

**Post-Audit Review 16-07:
Park Reservation and Cash
Collections**

December 2017

City Auditor

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OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

December 11, 2017

To: Mayor Andy Berke
City Council Members

Subject: Post-Audit Review of Park Reservation and Cash Collections (Report #16-07)

Dear Mayor Berke and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2016 Park Reservation and Cash Collections report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded:

1. Park Division collected the proper user fees and typically submitted collections to the Treasurer's Office in accordance with stated policies;
2. The cash collection process lacked adequate segregation of duties as well as written policies and procedures; and,
3. Permit application fees were not collected in accordance with City Code.

The audit had 5 recommendations to improve the internal control deficiencies observed in the collection process at the Parks Division. At the time of this Post-Audit Review, one recommendation was not implemented, two were partially implemented, and two were implemented. Recommendations partially implemented and not implemented are herein reported to the Audit Committee for follow-up, as appropriate.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
Stacy Richardson, Chief of Staff
Maura Sullivan, Chief Operating Officer
Justin Holland, Public Works Administrator
Daisy Madison, Chief Financial Officer
Jim Arnette, TN Local Government Audit

RECOMMENDATION NOT IMPLEMENTED (1)

Recommendation	Actions Taken
5 We recommended management collect the permit application fee.	The permit application fee has not been collected. The division has not addressed the inconsistencies found in City Code.

RECOMMENDATIONS PARTIALLY IMPLEMENTED (2)

Recommendation	Actions Taken
1 We recommended management implement internal controls to mitigate the risks associated with the Division's collection process.	Management has developed policies and procedures that improve internal controls. However, discussion with staff indicates most of the controls were not implemented.
2 We recommended Parks Division implement supervisory review of collections and refunds.	The division's policies and procedures require supervisory review for refunds only. For cancellation refunds, the policy states "the Director of Parks will determine the appropriate fees and deposit to be refunded and document this on the Facility Use Agreement." We reviewed two cancellation refunds but found no indication that the Director reviewed and/or indicated the amount of refund.

RECOMMENDATIONS FULLY IMPLEMENTED (2)

Recommendation	Actions Taken
3 We recommended management develop written policies and procedures for its reservation, collection and refund process.	The department issued <i>Park Permit & Reservation Policy</i> in May 2017.
4 We recommended management counsel staff to ensure collection reports are timely submitted to the Treasurer's Office.	We reviewed a sample of collection reports. All reports were timely filed with the City Treasurer's Office.

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