

**Audit of Hillsborough River State Park and
Hillsborough River State Park Preservation Society, Inc.
Citizen Support Organization**

Division of Recreation and Parks

Report: A-1718DEP-012

Office of Inspector General

Internal Audit Section

Florida Department of Environmental Protection

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Tallahassee, Florida 32399-3000

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The Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Hillsborough River State Park (Park), as well as the Park's Agreement with Hillsborough River State Park Preservation Society Citizen Support Organization (CSO). This audit was initiated as a result of the Fiscal Year (FY) 2017-2018 Annual Audit Plan.

Scope and Objectives

The scope of the audit included Park financial records and activities between July 1, 2016, through June 30, 2017, as well as CSO activities during calendar years 2016 and 2017. The objectives were to determine whether:

1. the Park was in compliance with Department requirements and evaluate management controls regarding:
 - revenue collection and reporting
 - attendance
 - procurement and park expenditures
 - property and equipment management
 - volunteer activities
2. the CSO is in compliance with the Agreement and controls are in place with respect to 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 *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Our procedures included review of

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authoritative documents, interviews with Park and Division staff, CSO officers, and review of Park and CSO financial records and activity documents.

Background

The Park, located in Thonotosassa, Florida, includes 112 campsites and provides access to hiking, biking, swimming, canoeing, kayaking, picnicking, fishing, and a playground area. The Park also includes a replica of a Second Seminole War Fort known as the Fort Foster State Historic Site. Revenue is generated through entrance fees, concession commissions, and overnight accommodations.

The CSO supports the Park by hosting annual Park events and selling firewood and ice on Park property. Annual events include the Swamp Stomp, Haunted Woods, the Fort Foster Rendezvous, the Fort Foster Dinner Under the Stars, and the Fort Foster Candlelight Event.

During FY 2016-2017 the Park's reported revenue was \$995,414.93, with 223,250 in reported attendance. According to the CSO's 2017 ledger Statement of Activity, the CSO's total revenue was \$59,578.03 and total expenses¹ were \$68,482.07.

Results and Conclusions

Revenue Collection and Reporting

All Park revenue is collected through the Park's ranger station. For the sampled months of March and April 2017, we compared reported revenue between the Daily Cash Accountability Reports, Deposit Worksheets, and Daily Point of Sale summaries. These amounts were consistent with minor discrepancies which were documented by the Park. We also compared the

¹Including Cost of Goods Sold

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Park's Daily Cash Accountability Reports to deposited amounts and Credit Card Settlement Reports. Reported amounts were generally consistent with amounts deposited, with the exception of a \$500.00 deposit discrepancy that was documented and subsequently corrected by the bank. Of the 122 daily shift summaries reviewed in the sampled months, deposit tickets were initialed by two staff with the exception of three. During the sampled months, nine tax-exempt transactions were recorded. We verified that the Park obtained valid Florida Sales Tax Exemption Certificates for all tax-exempt transactions.

According to the Operations Manual, if daily receipts exceed \$2,000.00, a night bank deposit is mandatory when security and employee safety can be assured. We compared reported daily cash receipts to the bank deposit dates. Of the 61 days in the sampled months, 12 deposits were not made timely as required².

Attendance Reporting

For the sampled months, we compared the Division's reported attendance with the Park's daily Point of Sale summaries. These amounts were consistent with minor discrepancies. The Park has since changed processes for recording and reporting attendance to the Division-wide Point of Sale system integrated with its central registration.

Expenditures and Purchasing Card Use

For the audit period, we reviewed a sample of seven Purchasing Card (P-Card) expenditures and five purchase orders for compliance with the requirements specified in Section 287, F.S. Chapter 60A-1.002, Florida Administrative Code (F.A.C.) *Purchase of Commodities or Contractual Services*. All seven P-Card purchases were less than \$2,500. We verified that these

² Review of deposits included consideration for weekend receipts and deposits.

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transactions were pre-approved by the Park Manager, supported by a written receipt or quote, and were reviewed and reconciled by staff other than the cardholder. All appeared related to Park operations. Of the seven, three P-Card transactions were expenditures for upgrades to the Park's playground areas and were made to a single vendor during sequential months. According to Park staff, upgrades to the playgrounds were identified as a need in the Park's FY 2016-2017 budget projections. Of the five purchase orders reviewed, each included an approved purchase requisition and was supported by vendor invoices. One purchase order exceeded \$2,500. We verified the Park obtained two vendor quotes as required and had awarded the purchase to the vendor with the lowest quote.

State Property and Equipment Management

From the Park's master property file, we selected a sample of 21 property items. During our site visit, we verified the sampled items were located at the Park, with the exception of two canoes and one generator. Of the two canoes, one canoe had been documented as missing on the Department's missing property file. Subsequent to our site visit, the District provided photos of the remaining canoe and generator. Both items were also included in the Park's inventory review, which was conducted in January 2018.

Under the Division's Firearm Use Standard, Park employees using firearms are required to complete range and classroom training and obtain approval for firearm use from the District Bureau Chief. Employees must requalify on the range every two years. According to the Park's Firearm Activity Logs, the Park Manager and two employees documented firearms use during the audit period. We verified documentation of the District Director's approval for the employees' firearm use. Each employee had certified that applicable training requirements had

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been met. However, the Park had not maintained documentation of the training as referenced in the firearms approval memos.

Resident Volunteers

We reviewed resident volunteer documents uploaded in the Volunteer Service Tracking System (VSystem) for the 14 resident volunteers who served at the Park during the sampled months. We verified that all Volunteer Agreements, National Sexual Offender and the Florida Department of Law Enforcement's Sexual Offenders and Predators searches were on file, and that volunteer hours were documented as required.

CSO Statutory and Agreement Compliance

Section 258.015, F.S., provides for the establishment of the CSO and specifies the allowable use of Department property. Based on our audit, the CSO was established and operates in compliance with Section 258.015, F.S. We verified that the CSO submitted the 2017 Annual Financial Report and required documents to the Department as required under Section 20.058, F.S., the CSO Handbook, and CSO Agreement. The 2017 Annual Financial Report included the 2016 990-EZ income tax report, Park Manager's Letter, CSO President's Letter, list of board members, CSO Statement of Accomplishments and Goals, and CSO Statement of Value of Contributed Services.

Section 112.3251, F.S., requires the CSO adopt a code of ethics, which must contain standards of conduct and disclosures required under Section 112.313(2), F.S., and must be conspicuously posted on the CSO's website. We verified that the CSO's Code of Ethics, consistent with required standards, is posted on the CSO's website.

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Paragraph 5.b. of the CSO 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. Per Paragraph 11 of the Agreement, the CSO’s fiscal year ends December 31 and the Program Plans for 2017 and 2018 were submitted as required and approved by the Park Manager in December.

CSO Income and Expenses

The CSO receives revenue through donations, the sale of firewood and ice at the Park, and through special events. According to the CSO’s 2017 ledger Statement of Activity, the CSO’s income and expenses were as follows.

2017 CSO Income and Expenses	
Income	\$59,578.03
Cost of Goods Sold	(\$10,507.50)
Expenditures	(\$57,974.57)
Net Income	(\$8,904.04)

During the audit period, the CSO hosted a series of fundraisers in promotion of the Park. Revenue and expenses from fundraising events reported in the CSO’s 2017 Statement of Contributions included the following.

CSO Fundraising Events (2017)	Event Revenue	Event Expense
Fort Foster Rendezvous	\$3,092.05	\$2,666.14
Fort Foster Dinner Under the Stars	\$2,835.00	\$1,462.50
Haunted Woods	\$23,861.26	\$8,024.79
Fort Foster Candlelight Event	\$1,126.00	\$1,338.85
Swamp Stomp	\$11,829.50	\$12,561.41
Totals:	\$42,743.81	\$26,053.69

Based on CSO Board Meeting Minutes, CSO expenditures were discussed and approved by the Board. Routine expenses are approved annually through the CSO’s budget. We requested

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support documentation for 42 expenditures documented during the sampled months of October and November 2016. Of the 42 expenditures, ten were not supported by invoices or receipts. Based on discussions with the CSO President and review of ledger entries and bank statements, the unsupported expenditures appeared to be related to activities in the CSO's approved budget. According to the CSO President, CSO leadership was in transition during the sampled months and record keeping has subsequently improved. In addition, the CSO President indicated that record keeping processes were being revised for consistency with requirements outlined in the CSO Bylaws and CSO Handbook.

Park Management Oversight for CSO Activities

CSO Officers include a President, Vice President, Secretary, and Treasurer. According to interviews with the Park Manager and CSO Officers, the Park Manager and the CSO work together to schedule events and to ensure the CSO's resources are used to benefit the Park. Board meetings are held monthly, except during summer months. According to the board meeting minutes, the Park Manager attended board meetings during the audit period.

Section 1.4 of the Division's Operations Manual requires the District to conduct a CSO Management Review every four years. We obtained the District's Management Review of the CSO dated June 9, 2016, which reflected positive results and included recommendations for the CSO to adopt a more detailed financial policy.

Our findings and recommendations are included in the remainder of this report.

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Findings and Recommendations

Finding 1: Park Deposits

According to the Operations Manual, if daily receipts exceed \$2,000.00, a night bank deposit is mandatory when security and employee safety can be assured. We compared reported daily cash receipts to the bank deposit dates. Of the 61 days in the sampled months, 12 deposits were not made timely as required. According to Park staff, delays were due in part to limited availability of management and staff to make deposits consistently.

Recommendation:

We recommend the Division work with Park staff to ensure bank deposits are made timely, as required in the Operations Manual.

Finding 2: Firearm Documentation

Under the Division's Firearm Use Standard, Park employees using firearms are required to complete range and classroom training and obtain approval for firearm use from the District Bureau Chief. Employees must requalify on the range every two years. Although the Park maintained documentation of the District Director's approval for the employees' firearm use, which included employees' certification that training requirements were met, the Park had not maintained documentation of the referenced training. Based on discussions with the Park Manager, the required training had been completed, but the training records had not been maintained.

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Recommendation:

We recommend the Division work with Park management to ensure that documentation of required firearms training is maintained on file for each Park employee that is authorized to use firearms by the District.

Management Comment

During our review of P-Card expenditures, we noted three transactions that represented payments to a single vendor during the months of April through June 2017 for upgrades to the Park's playground areas. The payments made each month were \$2,496.00, \$2,399.75, and \$1,350.00 respectively. The individual transactions did not exceed the allowable limit for a single P-Card transaction and the separate amounts did not exceed the threshold which would require the Park to obtain multiple quotes under Chapter 60A-1.002, F.A.C. However, collectively the expenditures totaled \$6,245.75 and appeared to serve as payments for a Park improvement project as a whole. Under Chapter 60A-1.002(5), F.A.C., purchases are not to be divided to circumvent procurement requirements.

According to Section 287.001, F.S., fair and open competition is a basic tenant of public procurement. Such competition reduces the appearance and opportunity for favoritism. To promote the most cost-effective use of resources, and to avoid appearance of favoritism, the Division should ensure that purchases for Park projects are procured in a manner that is consistent with the project's expected cost.

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To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of Section 20.055, F.S., and in conformance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by LeAnne Landrum 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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Secretary

Memorandum

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

FROM: Chuck Hatcher, Assistant Director
Division of Recreation and Parks 

SUBJECT: Audit of Hillsborough River State Park and Hillsborough River State Park
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DATE: October 26, 2018

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

Finding 1: Park Deposits

According to the Operations Manual, if daily receipts exceed \$2,000.00, a night bank deposit is mandatory when security and employee safety can be assured. We compared reported daily cash receipts to the bank deposit dates. Of the 61 days in the sampled months, 12 deposits were not made timely as required. According to Park staff, delays were due in part to limited availability of management and staff to make deposits consistently.

Recommendation

We recommend the Division work with Park staff to ensure bank deposits are made timely, as required in the Operations Manual.

Division Response:

Agree. Park management has implemented a new protocol regarding bank deposits. Staff are required to add the daily deposits up at the end of each night shift and contact Park management if they total over \$1,500. In addition, Park management has trained two Park Service Specialists on how to conduct bank deposit drops in case Park management is not readily available, which will ensure deposits are made in a timely manner.

Finding 2: Firearm Documentation

Under the Division's Firearm Use Standard, Park employees using firearms are required to complete range and classroom training and obtain approval for firearm use from the District Bureau Chief. Employees must requalify on the range every two years. Although the Park maintained documentation of the District Director's approval for the employees' firearm use, which included employees' certification that training requirements were met, the Park had not maintained documentation of the referenced training. Based on discussions with the Park Manager, the required training had been completed, but the training records had not been maintained.

Recommendation

We recommend the Division work with Park management to ensure that documentation of required firearms training is maintained on file for each Park employee that is authorized to use firearms by the District.

Division Response:

Agree. Park management will ensure each Park employee who receives firearm training will maintain the following in their personnel file: the signed employee firearm approval request memos, questionnaires, all training certificates and DRP Employee Firearms Qualifications forms.