obtain necessary written quotes or single source justification for purchases exceeding \$2,500.00 as required under Chapter 60A-1.002, F.A.C. The Division should also ensure that District and Park management and P-Card approvers monitor cardholder activities for appropriate use to avoid purchases that indicate, or may be perceived as, split transactions to avoid exceeding procurement limits.

Division Response:

Concur with the finding and recommendation. The Division will ensure that Park procurement practices comply with Chapter 60A-1.002(5), F.A.C. and Department P-Card training. Furthermore, the Division will recommend to the Department implementation of an annual refresher training on P-Card limits and procurement thresholds in accordance with Chapter 60A-1.002(5), F.A.C.

Finding 3: Bulk Fuel Documentation

The Park maintains two 36-gallon tanks for unleaded and diesel bulk fuel. Per Chapter 1.8(j) of the OM, a Bulk Fuel and Oil Issue Log is to be used to track the use of bulk fuel and oil. The Park maintains a Miscellaneous Fuel Log which documents beginning inventory, purchases, use, and a reconciliation between the ending fuel balance and actual quantity on hand at the end of the month. Based on a review of monthly usage logs and the monthly inventory report, reported fuel inventory and usages were not consistent with receipts provided. This appears to be due to incorrect type of fuel being recorded on the usage logs.

Recommendation:

We recommend the Division work with the Park to ensure that inventory recorded on the fuel logs is accurately maintained and reconciled by Park staff.

Division Response:

Concur with the finding and recommendation. Park staff is reconciling on a monthly basis the Gasoline and Oil inventory log and documenting overages and shortages, if any, against receipts to ensure proper inventory controls.

Finding 4: Rental Fee Requirements in the OM

According to the Agreement of Occupancy, a resident employee is required to notify the Department of all occupants, which must be approved by the Department. Chapter 1.5(c)(8)(b) of the OM requires individuals occupying the residence with the employee who are not considered immediate family pay a rental fee based on the approved FPS housing rental schedule. The rental rate for additional occupants is \$100 per person, per month. We verified that one employee had an additional occupant in their residence and was paying the fee until June 15, 2019. Based on discussions with Division staff, the Division ceased charging the additional occupant fee as of August 2019. However, the Division's most recent revision of the OM dated May 1, 2020 had not been revised to reflect this updated direction.

Recommendation:

We recommend the Division review the current OM to ensure it reflects the Division's current direction regarding resident and additional occupant fees.

Division Response:

Concur with the finding and recommendation. The Division is reviewing the current OM language to ensure it reflects the Division's current direction regarding resident and additional occupant fees.

Finding 5: Documentation of Hours and Reporting in VSys

According to the Volunteer Camping Policy in the Division's Volunteer Handbook, the minimum number of work hours an occupied campsite shall contribute for the campground host position is 20 hours a week. Hours logged in VSys are not assigned to a specific date that volunteers serve. Hours are often reported as a lump sum, thereby limiting accountability for the number of hours worked. The list of volunteers provided by the Park included Department staff with VSys access. Many of these individuals were not volunteers at the Park. Of the volunteers with hours entered in VSys during the sampled months of May and June 2019, we noted that one had occupied a campground host site for two weeks, but only documented 31.5 hours⁶.

Recommendation:

We recommend the Division work with the Park to ensure that resident volunteers document working the number of required hours for campground host sites. The Division should also review the current process for recording volunteer hours. Volunteer hours should be documented in a manner in which they can be verified for consistency with requirements in the Division's Volunteer Handbook.

Division Response:

Concur with the finding and recommendation. The Division has implemented changes to VSys to better document that park resident/campground host volunteers meet the required work requirement, a minimum 20 hr./week/site. The Division has completed and trained staff on the requirement and provided an updated VSys Users Guide for Volunteer Managers. The Division's Volunteer Handbook will be updated.

Finding 6: Controls Regarding CSO Financial Activities and Use of Park Staff

According to the Division's CSO Handbook, *it is important for CSOs to address financial policies either in their Bylaws or through a separate stand-alone financial policy.* The CSO Handbook further outlines recommended best practices in governing financial activities. Based on review of documentation provided, as well as discussion with the CSO members, the CSO does not have an established financial policy. Further, the CSO's Bylaws contain minimal guidance on financial activities. CSO Officers indicated

that the Treasurer and Vice President are the only members who withdraw funds from the CSO bank account.

Based on our review of 20 expenditures during the sample months of May and June 2019, two checks were written to and signed by the Treasurer for reimbursement of expenses. In addition, two expenditures were not supported by receipt or invoice documentation. Without an established CSO financial policy which outlines fiscal controls and responsibilities, the Division lacks assurance that CSO funds are being safeguarded and used as intended.

According to Section 1.4(f)(11)(d) of the Division's OM, *Park staff are authorized to facilitate sales or rentals and collect funds on behalf of the CSO. Any facilitation by park employees must be incidental to their regular work duties. Park staff must not operate CSO merchandise sales, rentals, or vending operations. This includes, but is not limited to stocking merchandise, managing rental equipment, or serving as the primary tour guide for regularly scheduled tours where the CSO receives a fee, servicing vending machines provided by the CSO, operating food services of the CSO, etc. Division employees must not be engaged in substantial ways to operate a CSO's regular business or CSO revenue-generating activities.* Based on discussions with Park staff and CSO Officers, the CSO's sale of firewood, ice, merchandise, and rental of recreational equipment are managed solely by Park staff and Park volunteers. The CSO's cash register, daily cash drawer and change fund for coin-laundry are also operated and maintained by Park staff. This use of Park staff and volunteers to substantially operate the CSO's revenue generating activities is not consistent with direction in the OM.

Recommendation:

We recommend the Division work with the Park and CSO to establish a financial policy which outlines fiscal controls and responsibilities consistent with direction in the CSO Handbook. We also recommend the Division review the Park's current use of staff and volunteers as the sole operators of the CSO's retail sales and recreational rentals to ensure the CSO's financial operations are managed in compliance with the OM.

Division Response:

Concur with the finding and recommendation. The Division is working with the CSO to establish a financial policy which outlines fiscal controls and responsibilities consistent with direction in the CSO Handbook. The District will continue to monitor the Park's current use of staff and volunteers in support of the CSO's retail sales and recreational rentals to ensure the CSO's financial operations are managed in compliance with the OM.

Finding 7: Management Oversight of CSO Volunteer Documentation

According to Chapter 1.4(g)(1) of the Division's OM, each CSO Officer and Board member must sign the Division's Volunteer Agreement or complete it as part of the volunteer's profile on VSys annually. Sections 110.504, and 768.28, F.S., provide for state liability coverage for volunteers including CSOs. According to Chapter 3.11 *Liability, Sovereign Immunity, and Insurance* of the CSO Handbook, the CSO Board members are state volunteers and therefore covered by state liability when performing duties as volunteers for the Park. To ensure coverage, Board members must have a signed Volunteer Agreement on file that is updated annually along with a position description. At the time of our audit, the CSO consisted of 13 Board members. We verified Volunteer Agreements were established for nine of the 13 Board members. Of these, two were dated for the current year. The remaining seven were not dated. According to Chapter 1.5(b)(5) of the Division's OM, a sexual predator and offender's registration search must be conducted for all volunteers. Sexual predator searches had not been conducted for 11 of the 13 CSO Board members. Subsequent to our request, the searches were completed by the Park Service Specialist.

Recommendation:

We recommend the Division work with the Park and CSO to ensure that all Volunteer Agreements are signed annually and maintained by the Park or in VSys as required. Going forward, we also recommend the Division work with the Park to ensure that sexual predator searches are completed as necessary for additions to the Board.

Division Response:

Concur with the finding and recommendation. All regular service Volunteer Agreements will be signed annually and maintained by the Park or in VSys as required. Sexual predator searches have been completed for all regular service volunteers and CSO Board members.