INTERIM FOLLOW-UP
For the Audit Committee

AUDIT OF LEISURE SERVICES - SPORT FIELDS ADMINISTRATION

Report No. CAO 1603-1011-03

September 22, 2010

Overview

Three audit recommendations have been implemented and closed:

- 3.2 Proper Authorization of Transaction (closing session activity once sessions are over)
- 14.1 Memorandum of Understanding
- 15.1 Disabling CLASS User Access

One audit recommendation is listed as Not Due: - *5.1 Inequities in the Allocation of City Sport Fields.*

Parks, Recreation, and Neighborhood Services management have indicated they are conducting focus groups to assist in the development of a new allocation process for league and tournament user groups. They have represented that the new allocation process will be implemented in the Fall 2012 allocation period.

Sixteen audit recommendations are considered to be Incomplete:

The following 4 open audit recommendations are tied directly to the allocation process and therefore cannot be closed until the new allocation process has been implemented and reviewed:

- 1.1 Limited Assurance Fees are Always Collected
- 2.1 Segregation of Duties Deficiencies
- 4.1 CLASS Date Input Inconsistencies
- 13.1 Non-Profit Status

Overview

Four of the open audit recommendations relate to the lighting of sport fields:

- 6.1 Lighting of Sport Fields (Evaluate the allocation of sport fields to user groups to ensure the assigned sport field time frames are consistent with user group actual schedules/usage)
- 6.2 Lighting of Sport Fields (Evaluate the feasibility of charging user groups for lights)
- 6.3 Lighting of Sport Fields (Evaluate the feasibility of modifying the method used to light fields with the push button light activation feature)
- 6.4 Lighting of Sport Fields (Establish, document, and implement effective policies and procedures to mitigate the issues associated with lighting fields)

The remaining 8 open audit recommendations can be implemented independently of the new allocation process:

- 3.1 Proper Authorization of Transactions (CLASS security access rights)
- 3.3 Proper Authorization of Transactions (Retention of required documentation)
- 7.1 City Sponsored League Liability Waivers
- 8.1 Liability Waiver Retention Policy
- 9.1 League and Tournament User Group Liability Waivers
- 10.1 Certificates of General Liability Insurance
- 11.1 Security Requirements
- 12.1 Concession Permits

Questions

Auditors:

- Radford Snelding, City Auditor
- Nancy Beaty, Sr. Internal Auditor

Representatives from Parks, Recreation, and Neighborhood Services:

- Steve Harsin, Director
- Lonny Zimmerman, Deputy Director

Parks, Recreation & Neighborhood Services
Municipal Sports Unit
Audit Action Plan

Current Date: November 9, 2011

	Audit Finding/ Policy Under Review	PRNS Status	City Auditor Staus	Notes/Comments
1	**Limited Assurance Fees Always Collected**			
1.1	Payments	Policy set, implemented with checks and balances.	**2012 Fall Allocation Test**	Software upgrades scheduled in Feb/March of 2012.
1.2	Field Permits	Policy set, implemented with checks and balances.	**2012 Fall Allocation Test**	Software upgrades scheduled in Feb/March of 2012.
1.3	Field Permit Tracking	Procedures developed to run weekly reports.	**2012 Fall Allocation Test**	Software upgrades scheduled in Feb/March of 2012.
1.4	Reconciliation of Payments and Permits	Procedures developed to run weekly reports to reconciled permits to payments.	**2012 Fall Allocation Test**	Software upgrades scheduled in Feb/March of 2012.
1.5	Fee Waiver Process	Internal systems are in place and being implemented.	**2012 Fall Allocation Test**	Fee waiver packets are submitted from department to CM office for consideration.
1.6	Record Retention	Procedures will be developed to file and store data for a period of 3 years.	**2012 Fall Allocation Test**	Procedures will be submitted to Director for final approval Feb/March 2012.
1.7	Monitoring Sports Field Use	Procedures developed to reconcile permits to actual use.	**2012 Fall Allocation Test**	Hourly staff has been hired and are in the field monitoring complexes.

#8 12/10/11
Submitted by: Lonnie Zimmer

	Audit Finding/ Policy Under Review	PRNS Status	City Auditor Staus	Notes/Comments
2	**Segregation of Duties Deficiencies**			
2.1	Changes to Processing and Collecting Fees:	Policy set, implemented with checks and balances	**2012 Fall Allocation Test**	Cost recovery on all city sponsored leagues decreased by 83%, while City sponsored sports leagues @ max registration capacity also decreased by 45%. As a result, a decision was made to revise this policy to begin accepting check payments again and research other technology safeguards to catch checks with insufficient funds. (source: PPET Performance Measures)
2.2	Segregation of Duties-Sports Field Lights	Internal systems are in place and being implemented.	**2012 Fall Allocation Test**	System put into place July 2011.
2.3	Reconciling Sports Field Usage and Funds Received for Usage	Reports printed with software package and reconciled weekly.	**2012 Fall Allocation Test**	Software upgrades scheduled in Feb/March of 2012.
3	**Proper Authorization of Transactions**			
3.1	Deleting and Reassigning Transactions in Class	Internal systems are in place and being implemented.	**2012 Fall Allocation Test**	Software upgrades scheduled in Feb/March of 2012.
3.2	Closing Sessions in Class System	Internal systems are in place and being implemented.	**2012 Fall Allocation Test**	Software upgrades scheduled in Feb/March of 2012.
3.3	Municipal Sports Document Retention	Procedures are being developed to file and store data for a period of 3 years. Will be submitted for final approval Feb/March 2012.	**2012 Fall Allocation Test**	
4	**Class Data Input Inconsistencies**			
4.1	Class User Training Module and Implementation Guide:	Internal systems are in place and being implemented.	**2012 Fall Allocation Test**	Software upgrades scheduled in Feb/March of 2012.
5	**Inequities in the Allocations of City Sport Fields**	Policy to be finalized and submitted to the Director. Currently hosting Focus groups for input. Draft Policy will be presented to Council in Feb. 2012.	**2012 Fall Allocation Test**	

	Audit Finding/ Policy Under Review	PRNS Status	City Auditor Staus	Notes/Comments
6	**Lighting of Sports Fields**			
6.1	League Scheduling and Usage Control	Policy set, implemented with checks and balances.	**2012 Spring Allocation Test**	New web based lighting system installed by MUSCO, which allows all fields to be controlled through the internet by our office.
6.2	Charging User Groups for Lights:	Submit plan to recover lighting costs over 5 years.	**2012 Fall Allocation Test**	Will be ready for a Council Briefing in Jan/Feb of 2012.
6.3	TEFO Coordination of Lighting:	Internal systems are in place and being implemented.	**Complete**	
6.4	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			
6.4.1	Methodology and reconciliation of User Groups allocated time to assigned sports field based on actual schedules/usage:	Policy set, implemented with checks and balances.	**2012 Spring Allocation Test**	Sports field usage has decreased by 16%, because users are now paying for actual field use based on an hourly rate. However, this has corrected historical "hoarding" practices. (source: PPET Performance Measures)
6.4.2	Charging methodology/rationale:	A policy will be submitted to the director.	**2012 Fall Allocation Test**	Policy will be submitted to Director's final approval Feb/March 2012.
6.4.3	Facility Use Agreement:	Internal systems are in place and being implemented.	**2012 Spring Allocation Test**	System put into place July 2011.
6.4.4	User Group Non Use/Notification Policy:	Internal systems are in place and being implemented.	**2012 Spring Allocation Test**	System put into place July 2011.
6.4.5	Inclement Weather Conditions:	Internal systems are in place and being implemented.	**2012 Spring Allocation Test**	System put into place July 2011.
7	**City Sponsored Leagues and Liabilities and Waivers**	Policy set and being implemented. Modification to policy to be presented to Director Jan/Feb 2012.	**2012 Spring Allocation Test**	

	Audit Finding/ Policy Under Review	PRNS Status	City Auditor Staus	Notes/Comments
8	**Liability Waiver and Retention Policy**	Procedures will be developed to file and store data for a period of 3 years. Procedures will be submitted to Director for final approval Feb/March 2012.	**2012 Fall Allocation Test**	
9	**League and Tournament User Group Liability Waivers**	Internal systems are in place and being implemented.	**2012 Spring Allocation Test**	System put into place July 2011.
10	**Certificates of General Liability Insurance**	Internal systems are in place and being implemented.	**2012 Spring Allocation Test**	System put into place July 2011.
11	**Security Requirements**	Staff will have draft policies to brief City Council in Jan/Feb of 2012	**2012 Fall Allocation Test**	Reviewing and revising policy with management.
12	**Concession Permits**	Staff will have draft policies to brief City Council in Jan/Feb of 2012	**2012 Fall Allocation Test**	Reviewing and revising policy with management.
13	**Non-Profit Status**	Internal systems are in place and being implemented.	**2012 Fall Allocation Test**	System put into place July 2011.
14	**Memorandum of Understanding**	Internal systems are in place and being implemented.	**Complete**	
15	**Disabling Class User Class Access**	Internal systems are in place and being implemented.	**Complete**	