



CITY OF ORLANDO

Office of Audit Services and Management Support

MEMORANDUM

To: Lisa Early, Families, Parks and Recreation Director
Raymond M. Elwell, Deputy Chief Financial Officer
William C. Mummert, Controller
Rodney I. Williams, Recreation Division Manager

From: Beryl H. Davis, CPA, CGFM, Director
Office of Audit Services and Management Support

Re: Follow-Up Review of Audit of Recreation Division Cash Accounts
(Report No. 08-05)

Date: February 26, 2008

Attached is a summary of the status of recommendations as determined from our follow-up review of the Audit of Recreation Division Cash Accounts (*Report No. 07-10*), issued March 9, 2007. Our review procedures consisted of staff inquiries, examination of certain documents and a review of the status of the recommendations provided by Division management.

Our follow-up was made in accordance with generally accepted government auditing standards, except as follows. The standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. In this follow-up review, we did not perform substantial tests of evidence supporting the replies from the officials responsible for resolving audit findings and recommendations.

Six of the eight recommendations in the original report were implemented, one is partially implemented, and one is planned for implementation. We encourage the Accounting Operations Division to fully implement the recommendation to ensure that the change funds and petty cash funds agree to the General Ledger accounts, and the Recreation Division to ensure that surprise cash counts are conducted.

Every quarter we prepare a report for executive management of all the city-wide recommendations that have not been fully implemented.

Emily Rouse, Auditor II, performed this follow-up review under the supervision of Mona Mellon, Audit Program Manager.

BHD/er

Attachment

c: Honorable Buddy Dyer, Mayor
Byron W. Brooks, Chief Administrative Officer
Joseph M. Robinson, Chief of Staff
Rebecca W. Sutton, Chief Financial Officer
Laurie E. Nossair, Accounting Operations Manager
Denise M. Aldridge, Parks Assistant Division Manager

**REPLY AND IMPLEMENTATION SUMMARY
FOLLOW-UP REVIEW OF AUDIT OF RECREATION DIVISION CASH ACCOUNTS**

#	RECOMMENDATIONS	RESPONSE	CURRENT STATUS	IMPLEMENTATION DATE	AUDITEE COMMENTS
1.	The Families, Parks and Recreation Fiscal Section should complete the change fund verification process for the Recreation Centers/Facilities and take action to rectify all issues. (HIGH)	Concur	Implemented	March 2007	
2.	The Families, Parks and Recreation Fiscal Section should create a tracking document that identifies each change fund and the person responsible. (HIGH)	Concur	Implemented	February 2007	
3.	The Families, Parks and Recreation Fiscal Section should create a process for transferring responsibility for change funds due to personnel changes or employee transfers. (MEDIUM)	Concur	Implemented	February 2007	
4.	The Recreation Division Manager should instruct the Area Managers to conduct periodic surprise cash counts of centers in their Areas and report the results to management. (LOW)	Concur	Planned for Implemented	February 2008	The Area Managers will begin performing surprise cash counts throughout the year, to be included on their monthly reports to management.

Each recommendation is classified with a “Criticality Factor”, defined as:

- HIGH represents a control risk or needed improvement requiring immediate attention.
- MEDIUM represents a control risk or needed improvement requiring attention in the next year.
- LOW represents a process improvement that can be addressed at management’s discretion.

**REPLY AND IMPLEMENTATION SUMMARY
FOLLOW-UP REVIEW OF AUDIT OF RECREATION DIVISION CASH ACCOUNTS**

#	RECOMMENDATIONS	RESPONSE	CURRENT STATUS	IMPLEMENTATION DATE	AUDITEE COMMENTS
5.	The Families, Parks and Recreation Fiscal Manager and Recreation Division Manager should instruct center staff on the importance of keeping cash secured in the safe overnight. (MEDIUM)	Concur	Implemented	March 2007	
6.	The Accounting Operations Division should keep a record of the amount and responsible party or parties for the change funds and petty cash funds in use at the Recreation Division and ensure that the total of these funds equal the associated General Ledger accounts. (HIGH)	Concur	Partially Implemented	February 2008	The Controller Division provided its list of change funds to the Recreation Division, which updated the information. Accounting is in the process of matching the list to the associated General Ledger accounts.
7.	The Families, Parks and Recreation Fiscal Manager should conduct surprise cash counts of the petty cash funds and other funds kept in the department safe at least annually and report the results to management. (LOW)	Concur	Implemented	July 2007	
8.	The Families, Parks and Recreation Fiscal Manager should report the existence of the \$300 special event change fund to Accounting Operations for proper recording of this account in the City's financial records. (MEDIUM)	Concur	Implemented	March 2007	