

**OFFICE OF THE COUNCIL AUDITOR**  
Suite 200, St. James Building



January 26, 2006

Audit Letter 2006-02

Honorable Members of the City Council  
Jacksonville, Florida

In order to determine the status of the implementation of recommendations made by the Council Auditor's Office in audit reports issued to City departments and agencies, we sent letters to Department Heads requesting information regarding their implementation of recommendations that remained outstanding after the issuance of our initial report. In 2005, we sent follow-up letters to seven audits issued in 2003 and 2004. Six responses were received that outlined the status of our recommendations. We will continue to pursue information as to the status of the Animal Care & Control Revenue Audit Report #593. The following is a brief synopsis of the results of our inquiry. Copies of all responses are attached.

Neighborhoods Department - Clean It Up, Green It Up Audit Report #575 (October 2003)

At the date of the issuance of our report, four out of 19 recommendations had already been implemented. Of the remaining fifteen recommendations, five recommendations will be implemented with the implementation of a new Property Inspections and Contracting System currently being deployed. Nine recommendations have been implemented through procedural changes and one recommendation resulted in the recouping of an overpayment. *(See Attachment #1 for the detailed auditee response.)*

Jacksonville Public Library – Cash/Revenue Audit Report #581 (August 2003)

Out of eleven findings and recommendations, all recommendations have been implemented through new or revised policies and procedures and the implementation of staff training. *(See Attachment #2 for the detailed auditee response.)*

Property Appraiser's Office Audit Report #583 (November 2003)

At the date of the issuance of our report, eight out of nineteen recommendations had already been implemented. Of the remaining eleven recommendations, one is waived because of ambiguity in contract language regarding holiday pay, one is no longer applicable due to the implementation of a new computer system, one will be implemented pending the completed implementation of the new computer system, two recommendations regarding the performance of property inspections being performed every three years are partially implemented as they are being done in phases, two recommendations regarding the collection of tax bills under \$30 are being referred to the Tax Collector, and the remaining four have been fully implemented. *(See Attachment #3 for the detailed auditee response.)*

JEA Pipe Bursting Audit #589 (April 2004)

All four recommendations have been fully implemented through procedural changes, clarification of existing procedures, and the development of checklists. *(See Attachment #4 for the detailed auditee response.)*

Fleet Management Audit #592 (June 2004)

All twenty recommendations have been fully implemented through the change of policies, processes, procedures and record keeping. *(See Attachment #5 for the detailed auditee response.)*

Hanna and Huguenot Parks Cash & Revenue Audit Report #598 (August 2004)

At the date of the issuance of our report, five out of fifteen recommendations had been implemented. Subsequently, the remaining ten recommendations were fully implemented through new policies and procedures. The implementation of the City's policy for the collection of returned checks has resulted in the collection of 38 NSF checks in the total amount of \$7,562.27 plus service fees since FY03/04. Arrest warrants were issued by the State Attorney's Office for the collection of four NSF checks. Only eight NSF checks in the amount of \$743.45 were uncollectible due to the lack of identification information. *(See Attachment #6 for the detailed auditee response.)*

We will continue to track the implementation status of any recommendations not fully implemented. As to those recommendations that have been implemented, we will further review their implementation when we conduct further audits in those areas.

We appreciate the detailed responses that each of the auditees have developed and given to the Council Auditor's Office.

Respectfully submitted,

*Richard Wallace*

Richard Wallace, C.P.A.  
Council Auditor

Attachments



Equal Opportunity Employer



Property Safety Division

## M E M O R A N D U M

DATE: May 24, 2005

TO: Richard Wallace, C.P.A., Council Auditor  
Office of the Council Auditor

THRU: Roslyn Mixon Phillips, Director  
Department of Neighborhoods

FROM: Derek D. Igou, Chief  
Property Safety Division  
Department of Neighborhoods

SUBJ.: Audit of Property Safety Division Contract Administration and Liens  
(Formerly Clean It Up/Green It Up Contract Administration and Liens)

---

In response to follow-up review of Council Audit Report #575, "Clean It Up/Green It Up Division Audit of Contract Administration and Liens", October 14, 2003, herein submitted is Property Safety's status report:

Internal Control Weakness #1 Status: To remedy back and forth 'bouncing' of work orders and related case files, enforcement operations clerical staff print work orders and forward them directly to abstracting for plat maps and ownership verification prior to case transfer for contracting action.

Internal Control Weakness #2 Status: The division's current database, CEMS, does not allow restriction or provide security during contracting-related activities. New database, Property Inspections and Contracting System (PICS), will provide this much needed function. The PICS database is tentatively scheduled for October 2005 implementation.

Internal Control Weakness #3 Status: Again, CEMS limitations prevent automatic printing, as recommended by the audit. PICS will offer this function.

Internal Control Weakness #4 Status: The new PICS database will offer expanded reporting functions and a feature, which will 'alert' officers of aged inspections. Currently, Contract Administration personnel log abatement cases upon work order receipt on spreadsheets to track and monitor case activity, in addition to utilizing the CEMS database, to ensure contractors complete all work orders or close owner-complied work orders.



Internal Control Weakness #5 Status: (Please see Internal Control Weakness #4.)

Internal Control Weakness #6 Status: In 2003, the division began accepting site clearance and informal demolition bids via secured (locked) facsimile machine. The demolition Contract Compliance Specialist, who solicits these bid types, maintains the key to the facsimile cabinet, thus preventing access prior to bid opening.

Internal Control Weakness #1-1 Status: On February 26, 2003, the division's Contract Administration section implemented mandatory review of all abatement contractor invoices. This activity includes review of each work order by two of the following employees: Contract Compliance Specialist (supervisor), Contract Compliance Inspector, and/or abatement Clerical Support Aide III. Contract personnel immediately submit the invoice to the division's account technician for payment processing, as recommended.

Internal Control Weakness #1-2 Status: As mentioned previously, the division implemented mandatory review of all abatement contractor invoices by two of the following employees: Contract Compliance Specialist (supervisor), Contract Compliance Inspector, and/or abatement Clerical Support Aide III. Each invoice requires three signatures – two from contract personnel verifying accuracy and one from the contractor - prior to submittal for payment.

Finding #1-1 Status: (Please refer to Internal Control Weakness #1-1.)

Finding #1-2 Status: After a June 2003 consultation with [then] Procurement Services Manager, Michael Clapsaddle, Procurement and Supply in conjunction with Clean It Up/Green It Up's contracting section distributed notices, which clarify the number of days allotted for project completion, to zone abatement contractors.

Finding #1-3 Status: In many instances, the Property Appraiser's database measurements do not include dimensions of utility, other accessory buildings, and improvements, such as new foundations, gardens, expanded parking pads, and/or unauthorized home additions placed on properties (without building permits). As a result and after consultation with the Council Auditor's Office, Property Safety 's Contract Administration utilizes inspectors' field measurements as primary reference, in addition to the Property Appraiser's database, Jacksonville Geographical Information System (please note inaccuracies also exist in some Jax G.I.S. lot measurements), and existing plat maps as corroborating tools to enhance accuracy.

Finding #1-4 Status: Due to the subjective nature of 'D' rate type (trash and/or debris) abatement projects, Property Safety Division's Contract Administration implemented requirement of additional photographs ('A', 'B', and 'C' abatement types require before/after photographs), which document violations.

Finding #1-5 Status: (Please refer to Internal Control Weakness #1-1 for invoice review.) In five instances, Contract Administration paid abatement contractors twice,

resulting in total overpayment of \$823.40. The division recouped these funds in 2003 by deducting overpayments from contractors' invoices.

Internal Control Weakness #2-1 Status: Subject objective recommends modifying the Code Enforcement Management System database (CEMS) to allow automatic generation of an invoice and automatic recording of subsequent lien after work order approval. The division's new Property Inspection and Contracting System (PICS) database will greatly enhance contract administration's reporting, efficiency, and lien generation. Please note at the time of this report, the PICS database is in design stage and is tentatively scheduled for implementation in October 2005.

Internal Control Weakness #2-2 Status: *(Previously cleared; the responsibility of another department)* Subject objective addresses lien database security. General Accounting Division maintains the official Lien Database and grants desktop access.

Finding #2-1 Status: The audit recommends development of a tracking sheet. Contract Administration's nuisance abatement and demolition/board-up sections maintain tracking sheets, which document contracting/work order activity, in addition to entering associated inspections, comments, and lien 'breakdown' in the CEMS database. Contract Administration stores case files pending completion in locked file drawers within the division.

Finding #2-2 Status: *(Previously cleared; the responsibility of another department)* Subject finding addresses proper authorizations on Disposition of Lien (commonly known as lien cancellation) forms.

Finding #2-3 Status: *(Previously cleared; the responsibility of another department)* Subject finding addresses a [total] lien cancellation by the Department of Administration and Finance's General Accounting Division, which Contract Administration submitted as a lien *reduction*.

Finding #2-4 Status: *(Previously cleared; the responsibility of another department)* Subject finding addresses interest charge calculations in the official Lien Database maintained by General Accounting Division.

If you have any questions, please contact me at 391-3501.

DDI:kns

xc: Pamela Markham, Assistant Council Auditor  
Office of General Counsel

Kimberly N. Scott, M.P.A., Contract Compliance Administrator  
Property Safety Division  
Department of Neighborhoods

May 19, 2005

**MEMORANDUM**

**TO:** Richard Wallace, C. P. A.  
Council Auditor

**FROM:** Barbara A. B. Gubbin, Director  
Jacksonville Public Library

**SUBJ:** **Response to Follow-up Review : Jacksonville Public Library –  
Cash/Revenue Audit Report #581, August 27, 2003**

This is in response to your letter dated May 6, 2005, regarding the status of the Office of the Council Auditor's eleven (11) recommendations as set forth in Report #581, dated August 27, 2003.

**Internal Control Weakness #1-1**

***Original Response***

The Library is aware that a discrepancy exists between cash receipts shown by the cash registers and the automated DRA/SIRSI system. This is because the two systems are independent and are not interfaced. The DRA/SIRSI is primarily an operating system for tracking the use and history of library materials throughout the system. The automated system is not currently relied on for financial reconciliation of the Library's cash receipts.

As a result of this audit, the Library will, at minimum, attempt to furnish branch locations with a daily report of transactions and instruct them to begin to reconcile their daily cash register receipts with the DRA/SIRSI system's reports, annotating where and why discrepancies exist. Long range, the Library will investigate the expense involved to interface all cash registers with the automated system to provide a permanent "Check and Balance" step in reporting cash receipts.

### *Updated Response*

**Interfacing of the SIRSI operating system and the cash registers is actively under investigation by the Library and the software vendor. In the meantime, daily reports have been developed from the SIRSI system and will be made available beginning June 1, 2005, for use in daily reconciliation with the register “Z-tape” by staff responsible for cash handling. A new policy requiring this procedure is scheduled for implementation June 1, 2005. Additionally, regular monthly surprise audits were initiated by the Financial Management Branch in April 2005. Each month one (1) location will be internally audited for adherence to “Cash Handling” procedures and accuracy in time and attendance reporting.**

### **Internal Control Weakness #1-2**

#### *Original Response*

The Library will benchmark with other library systems and will adjust its policy regarding the allowable number of “Claims Returned”, adjusting the number to a quantity fewer than ten (10), if appropriate.

#### *Updated Response*

**Ten (10) claims returned is not unusual in many of the country’s library systems. However, a new policy will soon be drafted and introduced to the Board of Library Trustees that will require the collection agency to take action after a period of time if misplaced items have not been located.**

### **Internal Control Weakness #1-3**

#### *Original Response*

Notes of explanation will be made on accounts where fines are waived amounting to five-dollars (\$5.00) or more. In addition, we will investigate the possibility of assigning individual User Codes with varying levels of authorization.

#### *Updated Response*

**“Circulation” and “Cash Handling” procedures now address authority for a circulation staff member to forgive a fine of less than five dollars (\$5.00), requiring a notation on the register tape when such a fine is forgiven. Only the supervisor on duty may waive fines of five-dollars (\$5.00) or more and provided documentation (Waive form) is attached to the daily cash report. Individual names of staff are recorded by the SIRSI system when fines are waived.**

#### **Internal Control Weakness #1-4**

##### ***Original Response***

The Library recognizes and understands that cash handling training is certainly necessary. Currently, Branch Managers have been made aware that individual training for any employee who is not confident or proficient with the cash handling process and procedures is available through the Library's Accounting Office located at the Main Library. Additionally, when the revised cash handling policies and procedures have been completed and approved by both the Council Auditor's Office and the Library Administration, organized training sessions will be conducted for all managers and staff involved in the cash handling process.

##### ***Updated Response***

**The Financial Management Branch has completed a thorough revision of the "Cash Handling Manual". "Cash Handling" and "Reconciliation" training is now conducted on an ongoing basis and is available to staff newly assigned to cash handling responsibilities as well as to those desiring additional training. An electronic reconciliation form has been initiated which greatly simplifies the reconciliation and reporting process.**

#### **Internal Control Weakness #1-5**

##### ***Original Response***

The Library will investigate the possibility of limiting cash register access to Circulation Desk staff and locking the registers when no one is available to physically stay at the Circulation Desk.

##### ***Updated Response***

**Access to registers has been strictly limited. Registers are locked when a circulation staff member cannot be physically present at the Circulation Desk. These procedures are mandated by policy.**

**Internal Control Weakness #1-6**

*Original Response*

The Library will limit access to safes. All combinations will be changed immediately and then, at least annually.

*Updated Response*

**Access to safes has been strictly limited. Combinations of safes have been changed annually at all locations. These procedures are mandated by policy.**

**Internal Control Weakness #1-7**

*Original Response*

Staff will be prohibited from leaving the premises with City funds for the purpose of obtaining change. The Library will evaluate each branch petty cash fund to make sure it is adequate for branch change operations. Ideally, at the time the deposits are prepared, the beginning bank should be separated out in the lowest denominations available. This practice should eliminate the need to travel to a bank for change during the day.

*Updated Response*

**Staff have been prohibited from leaving the premises with City funds by policy. Deposits are picked up at all locations by the armored car vendor. "Petty Cash" funds have been re-evaluated for adequacy and increased at some locations. Further, staff have been instructed that change through conversion of large bills to smaller denominations and coins may be ordered from the armored car vendor, given one (1) business day's notice.**

### **Internal Control Weakness #1-8**

#### ***Original Response***

Branch staff have been instructed to accompany the IKON service representative when the coin operated copy machines are emptied, for security reasons and as good business practice.

#### ***Updated Response***

**Branch staff continue to escort the IKON representatives when emptying copier money and reading meters. Cash collected is counted and verified by both the vendor and library staff before being deposited. These procedures are mandated by policy.**

### **Internal Control Weakness #1-9**

#### ***Original Response***

The Library concurs that keys to the coin operated copy machines should be more strictly limited. This limiting will be left to the individual manager's discretion. However, in no case, should there be more than two (2) keys in use at one time.

#### ***Updated Response***

**Keys to the cash boxes of coin operated copiers have been strictly limited by managers to no more than two (2) keys in use at any one time per location. All extra keys are secured/ locked in the safe. These procedures are mandated by policy.**

**Finding #1-1**

*Original Response*

The Library will initiate a request through the City Treasurer's Office to increase its petty cash fund. Heretofore, apparently, a misunderstanding existed among staff as to exactly what cash in the branch was considered the "City Petty Cash Fund". Clearly, all City cash funds at the location which are not deposits of fees, fines, or sales proceeds are considered to be included in the location's "Petty Cash Fund".

*Updated Response*

**The Library's "Petty Cash Fund" allotment has been increased to meet current needs. Internally, "Petty Cash Funds" have been analyzed and increased according to requirements at various locations.**

**Finding #1-2**

*Original Response*

All safes will remained locked when not in use.

*Updated Response*

**All safes are locked at all times when not in use, according to policy.**

Should you require additional information, or have any questions regarding this response, please contact Mike McDowell, Executive Assistant/ Finance and Human Resources by calling 630-2762.

---

Barbara A. B. Gubbin  
Director

December 5, 2005

Pamela Markham, CPA  
Office of the Council Auditor  
Suite 200, St. James Building  
117 W. Duval St.  
Jacksonville, FL 32202

RE: Duval County Property Appraiser's Office Audit--Report #583

Dear Pam:

Attached you will find our response to the nine findings and recommendations for which you have requested additional information. The nine items are: Findings #1-1, #1-2, #2-1, #2-2, #4-1 and #5-4; Internal Control Weaknesses #1, #2, #3 and #4.

If you have any questions regarding our responses, please call me at 630-2464.

Kind regards,

Kay Ehas  
Chief of Administration

Cc: Jim Overton

**Finding #1-1**

Florida Statutes section 193.023 (2) states *"When making his or her assessment of the value of real property, the property appraiser is required to inspect physically the property every three years to ensure that the tax roll meets all the requirements of law."* Based on our review of 129 randomly selected residential properties, it was determined that only 29.5% of residential properties have been physically inspected by the Property Appraiser's Office in the last three (3) years.

**Recommendation to Finding #1-1**

We recommend that the Property Appraiser's Office comply with the Florida Statutes requirement of physically inspecting property, at a minimum, once every three (3) years.

**Response to Finding #1-1 12/05/05**

*As stated in our initial response, the PAO did not have adequate staffing to physically inspect properties at least once every three years. We hired an additional seven field appraisers during the 2004-2005 fiscal year. Also, this past fiscal year was devoted to developing and implementing an operational plan, including a policies and procedures manual, for the one- third review. We implemented the one-third review plan in October 2005.*

**Finding #1-2**

Section 780.101 of the Municipal Code, states that *"The Property Appraiser is instructed that he shall not make an extension on the tax roll for any parcel for which the tax will amount to less than five dollars"*. The 2001 Legislature enacted Chapter 2001-137, Laws of Florida, effective July 1, 2001, revising 197.212, Florida Statutes stating *"On the recommendation of the county tax collector, the board of county commissioners may adopt a resolution instructing the collector not to mail tax notices to a taxpayer when the amount of taxes shown on the tax notice is less than an amount up to \$30."* At the time of the evaluation, the Administration decided that the minimum tax bill would remain at five dollars.

We selected a sample of residential properties in Duval County whose 2002 total tax bill was greater than zero but no more than five dollars to determine compliance of Section 780.101 with the Municipal Code and we noted no findings. We did note, however, that there were 542 residential tax bills greater than zero and less than five dollars totaling \$1,197.65 and 2,218 residential tax bills between five dollars and \$30 dollars totaling \$39,331.78.

**Recommendation to Finding #1-2**

Considering that these funds are split between four or in some cases five taxing authorities, we recommend that the Administration perform a cost/benefit analysis to determine if it would be beneficial to increase the minimum tax bill from five dollars to a maximum of \$30.

**Response to Finding #1-2 12/05/05**

*The Florida Statute states that the **tax collector** may make a recommendation to the Council to raise from \$5 to \$30 the tax amount for which a tax notice will not be mailed. The PAO will provide to the Tax Collector the amount of money involved if the minimum taxes are increased to \$30. The Tax Collector may choose to make a recommendation to the City Council. If he so chooses, we will be prepared to implement a new law, if passed by City Council.*

**Finding #2-1**

Based on our review of a random sample of 129 commercial properties and 50 downtown commercial properties, it was determined that only 24.8% and 26%, respectively, of commercial properties have been physically inspected by the Property Appraiser's Office in the last three (3) years.

**Recommendation to Finding #2-1**

We recommend that the Property Appraiser's Office comply with the Florida Statutes requirement of physically inspecting property, at a minimum, once every three (3) years.

**Response to Finding #2-1**

*Please see Response to Finding #1-1 above.*

**Finding #2-2**

In addition to the review done in Finding #1-2 above on residential properties, we selected a sample of commercial properties in Duval County whose 2002 total tax bill was greater than zero but no more than five dollars to determine compliance of Section 780.101 of the Municipal Code and we noted no findings. We did note, however, that there were 1,245 commercial tax bills greater than zero and less than five dollars totaling \$2,608.80 and commercial 1,464 tax bills between five dollars and \$30 totaling \$20,516.86. The residential tax bills (Finding #1-2) and commercial tax bills between five dollars and \$30 totaled 3,682 tax bills and \$59,848.64.

**Recommendation to Finding #2-2**

Considering that these funds are split between four or in some cases five taxing authorities, we recommend that the Administration perform a cost/benefit analysis to determine if it would be beneficial to increase the minimum tax bill from five dollars to a maximum of \$30.

**Response to Finding #2-2**

*Please see Response to Finding #1-2 above.*

**Finding #4-1**

Based on our testing of the 2,566 cash receipts for the period of 3/27/02 through 4/10/03 it was determined that 75 cash receipts (3%) are unaccounted for. The cash receipts reviewed ranged in value from \$0.25 to \$250.00. We also found several instances where the deposit per the bank did not agree to the total cash receipts. There were 30 deposits of cash receipts from 4/9/02 through 4/11/03 and seven of the 30 did not agree to the bank deposit. Two were short and five were over resulting in a net overage of \$112.20

**Recommendation to Finding #4-1**

We recommend the Property Appraiser immediately explore methods to improve the efficiency and control over cash collections. That would require that all receipts be maintained in numerical order, that all numbers be accounted for and that the total of the day's cash/checks collected be agreed to the total of the cash receipts that will be used to prepare the bank deposit for the day.

**Response to Finding #4-1**

*We agree with this finding and have implemented procedures to prevent the problem from recurring. Specifically, the PAO will properly record small cash receipts in a simple 3-part receipt book, which includes a PAO imprint, numerically referenced receipts; with one part to be attached to the corresponding bank deposit for proper reconciliation, one part to be maintained in file, and one part to remain attached in the book. After a book is retired, it will be maintained in file for three years.*

**Addendum 12/05/05**

*The Property Appraiser's Office closed the bank account with SunTrust Bank on April 26, 2004. The remaining balance of \$403,420.58 was received from SunTrust in check form and turned over to the City Treasury Division on April 29, 2004. Therefore, the PAO no longer has a separate banking system from the City's.*

*As noted in our original response above, the cash receipts that are generated regarding sales of maps and other appraisal-related data are written in a triplicate receipt book. The receipts are maintained in numerical format, all numbers accounted for, and the total of the checks/cash received agree to the total cash receipts. Deposits are made to the Tax Collector and the validated receipt from the Tax Collector is attached to the corresponding cash receipts and filed for future reference.*

**Finding #5-4**

Section 4.3 of the City's Appointed Officials and Employees Salary and Compensation Plan states that "For employees on a four-day, ten-hour-day workweek, who normally work Monday through Thursday, Friday holidays will be observed on the preceding Thursday. For employees on a four-day ten-hour-day workweek, who normally work Tuesday through Thursday, Monday holidays will be observed on the following Tuesday." Section 4.4 states that "Employees scheduled for eight (8) or ten (10) hour days, shall be compensated for the holiday at their respective rates of pay for eight (8) or ten (10) hours." The internal policy adopted by the Property Appraiser's Office conflicts with the City's Appointed Officials and Employees Salary and Compensation Plan.

Employees who work four ten-hour days are required to work five eight-hour days during holiday weeks. This policy results in ten-hour day employees taking more leave time than necessary during a holiday week. The Property Appraiser's employees are given the option of working four, ten-hour days or five, eight-hour days for a workweek. Employees who opt to work the four, ten-hour days have the option of taking either Monday or Friday off. The Property Appraiser has developed an internal policy stating that all employees must work 8-hour days during a holiday week. As a result, employees who normally work four ten-hour days are required to convert back to the eight/five workweek. As a result of this policy, the Property Appraiser is not in compliance with the City's Appointed Officials and Employees Salary and Compensation Plan.

#### **Recommendation to Finding #5-4**

We recommend that the Property Appraiser comply with the "City's Appointed Officials and Employees Salary and Employment Plan" Sections 4.3 and 4.4 regarding employees who work four-day, ten-hour-day workweeks.

#### **Response to Finding #5-4**

*We have carefully considered the Auditor's comments regarding PAO holiday schedules for four-day/ten hour (4/10) employees. We respectfully disagree with your conclusion, however. Our policy of requiring 4/10 employees to conform to a five-day/eight hour (5/8) schedule during holiday weeks has the effect of requiring all employees to work an equal amount of time during holiday weeks (typically 32 regular hours and 8 holiday hours). The COJ Appointed Employees Plan 4.3 policy allows 4/10 workers an additional 2 hours of holiday pay versus those who normally work 5/8. Stated another way, if we adopted the City policy, 4/10 employees would only work 30 hours during holiday weeks, while 5/8 employees would work 32 hours. Hence we think our policy is fair and the COJ policy grants an unfair advantage.*

*In discussions on this matter, the CAO has agreed that the issue is debatable.*

#### **Addendum 12/05/05**

*We, respectfully, have not changed our views regarding holiday schedules. As we stated above, we believe the City's policy grants an unfair advantage to employees on a 4/10 schedule. The City's policy pays 4/10 employees two more hours per holiday or an additional 22 hours more compensation per year than 5/8 employees receive for holiday pay. We believe our policy is fair and equitable to all employees.*

#### **OTHER INTERNAL CONTROL WEAKNESSES**

We evaluated the appraisal computer system to determine if there were adequate security and internal controls in place. We noted several weaknesses that are addressed below.

#### **Other Internal Control Weakness #1**

The appraisal system (A+ system) does not have an operations/procedures manual.

**Recommendation to Other Internal Control Weakness #1**

We recommend that the Property Appraiser's Office analyze the cost/benefit of documenting the current system. We recommend that the new appraisal system be well documented with an operations and procedures manual.

**Response to Other Internal Control Weakness #1**

*As far as we can now tell, there seemed to be a miscommunication on this question during the field audit. Contrary to your report finding, the mass appraisal system (KB-A+) does have a user manual. We do not know why the CAO was not shown the manual. Or it may be that the manual was deemed inadequate. We agree that may be the case.*

*However going forward, it does not seem beneficial to rewrite or update a new CAMA procedure manual in that we will be using the current system for the last time for the 2004 tax roll.*

**Addendum 12/05/05**

*As stated above, there is an operations and procedures manual for the KB system. However, the new CAMA implementation was delayed and the 2005 tax roll was produced on the KB system. We now are no longer using (except Tangible Personal Property, which will be converted in January 2006) the KB-A+ system as of November 7, 2005. We currently are in the process of training employees on the new CAMA system. The vendor has provided preliminary operations and procedures documentation. As we continue to customize the system, we will consistently update the manual.*

**Other Internal Control Weakness #2**

The Property Appraiser does not have a formal or documented process for granting or denying access to various functions to the AS/400 and the A+ Appraisal Program (i.e. deletion of properties, changing exemption status, etc.). For example, when a new employee is hired, his/her level of access is merely copied from the same type of current position without thought given as to whether this level of access is appropriate or not. In addition, users move from one department to another to temporarily assist other departments; thus, they require additional access. This additional access is not removed when they return to their "home" department.

**Recommendation to Other Internal Control Weakness #2**

We recommend that the Property Appraiser develop a formal written policy that details the procedures to be followed when a user requires increased or decreased access to the various functions of the system.

**Response to Other Internal Control Weakness #2**

*In response to the initial concerns of the CAO field auditors, the PAO has initiated a review of all usernames with access to the CAMA, reassigned individual access levels and ceased recycling access codes. We are continuing a review of these procedures to address system security. In particular, all employee job functions are being reviewed to determine if appropriate levels of access are in place.*

*We have initiated the writing of a formal policy, which is presently in draft form. We expect that the final draft will be available for review by November 30, 2003. Modifications to the policy will be required as the new CAMA system is rolled out. Full implementation of a new security policy will be accomplished through the new CAMA system and its significantly improved audit trail. The 2005 tax roll will be produced entirely on the new system.*

**Addendum 12/05/05**

*As stated previously, we are just now implementing the new CAMA system. The 2005 roll was produced on KB. The 2006 roll will be produced on the new system. We are presently training employees on the new system. To date, one division is working in the new system. Their security access has been determined and documented. We are working to determine security access for every position within each department. This will be documented prior to each department going live on the system. A formal written policy will be in place by the end of the second quarter of 2005-2006.*

**Other Internal Control Weakness #3**

The Property Appraiser does not require that employee passwords used to access the AS/400, the A+ Appraisal program, and the Windows network be changed on a periodic basis. Having stagnant passwords for this length of time greatly increases the likelihood of "password creep", i.e., passwords floating around to co-workers in deliberate or innocent attempts to circumvent various system measures. This creates a hazard in that auditing/tracking measures would be ineffective when administrators cannot be certain that whomever the system recorded as making an addition/change/deletion was actually the correct individual.

**Recommendation to Other Internal Control Weakness #3**

We recommend that the Property Appraiser develop a formal written policy that requires employees to change their system passwords on a periodic basis. Such a policy would also detail various password related topics such as complexity of, history retention, and password length.

**Response to OIC #3 12/05/05**

*CAMA system users are required to change their passwords every 90 days. Managers and HR are required to submit a form to our systems area for new or terminated employees and when employees move to another position so that employees are granted the correct access.*

June 27, 2005  
Mr. Richard Wallace, CPA  
Council Auditor  
Suite 200, St. James Building  
Jacksonville, FL 32202

Re: JEA Pipe Bursting-Council Auditor Report #589

Dear Mr. Wallace:

I am in receipt of your letter dated May 6, 2005 requesting information for potential Council Auditor follow up on the findings and recommendation of the audit. JEA believes that all the findings and recommendations have been addressed through procedural changes, clarification of existing procedures, and the development of checklists. This is documented in the attached JEA internal document used to manage and track the audit findings. I have highlighted in green the noted completion of each item. Hopefully this will provide the necessary information the Council Auditor's office needs to determine the need for any follow-up review. Please contact me or Doris Champ for any additional information.

Sincerely,

Robert Kermitz  
Manager Joint Projects

Cc: Doris Champ  
Greg Perrine

## 2004 Office of the Council Auditor Pipe Bursting Audit (Audit #589) Action Plan Status Grid

Issue	Recommendation	Action Plan	Status – Open, In Progress, Closed	Action Plan Due Dates – Initial & Subsequent	Action Plan Close Date	Responsibility	Status Comments
<b>Revision Date:</b>							
<b>Issue #1:</b> JEA was in compliance with the Purchasing Code and their operational orders in regards to Invitation for Bids and Contracts for Pipe Bursting.	There are no recommendations.	No Response necessary due to no recommendation by Council Auditor	Closed	N/A	N/A	N/A	N/A
<b>Issue #2:</b> We found that a unit price could not be found in any of the contract documents for 3 (.8%) of the 373 invoices tested. JEA USC Procedure 702 (E)(4) states, “ <i>The Invoice Auditor will verify that the unit price stated on the invoice is the same as the unit price in the signed contract, approved change order or SWA.</i> ” This resulted in the payment of \$6,176.21 without any support for the expenses. Although these appear to be immaterial, there were additional exceptions that were cleared by JEA through documentation provided by the contractor during our audit, but were not available in JEA’s contract documents.	We recommend that JEA determine what was provided for the \$6,176.21 paid to the pipe bursting contractors. In addition, JEA should ensure that there is supporting documentation for all lump sum items listed on invoices before the invoice is approved for payment.	JEA is researching with the contractor to determine if documentation is available to justify the \$6,176.21 paid as lump sum items. If documentation is not available, JEA will request reimbursement from the contractor for same.  JEA will review the current payment review procedure that requires either an internal or external independent review of all invoices. The procedure will be revised to ensure that cost reimbursable (lump sum reimbursement) items listed on payment request have supporting documentation before the invoice is approved for payment.	Closed	May 14, 2004	May 14, 2004	Director, Joint Projects (Robert Kermitz, Project Manager, is the responsible party)	Part 1 Completion: In conjunction with the contractors involved, we were able to recover the missing documentation for the \$6,176.21 in lump sum charges relating to 3 separate invoices that did not have supporting documentation in the file.  Part 2 Completion: I have reviewed the current process (USC Procedure #702 Invoice Auditing) being used to audit invoices. There is a checklist used that includes a specific requirement to insure that supporting documentation is included. Upon further review, it has been determined that at least 2 of the 3 invoices in question on Part 1 of this finding were processed for payment prior to the implementation of this checklist and full implementation of the use of an external firm for invoice auditing. The value of these two invoices was \$5986.12 and as stated above, documentation has been obtained to verify all 3 of these charges. Based on my review of the current invoice auditing process

**2004 Office of the Council Auditor Pipe Bursting Audit (Audit #589) Action Plan Status Grid**

Issue	Recommendation	Action Plan	Status – Open, In Progress, Closed	Action Plan Due Dates – Initial & Subsequent	Action Plan Close Date	Responsibility	Status Comments
							which was created in January 2003 and updated in October 2003, no revisions to the invoice auditing process are necessary at this time to mitigate audit finding #2.
<p><b>Issue #3:</b> We found that the punch list and/or as-bults were not submitted prior to the final payment for 8 of the 120 (7%) purchase orders tested. This represents 2% of the total dollars expended. It should be noted that of the 8 purchase orders, 3 did not have a punch list and 5 did not have both a punch list and as-bults. JEA Production Projects &amp; Engineering Procedure PP &amp; ES 705 (B)(7) states that the Construction Manager, <i>“Develop and maintain punch lists during project, inspect and record completion of punch list items and verify that all punch list items are complete before final payment is made.”</i> In addition, JEA Production Projects &amp; Engineering Procedure PP &amp; ES (D)(4) states that for a Final Payment, <i>“The Project Manager is responsible for obtaining concurrence from the Project Engineering that the as-built drawings are submitted and satisfactory.”</i></p>	<p>We recommend that JEA create a checklist for each project workbook and ensure that all items related to the project are present prior to final payment.</p>	<p>JEA is currently evaluating the implementation of a checklist for Final Payment approval versus alternative control mechanisms. The control mechanism determined to be most effective will be inserted into the appropriate procedure for USC wide implementation.</p>	<p>Closed</p>	<p>June 1, 2004</p> <p><b>New action plan due date is September 01, 2004</b></p> <p><b>Oct. 11, 2004</b></p> <p><b>Nov. 30, 2004</b></p>	<p>12/28/04</p>	<p><b>Director, Joint Projects (Robert Kermitz, Project Manager, is the responsible party)</b></p>	<p>Met with Robert Kermitz on 7/19/04. He has requested that the action plan due date to be extended to 09/01/04.</p> <p>Reason: He needs to meet with Project Services to coordinate this effort. Project Survives (Project Controls) has recently gone through reorganization. Robert will be going on vacation and cannot meet with Project Services until 08/15/04. Robert stated that these action plans involve other areas of USC and requires more coordination with Project Services, Project Management, and Organizational Services than originally anticipated. The new due date is September 01, 2004. (RLR)</p> <p><b>Action Plan in process</b>  <u>10/11/04</u> – Deadline is being extended to Nov. 30, 2004 due to the hurricanes and storm restoration.  <u>1/6/05</u> – Checklist received and determined to be adequate by RLR on 12/28/04. (DRJ)</p>
<p><b>Issue: Internal Control Weakness #1</b> We could not easily verify the quantities billed on invoices to the</p>	<p>We recommend that JEA review this process to identify a consistent “best practices”</p>	<p>JEA will review its current processes for verifying quantities installed to quantities billed on</p>	<p>Closed</p>	<p>July 1, 2004</p> <p><b>New action</b></p>	<p>12/28/04</p>	<p><b>Director, Joint Projects (Robert</b></p>	<p>Same as above (07/19/04) RLR</p> <p><b>Action Plan in process</b></p>

**2004 Office of the Council Auditor Pipe Bursting Audit (Audit #589) Action Plan Status Grid**

Issue	Recommendation	Action Plan	Status – Open, In Progress, Closed	Action Plan Due Dates – Initial & Subsequent	Action Plan Close Date	Responsibility	Status Comments
<p>quantities installed on the project. During our examination of the pipe bursting invoices, we attempted to verify the quantities billed to the quantities reported by the Field Inspector. We were unable to do this because there is not a uniform straight-forward process in place to record the quantities installed.</p>	<p>approach to ensure that quantities installed are recorded. Procedures should be documented accordingly.</p>	<p>invoices. Upon determining a “best practice” methodology, procedures will be revised to reflect the new process, and it will be installed throughout the department.</p>		<p><b>plan due date is September 01, 2004</b>  <b>Nov. 30, 2004</b></p>		<p><b>Kermitz, Project Manager, is the responsible party)</b></p>	<p><u>10/11/04</u> – Deadline is being extended to Nov. 30, 2004 due to the hurricanes and storm restoration.</p> <p><u>1/6/05</u> – New procedures for verifying quantities installed were reviewed by RLR and determined to be adequate to close the action plan. (DRJ)</p>
<p><b>Issue: Internal Control Weakness #2</b> JEA does not have a written procedure that documents the required approvals for payments. During our examination of pipe bursting invoices, we found that in some cases the Project Manager did not sign the application for payment. After discussions with JEA, it was brought to our attention that the Contract Administrator acts as the Project Manager as it relates to the project and is the only one who is required to approve the payment. JEA could not provide the Council Auditor’s Office with a written procedure that dictates this process.</p>	<p>We recommend that JEA develop a procedure that dictates who is delegated the authority for approving payments.</p>	<p>JEA will develop a payment approval delegation procedure to document current practices and insure there is a clear understanding of who is authorized to approve payments to contractors and suppliers.</p>	<p>Closed</p>	<p>June 15, 2004  <b>New action plan due date is September 01, 2004</b>  <b>Nov. 30, 2004</b></p>	<p>10/19/04</p>	<p><b>Director, Joint Projects (Robert Kermitz, Project Manager, is the responsible party)</b></p>	<p>Same as above (07/19/04) RLR</p> <p><b>Action Plan in process</b></p> <p><u>10/11/04</u> – Deadline is being extended to Nov. 30, 2004 due to the hurricanes and storm restoration.</p> <p><u>10/19/04</u> – Procedures were provided to internal audit dictating who has authority for approving payments.</p>

May 26, 2005

Mr. Richard Wallace, CPA, Council Auditor  
Office of the Council Auditor  
Suite 200, St. James Building  
Jacksonville, FL 32202

RE: Fleet Management Division – Report #592

Dear Mr. Wallace:

Please find enclosed the status of Fleet Management's response and action taken for your staff's findings and recommendations, as discussed in the audit report on May 18, 2004.

Sincerely,

Sam K. Houston, Jr., Chief  
Fleet Management Division

cc: Mr. Cal Ray, Director  
Administration and Finance

## **Status on Audit Report #592**

### **Inventory**

#### **Internal Control Weakness #1-1**

Physical Access to the Parts and Tire Section is not controlled; only authorized personnel should have access to these areas.

**Action Taken:** Card Key Cipher Locks are installed in the parts section along with magnetic door locks on walk through gates and a new AVR video recording system. Technicians who work on weekends and after hours that require access to repair parts and related supplies will contact the gate guard and the guard will unlock the parts door and the service technician on call will use his key card to access the parts room. Parts and related supplies drawn are verified by the guard and logged on a work order. On the next working day the parts supervisor will review the transaction and process the work order. The tire section, alarms are installed on the fence line and the tire building. On weekends and after hours that require access to tires and related supplies the requisitioner will contact the tire supervisor and the supervisor or one of the tire technicians will issue the tires.

#### **Internal Control Weakness #1-2**

There is not a proper segregation of duties over ordering, receiving, issuing and posting adjustment to the inventory that applies to repair parts and tires.

**Action Taken:** Fleet established a policy where only the parts manager or parts supervisor will be authorized to approve and post inventory adjustment to the stock records. Fleet will allow two functions to be performed by any one person (i.e. Order and issue but not received or received and issue but not order) this will allow fleet to better utilized its personnel. The parts manager or part supervisor will closely monitor this arrangement. The parts manager or parts supervisor will review such transaction and will sign the receipt document.

#### **Internal Control Weakness #1-3**

Tire Shop lacks organizational structure in its inventory efforts and used tires are not inventoried at all.

**Action Taken:** Fleet reorganized the tire inventory by assigning specific location for each tire size for new and used tires. This will allow fleet to better manage the tire inventory. Additionally, Fleet is accounting for, and entering into the system the re-useable used tires, not surplus tires.

#### **Finding #1-1**

Fleet Management is not controlling the number of slow moving parts in their inventory.

Action Taken: Ongoing, approximately over 2,000 line items valued at \$100,000 of old parts have been removed from inventory and sent back for credit or sent to city surplus. The system report “Inventory non usage by Location” report is now being used to control old stock items. This undertaking will be closely monitor by the parts manager or supervisor on monthly basis with a follow-up report to management.

Finding #1-2

Inventory test count in the Part Section, Tire Shop, Fire Shop and Body Shop; of 270 items counted with a valued of \$204,539, 128 items did not matched the inventory records. The overages and shortages could be caused by charging the wrong part number when issued, making inventory adjustment incorrectly, not posting returned item, and loss or theft.

Action Taken: The parts room section has been reorganized and new bins installed. The part numbers have been inventoried and duplicate parts and numbers have been corrected. This action will eliminate the duplication of part numbers and minimize charging the wrong part number to the work order. Additionally, Fleet policy is that only the parts manager or parts supervisor will be authorized to approve and post inventory adjustment to the stock records. See weakness #1-1 Repeat.

Finding #1-3

Inventory adjustments are not always document and approved. The Fleet System allows an adjustment to be posted without approval. The approval process is on paper only and is not required to enter the inventory adjustment in the system.

Action Taken: Fleet policy is that only the parts manager or parts supervisor is authorized to approve and post inventory adjustment to the stock records. Additionally, new forms and procedures are now in place to document inventory adjustments.

**Record Keeping**

Internal Control Weakness #1-4

Parts returned for credit to the supplier remain in the inventory until the credit is received from the vendor even though the vendor has the possession of the item.

Action Taken: The process for “parts return” for credit from the supplier has been changed to provide more control to the inventory. The parts return forms are now processed daily to update the inventory records. Additionally, the accounting section is now responsible for matching the credit memo provided by parts clerks against the credit invoices by the vendor.

Internal Control Weakness #1-5

Parts that are identical have different part numbers because of being purchased from different companies. The inventory records may be inaccurate since the part could be

charged incorrectly. Additionally, parts may be reordered even though this item is already in stock.

Action Taken: The parts room section has been reorganized and new bins installed. The part numbers have been inventoried and duplicate parts and numbers have been corrected. This action will eliminate the duplication of part numbers thus, eliminate charging the wrong part number to the work order and duplication of reorders.

Internal Control Weakness #1-6

Parts' personnel use their employee number instead of their signature when signing for the receipt of an inventory item.

Action Taken: The parts personnel are now required to provide their signature for the receipt of an inventory item along with their employee number.

Internal Control Weakness #1-7

The "Returned Goods Form" that is generated when a part is returned to the vendor and the "Adjustment Form" to post inventory adjustment are not automated. Also, the forms were not organized in any manner, thus it was difficult to determine the number of parts that had been returned.

Action Taken: The process for "returned goods form" for credit from the supplier has been changed to provide more control to the inventory. The parts return forms are now processed daily to update the inventory records. Additionally, the accounting section is now responsible for matching the credit memo provided by parts clerks against the credit invoices by the vendor.

Internal Control Weakness #1-8

The Fleet System allows the user to input any employees' number when posting an entry, adjustment to the stock records.

Action Taken: Fleet established a policy where only the parts manager or parts supervisor will be authorized to approve and post inventory adjustment to the stock records and for posting receipts and issues password restrictions have been implemented

**Warranty & Commercial Charges**

Internal Control Weakness #1-9

Fleet does not always enter the current warranty information when they input a new vehicle in the Fleet System.

Action Taken: Current warranty information for every vehicle has been verified and inputted into the fleet computer system.

#### Finding #1-4

Of the 34 Authorization to Ship (ATS) forms for special orders tested and from the 73 repair orders tested, eight of the repairs were eligible for warranty reimbursement and only 50% were reimbursed under the warranty program.

Action Taken: Fleet has already instructed all shop supervisors to review repair orders warranty claims, and to stamp them as warranty even if the claims is questionable and let the warranty clerk sort it out with the vendors. Furthermore, superintendents are to review all MP75 for sublet repairs. This will eliminate any warranty reimbursement issue.

#### Finding #1-5

Twelve (12) of the 25 ATS's for sublet repairs tested were authorized after the invoice date and three (3) could not be determined if the repairs were properly authorized because the invoices were not dated. Fleet SOP for sublet repair dated May 8, 2000 states, *"When it is determined that a vehicle must be sent out for repair by an outside source the foreman or leaderman must first contact the Storeroom Supervisor for authorization...Under no circumstance shall any repair be made without an approved purchase order and proper authorization from the parts/supply section."*

Action Taken: The foreman or leaderman will create the MP 75 (Order Request) for the sublet repairs after the approval by their superintendent and it will be forwarded to the parts buyer for the creation of the ATS. The buyer will provide the vendor the ATS number and this ATS number will be on the invoice. The parts manager or supervisor will scrutinize invoices without an ATS number for validity before forwarding it to the accounting section for payment.

### **Fleet Fuel and Oil**

#### Internal Control Weakness #2-1

Fleet Management's Fuel Section did not have any written procedures for issuing fleet activity cards. The intercity web page had some procedure for operator cards and vehicle cards but procedures were not listed for activity cards.

Action Taken: Written policies and procedures have been completed and implemented along with a request form for activity cards. The policies and procedures are available on the Fleet web site.

#### Internal Control Weakness #2-2

Fleet Management's Fuel Section does not have a password to protect the fleet fuel card computer system. It does not use password to limit users and anyone can use the system by hitting the "enter" key.

Action Taken: Password has been set up to protect the fleet fuel card computer system and only authorized personnel can access the fleet fuel card system.

Internal Control Weakness #2-3

The Fuel section does not secure the plastic fleet fuel cards used to create new vehicle cards, operator cards and activity cards. The Fuel section stores the plastic cards used to create new fuel cards next to the fuel card computer.

Action Taken: The plastic fleet fuel cards used to create new vehicle cards, operator cards and activity cards have been secured and only authorized personnel can access these cards.

Internal Control Weakness #2-4

The Fuel Section does not know when an employee is transferred to another department or leaves employment with the City; as result the Fuel section is unable to update the system. There is a "City of Jacksonville Department Out Processing list" form that requires to be completed upon termination of employment. On this check-off list there is line that states "Return White Vehicle Operator Card" however, there is no procedure in place to ensure that the "Card" is returned to Fleet Management.

Action Taken: The Standard Operating Procedures stated that it is the responsibility of the Department/Agency Officer or designee to return all cards assigned to an employee that has been transferred or no longer employed by the city. The issue has been addressed to all concern and it is posted on the Fleet Management City web site.

Finding #2-1

Lubricating Oil (Oil 8500) last inventory was September 29, 1995. Fleet performs informal counts daily; however, the count is only performed to determine the replenishment amount and it is not compared to the inventory record for validity. On October 22, 2003 and January 23, 2004 inventory count were performed and the result were compared with the inventory records and there was overstated by 16,416 quarts and 21,504 quarts respectively.

Action Taken: An automated inventory system for oil has been purchased and is currently being installed. We expect the installation to be completed by June 30, 2005. This system will allow Fleet to track all oil transactions. Additionally, Fuel section will periodically conduct physical count and bounce it against the inventory record. Any discrepancies against the inventory record will be investigated before adjustment will be approved and posted by the supervisor.

**Commercial Credit Cards for Fuel**

Action Taken: Based on the analysis and audit recommendations Fleet has written a comprehensive policies and procedures. The written policies and procedures include but not limited to the following:

- A standard form for request and authorization of credit cards has been implemented.
- Expired or cancelled credit cards are destroyed, witnessed and signed.
- Accounting performs issuing of credit cards and the fuel office prepares billing.
- Invoices are forwarded to Department/Agency for verification and approval.
- Monthly charges are reconciled against receipts by Department/Agency.
- Fleet has a new credit card vendor. Fleet is currently collecting and reissuing the new credit card. Once the change over is complete Fleet will only maintain 10% excess card on hand to replace worn out, loss and new request.
- The Fleet Fuel Credit Card System is being maintained and kept up to date.
- Duplication of credit cards with the same number has been corrected.
- Coordinators are notified of expired credit cards and required to fill out new request form if card is still needed.
- All these issues mentioned above is also addressed and covered in the Credit Card Standard Operating Procedures which is posted under the Fleet Management City website.

DEPARTMENT OF PARKS, RECREATION AND ENTERTAINMENT  
Office of the Director



December 2, 2005

**MEMORANDUM**

TO: Pamela Markham, C.P.A.  
Assistant Council Auditor  
Office of the Council Auditor

FROM: Paul R. Crawford  
Interim Director  
Parks, Recreation & Entertainment Department

SUBJECT: Response to Oceanfront Parks Revenue Audit

The following represents an update to our August 23, 2004 response to the Council Auditor's Findings and Recommendations of revenue generating activities, cash handling procedures, and collection efforts of Kathryn Abby Hanna and Huguenot Memorial Parks.

**Auditor's Recommendation to Finding #1-4:** After exhausting its collection efforts, we recommend that Parks & Recreation forward all unsatisfied returned checks to the State Attorney's Office, as provided in the City's Cash Receipt Procedures. In order to initiate this process, Parks & Recreation, with the assistance of the State Attorney's Office, should determine what documentation is required to process these checks in the future. In addition, these parties should determine if collection efforts can be pursued on current outstanding/unsatisfied returned checks.

**Response to Finding and Recommendation #1-4:** The Department has fully implemented the City's policy for collection of returned checks. Additionally, the Department pursued collection efforts on its outstanding returned checks. From FY 03-04 to the present, the Department has collected 38 NSF checks in the total amount of \$7562.27 plus service fees. Arrest warrants have been issued by the State Attorney's Office for collection on four NSF checks. Only eight NSF checks in the total amount of \$753.45 were uncollectible due to lack of ID information. These eight checks were issued prior to the Department's policy of securing ID information on the back of all checks.



**Auditor's Recommendation to Finding #2-1:** Early Bird Ticket Books represent a revenue source to the City. Proper controls should be established to ensure that all Early Bird Ticket Books (on hand and sold) are accounted for. Therefore, we recommend that Parks & Recreation establish adequate controls over the maintenance and sale of Early Bird Ticket Books. Proper safeguards should include:

- Unsold Early Bird Ticket Books should be maintained in a secure, locked location at all times.
- Early Bird Ticket Books should be issued in consecutive order.
- The current stack of Early Bird Ticket Books from which sales are being made should be:
  - Logged out from inventory to the cash register.
  - Maintained in the cash register until the point of sale.
  - Placed in the safe with the cash bank nightly.
- All sales should be logged into the Early Bird Ticket Log Sheet, which should include the ticket book number, the date of the sale and the clerk's initials.
- At closing, the current stack of Early Bird Ticket Books from which sales are being made should be inventoried and agreed to the Early Bird Ticket Log Sheet and daily cash register tape to ensure that collection is being made on all ticket book sales.
- All ticket books (sold and on hand) should be inventoried on a frequent basis.

**Response to Finding and Recommendation #2-1:** Hanna and Huguenot management implemented the recommendation that all unsold Early Bird Ticket Books at each location remain locked in the safe or file cabinet at all times, with the exception of a small stack of books which are placed on a daily basis in the cash register until sale and returned each night to the safe or file cabinet. Early Bird Ticket Books are now issued in consecutive order. The parks maintain an accurate log of books, including ticket book number, date of sale, and clerk's initials. At daily closing, all books are inventoried and compared to the log sheet and daily cash register tape to ensure that collection is being made on all ticket book sales. The parks inventory all ticket books (sold and on hand) on a weekly basis and forward said inventory to the Department's Business Office for review. The Business Office conducted an audit of Early Bird Ticket Books last Spring and will periodically conduct unscheduled audits of these books to ensure policies are being followed.

**Auditor's Recommendation to Finding #2-3:** Due to the complexity of the current credit process, we recommend that the Parks adopt a more standard credit/refund policy, such as the loss of one night's payment if the cancellation is not made within a specified time or a standard cancellation fee.

**Response to Recommendation #2-3:** The Department investigated how camper refunds are handled at other venues and developed a new standard camper refund policy, a copy of which is attached. The standard cancellation fee is now one night's payment.

**Auditor's Recommendation to Finding #2-4:** As stated under Recommendation to Finding #2-3, we recommend that the Parks adopt a more standard credit/refund policy.

**Response to Recommendation #2-4:** See Response to Recommendation #2-3.

**Auditor's Recommendation to Finding #2-5:** We recommend that a written notice, as required by the Park's internal policies, support all cancellations of the Dolphin Plaza rentals.

**Response to Recommendation #2-5:** Hanna Park management reinforced that all staff handling refund requests for Dolphin Plaza rentals adhere to current internal policy of requiring appropriate written notice to support all cancellations. All refund requests are reviewed through several layers of management. The Department's Business Office, as the last approver, ensures refund requests move forward only when accompanied by the appropriate written notice.

**Auditor's Recommendation to Finding #2-6:** The Parks have established an internal policy that defines conditions when fees may be waived. Appropriate conditions include the attendance by State of Florida school groups, including colleges and universities, for educational purposes and representatives of any Federal, State, Municipal or County Agency who must enter the park in performance of their official duties. Established conditions do not include frequent visitors. We recommend that all patrons be required to pay the appropriate admission fee each time they enter the park.

**Response to Recommendation #2-6:** The Department adopted a new policy outlining specifically occasions when waiver of fees are allowed at Hanna and Huguenot Parks. Please see attached copy. This policy includes a log book for documenting fee waivers.

**Auditor's Recommendation to Finding #2-7:** In accordance with the City's Cash Receipt Procedures and to minimize the potential for the misappropriation of City funds, we recommend that a receipt be offered to all paying customers.

Pamela Markham, CPA  
December 2, 2005  
Page Four

**Response to Recommendation #2-7:** Park management reinforced that all staff charge all patrons the correct admission fee and offer a receipt upon payment, with no exceptions.

**Auditor's Recommendation to Finding #2-9:** In addition to reviewing the daily collection packets, we recommend that the Parks & Recreation Business Office ensure that the daily collections are properly posted to the City's general ledger system.

**Response to Recommendation #2-9:** The Department's Business Office has implemented a monthly reconciliation procedure to ensure all Department deposits are credited to the correct subobject.

**Auditor's Recommendation to Finding #2-10:** We recommend that the Parks and Recreation review the Camping Collections Report and determine what information the Department desires to capture in the report. Irrelevant information should be excluded as to not over complicate the process and waste time.

**Response to Recommendation #2-10:** The Department reviewed the format of the Camping Collections Report and streamlined it to capture only relevant information. A copy is attached for your review.

**Auditor's Recommendation to Finding #2-11:** To ensure passwords are not known, all employees with access into the Campground Manager System should be required to establish a new unique password. Since the Campground Manager System limits passwords to a combination of three characters, we further recommend that the passwords be a combination of letters and numbers.

**Response to Recommendation #2-11:** All employees with access to Campground Manager System changed their passwords to a three-digit combination of letters and numbers to ensure each had a unique password.

All of the recommendations within your audit have been implemented. Please advise if you require further information regarding our responses. Thank you for your input and suggestions.

/ss

Attachments

c: Claudia Waldo, Oceanfront Parks Manager  
Kelley Boree, AMIO

## **Jacksonville's Oceanfront Parks**

### **REFUNDS**

#### **CAMPING**

As a government entity, collected fees and charges are deposited daily to the Office of the Tax Collector. Because of the current deposit process, it makes it impossible for park staff to refund cash. Camping credits are not permitted.

Although both Kathryn Abbey Hanna Park and Huguenot Memorial Park maintain a NO REFUND POLICY, individuals may request an exception by completing a Refund Request Form and returning it to the Office Supervisor for processing. Cancellations are charged a one-night deposit fee when reservations are cancelled prior to the date of arrival. This request will be forwarded to the Park Manager, the Chief of Park Maintenance and the Department of Parks, Recreation and Entertainment Business Office for review and final determination. If the request is approved, the City of Jacksonville will issue a check and mail it directly to the individual noted on the refund request form. This process can take as long as two to four weeks and this policy should be explained to the customer. It should also be explained that the final decision of who will receive a refund, and who will not, is to be decided by the Chief of Park Maintenance and the Department of Parks, Recreation and Entertainment Business Office.

Refunds are usually not given for things such as bad weather or not catching fish. Further, refunds will not be given to individuals who are evicted for violations of Park rules.

#### **ADMITTANCE**

We do not issue refunds for admittance. The fee is for entrance to the park, not for staying in the park. We do not refund an admittance fee for people just driving in to look and who are not getting out of their car, or those just wanting to check the waves. The only way to gain entrance into the park is by paying the fee, and once they have come in, they have done what they paid for.

## **Standard Operating Procedures**

## Camping Refund Request

Hanna Park presently has a **NO Refund Policy** for previously paid camping fees. In order to process your request for an exception to the policy, please complete the following information and return it to the Office Supervisor. Your request will be forwarded to the Chief, Park Maintenance for review and final decision.

**Date of request:** \_\_\_\_\_

**Name of Camper** \_\_\_\_\_

**Mailing Address** \_\_\_\_\_

**Telephone** \_\_\_\_\_

**Date of Arrival:** \_\_\_\_\_

**Number of nights/sites paid:** \_\_\_\_\_

**Refund requested for** \_\_\_\_\_ **nights not used**

**Reason for refund request** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### **Verification** (supervisor)

The above named person paid \$ \_\_\_\_\_ for \_\_\_\_\_ night(s) camping, site # \_\_\_\_\_  
Commencing on \_\_\_\_\_ and departing on \_\_\_\_\_. Camper is  
requesting a refund in the amount of \$ \_\_\_\_\_.

**Reservation # PXX10** \_\_\_\_\_ Clerk taking request: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

Supervisor



**POLICY MEMORANDUM NO. 2005-17**

TO: Distribution List

FROM: Robert W. Baughman, Director

RE: Waiver of Fees and Charges for  
Kathryn Abbey Hanna Park and Huguenot Memorial Park

---

**Purpose:**

To establish conditions for which park fees and charges may be waived for Kathryn Abbey Hanna Park and Huguenot Memorial Park.

**Policy:**

The Chief of Park Maintenance, or his/her designee, is authorized to waive park fees and charges **upon written request and approval in advance** only under the following conditions:

1. State of Florida school groups, in grades Kindergarten through 12, when accompanied by one or more teachers. The school principal must certify, on school letterhead, that the school is registered with the Florida Department of Education, and that the particular trip is part of the school's educational curriculum and not a picnic or other recreational outing.
2. Home-schooled groups, in grades Kindergarten through 12, when accompanied by one or more parents. The request must also include a copy of a Letter of Intent from Duval County School Board certifying at least one parent in the group to home-school children. Additionally, the letter request must certify that the particular trip is part of the home-schooled children's educational curriculum and not a picnic or other recreational outing.
3. Representatives of any federal, state, municipal, or county agencies who must enter the park in performance of their official duties. These representatives must be able to show identification or provide a business card. The Park Manager or designee must be notified when these officials are entering the park.
4. Individuals and/or groups who have been tasked to perform a park service and/or project.



The Director of Parks, Recreation & Entertainment Department is authorized to waive park fees and charges **upon written request and approval in advance** under the additional following conditions:

1. Not-for-profit groups for special events or activities sanctioned by the City of Jacksonville.

Fees may not be waived for use of picnic shelters at either park, or for entrance to Kathryn Abbey Hanna Park for use of the water park.

**Procedure:**

All requests for a waiver of park fees and charges must be **submitted in writing** to Park Manager **in advance of expected arrival**. Park Manager will complete Approval of Waiver of Fees Memorandum (copy attached) and forward to either Park Maintenance Division Chief or Department Director, dependent on conditions described above, for signature approval.

Upon return of appropriately signed Approval of Waiver of Fees Memorandum from Park Maintenance Division Chief or Department Director, the Park Manager must log the fee waiver into the Waiver of Fees and Charges Log Book (copies of Log Book pages attached). This log book must be maintained for each park for all fee waivers, noting date, individual or group name, number of persons in party, reason for their visit, type of fee waived, and total dollar amount of fee waived.

Additionally, Park Manager must retain all original letter requests to waive fees, together with Approval of Waiver of Fees form signed by the Park Maintenance Division Chief or Department Director. Upon request, the log book together with accompanying letter requests for fee waiver and Approval of Waiver of Fees forms shall be made available for audit by the Parks, Recreation & Entertainment's Business Office or by Council Auditor of the City of Jacksonville.

**Responsibility:**

Park Maintenance Division Chief and Business Office Manager

Park Maintenance Division Chief will assume responsibility for implementing and enforcing the overall plan to ensure that Kathryn Abbey Hanna Park and Huguenot Memorial Park follow the established procedures for waiver of fees and charges. Business Office Manager will assume responsibility for randomly auditing the maintenance of the Waiver of Fees and Charges Log Book.

**Effective Date:** April 22, 2005

**Cancellation:** Jacksonville's Oceanfront Parks "Waiver of Fees and Charges"

policy is hereby cancelled and is superseded by this Policy  
Memorandum No. 2005-17.

Policy Memorandum No. 2005-17

Page Three

**Distribution List:** Division Chiefs  
Business Office Manager

DEPARTMENT OF PARKS, RECREATION AND ENTERTAINMENT  
Park Maintenance Division



DATE: \_\_\_\_\_

**MEMORANDUM**

TO: Oceanfront Parks Manager  
FROM: Park Maintenance Division Chief  
SUBJECT: Approval of Waiver of Fees

I hereby approve the waiver of fees for the individual/organization as set forth below according to the Department of Parks, Recreation & Entertainment's Waiver of Fees and Charges Policy and Procedures:

Name of Organization \_\_\_\_\_

Date \_\_\_\_\_ Park \_\_\_\_\_

Number in Party \_\_\_\_\_

Purpose of Visit \_\_\_\_\_

Total Dollar Amount of Fees Waived \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Park Maintenance Division Chief

The additional approval of the Director of Parks, Recreation & Entertainment Department is required for any waiver of fees for not-for-profit groups for special events or activities sanctioned by the City of Jacksonville.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director







**Kathryn Abbey Hanna Park**  
November 1, 2005

Cash/Check Revenues	Credit Card Revenues	Total Camping Revenues
\$700.18	\$1,643.61	\$2,343.79
Cash/Check Deposit	Credit Card Deposit	Total Credit Card Revenues
\$700.13	\$1,643.61	\$2,343.74
Cash/Check Short/Over	Credit Card Short/Over	Total Camping Short/Over
<b>(\$0.05)</b>	<b>\$0.00</b>	<b>(\$0.05)</b>

OK

OK

OK

Non-Tax	Camping Fees					Taxes		Sub-Total
Camping Bed-Tax Charge Only	Taxable Chg-Cash	Taxable Chg-Credit	Deposit Used	Discount % Amt Used	Net Camping Revenue	Sales Tax	Bed Tax	Camping Paid
\$0.00	\$ 646.44	\$ 1,492.77	\$0.00	\$65.24	\$2,073.97	\$145.29	\$124.53	\$2,343.79

\$ 2,073.92    \$ 145.29    \$ 124.53

Miscellaneous Fee Breakout	Non-Tax	Shelter Fees				Taxes	Sub-Total		
Shelter OLD	Misc-Non Tax	Taxable Chg - Cash	Taxable Chg - Credit		Net Misc Revenue	Misc Sales Tax	Total Misc Sales		
\$0.00		\$0.00	\$0.00	N/A	\$0.00	\$0.00	\$0.00		
Miscellaneous Fee Breakout	Non-Tax	Dolphin Plaza				Taxes	Sub-Total		
Dolphin Plaza OLD	Misc-Non Tax	Taxable Chg - Cash	Taxable Chg - Credit		Net Dolphin Revenue	Dolphin Sales Tax	Total Dolphin Sales		
\$0.00		\$0.00	\$0.00	N/A	\$0.00	\$0.00	\$0.00		
Miscellaneous Fee Breakout	Non-Tax	Shelter Fees				Taxes	Sub-Total		
Shelter	Misc-Non Tax	Taxable Chg - Cash	Taxable Chg - Credit		Net Misc Revenue	Misc Sales Tax	Total Misc Sales		
\$0.00	\$0.00	\$0.00	\$0.00	N/A	\$0.00	\$0.00	\$0.00		
Miscellaneous Fee Breakout	Non-Tax	Dolphin Plaza				Taxes	Sub-Total		
Dolphin Plaza	Misc-Non Tax	Taxable Chg - Cash	Taxable Chg - Credit		Net Dolphin Revenue	Dolphin Sales Tax	Total Dolphin Sales		
\$0.00	\$0.00	\$0.00	\$0.00	N/A	\$0.00	\$0.00	\$0.00		
Miscellaneous Fee Breakout	Annual Car Passes Duval County							Sub-Total	
Annual Car Pass Duval County	N/A	Taxable Chg - Cash	Taxable Chg - Credit		Net Season Passes Revenue	Season Passes Sales Tax	Total Season Passes Sales		
\$0.00		\$0.00	\$0.00	N/A	\$0.00	\$0.00	\$0.00		
Miscellaneous Fee Breakout	Annual Car Passes							Sub-Total	
Annual Car Pass	N/A	Taxable Chg - Cash	Taxable Chg - Credit		Net Season Passes Revenue	Season Passes Sales Tax	Total Season Passes Sales		
\$0.00		\$0.00	\$0.00	N/A	\$0.00	\$0.00	\$0.00		
Miscellaneous Fee Breakout	Lee Hall							Sub-Total	
Lee Hall	N/A	Taxable Chg - Cash	Taxable Chg - Credit		Net Lee Hall	Lee Hall Sales Tax	Total Lee Hall Sales		
\$0.00		\$0.00	\$0.00	N/A	\$0.00	\$0.00	\$0.00		
Non-Tax	Total of all Camping Deposit Revenues								
Employee Turnkey Fee	Total Non Tax	Total Taxable Cash	Total Taxable Chg Credit	Deposit Used	Discount % Amt Used	Total Net Revenues	Total Sales Tax	Total Bed Tax	Total Paid
\$ -	\$0.00	\$646.44	\$1,492.77	\$0.00	\$65.24	\$2,073.97	\$145.29	\$124.53	\$2,343.79

Camping Cash & Checks CR'S	Camping Credit Cards CR'S
Camping Fee \$ 619.55	Camping Fee \$ 1,454.37
Sales Tax \$ 43.39	Sales Tax \$ 101.90
Bed Tax \$ 37.19	Bed Tax \$ 87.34
Dolphin Fee \$ -	Dolphin Fee \$ -
Sales Tax \$ -	Sales Tax \$ -
Miscellaneous \$ -	Miscellaneous \$ -
Sales Tax \$ -	Sales Tax \$ -
Season Passes \$ -	Season Passes \$ -
Sales Tax \$ -	Sales Tax \$ -

\$ 145.29    \$ 124.53