INTERIM FOLLOW-UP
For the Audit Committee

AUDIT OF LEISURE SERVICES - SPORT FIELDS ADMINISTRATION

Report No. CAO 1603-1011-03
September 22, 2011

Overview

- Trina Robinson and Carol Diaz were assigned the responsibility of implementing new policies and procedures to address the concerns noted in the audit report.

- Policies and procedures have been developed and approved by Steve Harsin, the director of the Department of Parks, Recreation and Neighborhood Services. Staff is receiving training for these newly developed processes.

- The following audit recommendation has been closed:

  14.1 Memorandum of Understanding

- Due to the complexities of the issues related to this audit, we will address each open audit recommendation. Director Steve Harsin, Deputy Director Lonny Zimmerman, Trina Robinson, and Carol Diaz are here to answer any questions you may have relating to the follow-up status.

1. 1 Limited Assurance Fees were Always Collected

Audit procedures showed that we were unable to determine whether fees were always collected from user groups that used city sport fields. Therefore, we made the noted recommendation:

Leisure Services management should establish, document, and implement effective oversight over the payment for the use of sport fields to include:

- **A policy to only issue field permits upon the payment of associated fees for sport field use.**
- **A process to track all field permits that are issued. This process could include either sequentially numbered field permits or printing field permits in CLASS after payment of fees.**
- **The reconciliation of field permits issued to CLASS fee payments.**
- **Standardized fee waiver process.**
- **Standardized document retention policies to include all relevant documentation.**
- **Improved/additional CLASS reports to assist with monitoring of sport fields activity.**

Management's Plan of Action Implementation Date

January 31, 2011

INCOMPLETE

2.1 Segregation of Duties Deficiencies

Audit procedures showed that a single employee was responsible for all phases of the process and adequate segregation of duties did not exist to ensure that appropriate payments were received for all authorized field usage. Therefore, we made the noted recommendation:

Leisure Services management should establish, document, and implement effective policies and procedures to mitigate the identified segregation of duties deficiencies. The implemented policies and procedures should include:

- Segregation of the responsibilities for processing and collection of fees from the allocation of sport fields. Consideration should be given to having the Municipal Sports Unit staff input the field usage and associated fees in CLASS and provide user groups with instructions on how to pay for their fees via an on-line fee payment process.
- Evaluate the feasibility of segregating the responsibility of programming the sport field lights to employees not responsible for allocating sport fields. These employees should be provided with copies of the field permits and the weekly light logs.
- Reconciliation of the funds received to field usage to ensure that appropriate payments are received for all authorized sport fields usage.

Management's Plan of Action Implementation Date:
September 30, 2011
NOT DUE

3.1 Proper Authorization of Transactions

Audit procedures showed that CLASS security access rights allow employees to delete and reassign payments without management oversight. Therefore we made the noted recommendation:

Leisure Services management should change CLASS security access rights to ensure that employees require management approval to delete transactions or reassign registration fees from activities that have already occurred to subsequent events.

Management's Plan of Action Implementation Date

September 30, 2010

INCOMPLETE

3.2 Proper Authorization of Transactions

Audit procedures showed that MSU staff were able to transfer registration fees from sessions that were already completed and reassign the fees to current sessions. Therefore, we made the noted recommendation:

Leisure Services management should document and implement policies and procedures to close out session activity once sessions are over. Management should determine whether CLASS can be programmed to automatically close sessions and consider having this done.

Management's Plan of Action Implementation Date

September 30, 2010

INCOMPLETE

3.3 Proper Authorization of Transactions

Audit procedures showed that the documentation related to city sponsored adult sports leagues was not retained. Therefore, we made the noted recommendation:

Leisure Services management should determine which documentation to retain. At a minimum, team rosters, game cards, and schedules should be retained. Once determined, they should document and implement policies and procedures to include the retention of these documents for specified time periods.

Management's Plan of Action Implementation Date

September 30, 2010

INCOMPLETE

4.1 CLASS Data Input Inconsistencies

Audit procedures identified inconsistencies in the methods used by various staff members to input data into CLASS. These inconsistencies impact the ability to effectively monitor activities. Therefore, we made the noted recommendation:

Leisure Services management should establish, document, and implement standard data input protocol for CLASS specific to sport fields. Current and new employees should be provided with standardized training on the use of CLASS.

Management's Plan of Action Implementation Date

September 30, 2010

INCOMPLETE

5.1 Inequities in the Allocation of City Sport Fields

Audit procedures showed inequities in how sport fields are allocated to the various leagues. Therefore, we made the noted recommendation:

Leisure Services management should establish a more equitable method of allocating sport fields. Consideration should be given to:

- Establishing a maximum number of hours of sport field usage for each registered league team. When available, leagues could contract for additional sport field usage at an additional fixed hourly rate.
- Implementing a standardized, process to document authorized exceptions to the standard field allocation process. This standardized process should be documented in policies and procedures.
- Performing periodic analyses of the sport field allocation process to ensure an equitable allocation of sport fields. The method used to complete this analysis should be documented in policies and procedures.

Management's Plan of Action Implementation Date

January 31, 2012

Not Due

6.1 Lighting of Sport Fields

Audit observations showed that many of the youth league games and practices were concluding between 8:30 and 9:00 pm. Their allocation time periods and light logs did not end until 10 or 11 pm. Therefore, we made the noted recommendation:

Leisure Services management should evaluate the allocation of sport fields to user groups to ensure that the assigned sport field time frames are consistent with the user groups actual schedules/usage.

Management's Plan of Action Implementation Date

August 31, 2011

NOT DUE

6.2 Lighting of Sport Fields

Audit procedures noted that user groups do not have an incentive to notify the Municipal Sports Unit when they will not be using their assigned fields since they do not pay any additional fees for their light usage. Therefore, we made the noted recommendation:

Leisure Services management should evaluate the feasibility of charging user groups for light usage. This could be accomplished by determining the actual cost of lighting fields and implementing a pilot program starting with a set percentage of cost recovery for light usage. The cost recovery percentage can be modified over time to eventually have a 100 percent cost recovery for light usage.

Management's Plan of Action Implementation Date
July 31, 2010
INCOMPLETE

6.3 Lighting of Sport Fields

Audit discussions showed that some of the fields have a push button light feature that anybody can activate until 10:30 pm. The Municipal Sports Unit cannot control the usage of these lights. Therefore, we made the noted recommendation:

Leisure Services management should work with Traffic Engineering Field Operations to determine which fields have the push button light activation feature and evaluate the feasibility of reprogramming the lights on these fields to a method that can be controlled by Municipal Sports Unit staff.

Management's Plan of Action Implementation Date

September 22, 2010

INCOMPLETE

6.4 Lighting of Sport Fields

Audit procedures showed the need for effective policies and procedures relating to lighting city sport fields. Therefore, we made the noted recommendations

Leisure Services management should establish, document, and implement effective policies and procedures to mitigate the issues associated with lighting City sport fields when the user groups are not using the fields. The implemented policies and procedures should include:

- **The method used to evaluate allocating sport fields to user groups to ensure that the assigned sport field time frames are consistent with the user group actual schedules/usage.**
- **The method used to evaluate charging user groups for light usage.**
- **The incorporation of language in the Facility Use Agreement of the requirement for user groups to require user groups to provide weekly light logs and to notify the Municipal Sports Unit that they will not be using the fields.**
- **The implementation of consequences for user groups who fail to notify the Municipal Sports Unit when they will not be using sport fields.**
- **The implementation of a policy relating to inclement weather conditions.**

Management's Plan of Action Implementation Date

August 31, 2011

NOT DUE

7.1 City Sponsored Leagues Liability Waivers

Audit procedures showed that team rosters and signed liability waivers were not consistently being retained for individuals that played on city sponsored adult leagues. Therefore, we made the noted recommendation:

Leisure Services management should document and implement policies and procedures to ensure that prior to the beginning of City sponsored league play:

- **All individuals that participate in the City sponsored leagues sign an Official Player Contract, Waiver, Release of Liability, and Indemnification Agreement.**
- **Each team submits a team roster.**
- **A Leisure Service employee ensures that a signed liability waiver is obtained and retained for each individual that is listed on the team roster.**

Management's Plan of Action Implementation Date

January 31, 2011

INCOMPLETE

8.1 Liability Waiver Retention Policy

Audit procedures showed that the liability waivers for city sponsored adult leagues were being retained for 2 years. The liability waiver includes both personal injury and property damage. NRS allows individuals to file claims for property damage for three years. Therefore, we made the noted recommendation:

Leisure Services management should modify the retention period for the Official Player, Contract, Waiver, Release of Liability, and Indemnification Agreement to three years to include the entire three year period for property damages.

Management's Plan of Action Implementation Date

September 30, 2010

INCOMPLETE

9.1 League and Tournament User Group Liability Waivers

Audit procedures showed that the documents signed by a representative of league and tournament user groups state "Waiver of Liability". To ensure that adequate processes are in place to limit the City's liability, we made the noted recommendation:

Leisure Services management should seek counsel from the City Attorney's Office on what requirements league and tournament user groups should follow to limit the City's liability when users are hurt or personal property is damaged while using City sport fields. Once determined, Leisure Services management should implement and document applicable policies and procedures and provide training to appropriate employees.

Management's Plan of Action Implementation Date

September 30, 2010

INCOMPLETE

10.1 Certificates of General Liability Insurance

Audit procedures showed that a consistent process was not used to ensure certificates of general liability were obtained and retained for all periods of use and there were inconsistencies in how the certificates were prepared. Therefore, we made the noted recommendation:

Leisure Services management should ascertain how the general liability certificates should be executed, document the guidelines, provide training to the applicable employees, and provide notification to the user groups.

Management's Plan of Action Implementation Date
March 31, 2011
NOT DUE

11.1 Security Requirements

Audit procedures showed that there are no standardized documented security requirements for user groups that use city sport fields. Therefore, we made the following recommendation:

Leisure Services management should consult with the City Attorney's Office to determine the circumstances in which league and tournament user groups should be required to contract and pay for private security services during their events. Once determined, Leisure Services management should implement and document applicable policies and procedures and provide training to appropriate employees.

Management's Plan of Action Implementation Date

September 30, 2010

INCOMPLETE

12.1 Concession Permits

Audit procedures showed that it was not possible to determine whether required steps were completed when issuing concession permits since the documentation was not always retained. Therefore, we made the following recommendation:

Leisure Services management should document and implement policies and procedures for the issuance of concession permits. Training should be held for the applicable employees.

Management's Plan of Action Implementation Date

September 30, 2011

NOT DUE

13.1 Non-Profit Status

Audit procedures showed that adequate procedures were not always completed to determine non-profit status. Therefore, we made the noted recommendation:

Leisure Services management should ascertain what documentation they deem to be acceptable for determining non-profit status, document the criteria, and provide training to the applicable employees.

Management's Plan of Action Implementation Date

January 31, 2011

INCOMPLETE

15.1 Disabling CLASS User Access

Audit procedures showed that a systematic process was not in place to disable CLASS access. Therefore, we made the noted recommendation:

Leisure Services management should:

- **Disable active CLASS computer system access for individuals that no longer have an operational need to use CLASS.**
- **Develop, document, and implement procedures to ensure that CLASS computer system access is removed when:**
  - **employees leave employment with the City.**
  - **employees assume City positions that no longer require access to CLASS.**
- **Implement a periodic review of the computer system access rights to verify that all access changes have been made.**

Management's Plan of Action Implementation Date

October 30, 2010

INCOMPLETE