



DeKalb

County

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Department of Finance

Internal Audit and Licensing

DATE: September 23, 2010

TO: Roy Wilson, Director of Park and Recreation

FROM: Acting Deputy Director of Finance, Division of Internal Audit and Licensing

SUBJECT: Park & Recreation Department-Tucker Recreation Center

RE: Cash Handling Policies and Procedures

General Information

Tucker Recreation Center is one of DeKalb's premier recreation facilities which host numerous activities for adults and children. Some of the activities offered include: swimming, gymnastics, dance, pottery, camp, etc. Revenue from other Park and Recreation facilities are submitted to the Tucker Recreation Center in sealed money bags by District Managers. The staff at Tucker Recreation Center reconciles the cash and posts a journal entry to the Oracle System.

Revenues received in 2007 at Tucker Recreation Center were remitted to the Finance-Division of Treasury and Accounting Services (DTAS) in July 2010. As a result, Internal Audit was requested to perform a review of the cash handling policies and procedures at the Tucker Recreation Center. Also, we reviewed the cash handling procedures at the Tucker Aquatics Center.

Purpose and Scope

The purpose of our audit was to determine if Park and Recreation current cash handling policies and procedures were adequate. The audit period is from January 2008 through June 2010.

We reviewed internal controls, policies, and procedures provided by Park and Recreation, Revenue Journals, Daily Reports, AR Invoice Reports, receipts documentation, Oracle reports, and other reports/documentation related to cash handling. In addition, we held interviews with Park and Recreation staff.

Significant Deficiencies and Recommendations

Significant Deficiency I

Daily transactions and cash receipts are recorded and reconciled manually at the Tucker Recreation Center. The current process does not effectively track cash receipts.

Recommendation I

We recommend that Park and Recreation invest in management software for recreational activities that can interface with Oracle to ensure good cash flow management. Also, we recommend that Park and Recreation consider accepting payments online.

Parks and Recreation administration may consider requesting supporting documentation from revenue generating facilities to account for cash received.

Significant Deficiency II

Out of a sample of 43, 84% of revenue received was not remitted to DTAS in a timely manner. Cash receipt journals lack supporting documentation to adequately reconcile cash receipts.

Recommendation II

We recommend that Tucker Recreation staff remit revenue to DTAS within 24 hours of receipt, as stated in Park and Recreation policies and procedures. To ensure accuracy of records, we recommend that supporting documentation be completed and maintained.

Significant Deficiency III

Per the policy, "Part-time staffs that are authorized to handle funds must submit to an annual background check." Background checks were not completed annually for part-time staff.

Recommendation III

We recommend an annual background checks be completed for full-time, part-time, and seasonal staff that collect revenue. In addition, we recommend that seasonal employees not be allowed to post revenues into the Oracle System and are informed of the cash handling procedures.

Significant Deficiency IV

During our audit, we were informed by Tucker Recreation Center staff that formal cash handling training was not provided. As of report date, our request for documentation confirming that staff was trained on the cash handling procedures was not provided.

Recommendation IV

We recommend that Park and Recreation provide staff with training and a copy of the appropriate policies and procedures to ensure they have adequate knowledge and skills to perform their tasks.

Significant Deficiency V

Internal Audit was not able to establish a clear understanding of staff responsibilities and who oversees cash handling at the Tucker Recreation Center. We requested from Park and Recreation an organizational chart showing structure and relationships. As of report date, Internal Audit did

not receive a response from Park and Recreation.

Recommendation V

To ensure segregation of duties and establish responsibilities of staff, we recommend that Park and Recreation develop an organizational chart that outlines reporting relationships, work divisions, and management levels.

Observations and Recommendations

Observation I

Revenues received at the Tucker Recreation Center are not held in a safe.

Recommendation I

We recommend Park and Recreation invest in a safe to store revenues received daily.

Observation II

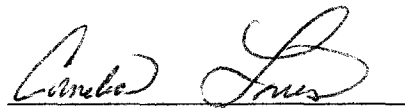
As of April 2010, cash is no longer accepted for classes, after-school, and summer camp programs. The current policies and procedures do not reflect the change.

Recommendation II

We recommend Park and Recreation update its current policies and procedures to reflect the recent changes regarding cash acceptance.

Comment

Seasonal employees were using other employees Logon-ID to post to Oracle. As note in the Information System Security Policy and Guidelines Section 100.4.0 "Logon-IDS should not be utilized by anyone but the individual to whom they have been issued. Users should not allow others to perform any activity with their Logon-ID"



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CL/TG