



**PARKS & RECREATION
DEPARTMENT**

PERFORMANCE AUDIT

JULY 1, 2011 THROUGH JUNE 30, 2012

**CITY OF CHESAPEAKE, VIRGINIA
AUDIT SERVICES DEPARTMENT**

June 28, 2013

The Honorable Alan P. Krasnoff and
Members of the City Council
City of Chesapeake
City Hall – 6th Floor
Chesapeake, Virginia 23328

Dear Mayor Krasnoff and Members of the City Council:

We have completed our review of the City of Chesapeake (City) Department of Parks and Recreation (Department) for the period July 1, 2011 to June 30, 2012. Our review was conducted for the purpose of determining whether the Department was providing services in an economical, efficient, and effective manner, whether its goals and objectives were being achieved, and whether it was complying with applicable City and departmental policies and procedures related to cash handling, procurement, safety, contractual services and inventory. Other areas included a review of housekeeping, groundskeeping, maintenance work order tracking, computer system, departmental inventory, physical security of parks and recreation centers, Northwest River Park (including physical condition, infrastructure, camp store, and park usage rates), and a review of revenue collection procedures and program administration for athletic and other programs, including fees charged and identification card usage.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Department provided both essential and non-essential services for the City and its' residents. Its primary services included developing safe and enjoyable leisure activities, promoting year round activities that enhance social interaction, education, creative expression, and developing therapeutic activities for those citizens with disabilities. The Department was also responsible for municipal grounds, park maintenance, and athletic field maintenance for both City and Chesapeake Public Schools (Schools), operating City parks, and providing housekeeping for City facilities.

For Fiscal Year (FY) 2012-13, the Department had an operating budget of nearly \$11.7 million. Eleven of the Department's program areas were included in the City's General Fund totaling just over \$9 million. The other four program areas were included in Special Funds and totaled just over \$2.5 million. The Department had an authorized complement of approximately 172 personnel. The Central Offices were located on Executive Drive in the Greenbrier area of the City. Additional office space for a storeroom, a work order center, housekeeping administration, and park and municipal maintenance operations were maintained at their former offices on Mann Drive. The Department Director began work in April 2012, just prior to the start of out audit

To conduct this audit, we reviewed and evaluated City and Department policies, procedures, operations documents, and reports, both internal and external. We also conducted extensive site visits to obtain a general understanding of various departmental processes. We discussed these audit areas and conducted interviews with departmental management and various other personnel.

Based on our review, we determined the Department had accomplished its overall mission of providing a variety of services that were critical to the operations of the City. However, we did identify several areas of concern that needed to be addressed. Those areas included revenue, cash and system controls, contracts, patron fee structure, physical security, inventories, utilization of Maximo software, safety, and maintenance and usage at Northwest River Park.

This report, in draft, was provided to Department officials for review and response and their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. The Department's management, supervisors, and staff were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

Sincerely,



Jay Poole
City Auditor
City of Chesapeake, Virginia

C: James Baker, City Manager
Dr. Wanda Barnard Bailey, Deputy City Manager
Michael Barber, Parks and Recreation Director

Managerial Summary

A. Objectives, Scope, and Methodology

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B. Performance Information

The Department's mission was to provide the citizens of Chesapeake with a variety of year-round leisure activities to promote social interaction, education, creative expressions, physical activity and recreational therapy. This mission was accomplished by providing activities such as classes, special events, clubs, trips, and after-school/evening programs, and therapeutic activities for those with disabilities. The Department had the capability to offer a wide assortment of programs and reached over 400,000 participants annually through its' many offerings. In addition to its community centers, the Department had a variety of diverse parks situated all over the city. Several of these parks were unique to Chesapeake due to their historic relevance or their unmatched natural conditions.

In March 2013, the Department received approval to expand the Elizabeth River Park. The park will expand from 9.7 acres to 12 acres, and upgrades will include the parking area, drainage, site lighting, utilities, and paved sidewalks. Also, the renovations will include concession and restroom facilities, dock improvements and extension, a boat pump out station, a boat fueling station, and a kayak launch. The budget was \$4,000,000.00 and the improvements were expected to be completed in two phases, with phase one completed in the fall of 2013. Phase two completion will be dependent upon receipt of special permits for certain items such as the pump out station and fueling dock.

C. Financial Control Issues

Our review of financial controls at the Department identified a number of concerns that needed prompt attention. First, revenue controls for both the Athletic Division and the Summer Blast Program had not been developed sufficiently to protect City revenues, and revenue controls for some programs had not yet been automated. Cash controls were also not sufficiently developed, which placed sizable amounts of cash collections at risk. System controls for ActiveNet, a commercial software program used to manage many of the recreation programs, were also not fully developed, and system upgrades often occurred without sufficient testing and oversight. Finally, the Department did not always use City Contracts in the manner prescribed by City Code.

1. Athletics Division Revenue Processing

Finding – The Athletics Division was not using the ActiveNet automated system to process registration payments for their various sporting events. In addition, there were inadequate processing controls and safeguards for receipts and deposits and deposits were not timely. Also, management oversight and direction were lacking for the revenue receipt process.

Recommendation – The Athletics Division should be required to use the ActiveNet system to process registration payments. In addition, the Department should develop and document revenue processing procedures that address accountability, safeguarding of assets, and segregation of duties, and implement a monitoring process to ensure controls are being followed.

Response – Parks and Recreation agrees with the findings above regarding the past practices and processes of individual and team registration and payments. Due to various eligibility issues and concerns, past management practices included separate manual athletic registration procedures. To this end, Parks and Recreation has already established and implemented new procedures for the manual system, which began during the Fall 2012 season with total implementation during the Spring 2013 season. (Note: The full text of the Department’s response is included in the body of the audit report).

2. Leisure’s Summer Blast Program

Finding – The Summer Blast Program had significant revenue and operational control weaknesses including non-completion of attendance forms, management review of supporting documentation, independent checks at the various Centers, and reconciling of revenue to attendance sheets.

Recommendation – The Leisure Division should develop and document revenue and operating policies and procedures for the Summer Blast program and adequately train

staff. In addition, Leisure and Center management should provide oversight, accountability, perform independent checks and implement a monitoring process to ensure controls are being followed. In addition, revenue received should be reconciled to the number of attendees recorded on attendance sheets to ensure all fees were collected.

Response – Parks and Recreation agrees with the findings above regarding the process and implementation of policies and procedures of the Summer Blast Program. Under past practices, the Community Centers and Leisure Programs were operated as separate units, although each shared the same staff and facilities. Under the new reorganization plan of the Department that will be implemented in FY14, these sections will be combined and administered as one unit. This plan should address many of the past inconsistencies of supervision and establish efficient accountability of the center. (Note: The full text of the Department’s response is included in the body of the audit report).

3. Cash Controls

Finding – The Department’s cash handling and settlement processes needed improvement, and controls and safeguards over cash needed to be enhanced.

Recommendation – The Department should develop and document cash handling and cash settlement process policies and procedures so that cash is adequately safeguarded. The policies and procedures should address cash controls for all divisions and Courier personnel. In addition, the Department should develop an ongoing monitoring process to ensure adherence to cash handling, cash control, and courier procedures. Also consideration should be given to establish the use of credit cards at the various divisions.

Response – The Department agrees with the findings above regarding the Cash Controls. The Department has already taken several steps to address the documentation, accountability and monitoring process of accounting for registrations and revenues. Although there are written policies, some are outdated, some do not cover all the areas now necessary in a growing department. Although there had been repeated staff training in the past, consistent and ongoing review and supervision are needed for accountability. In addition, changes in cash handling must be modernized as centers need to be responsible for direct deposit of cash to a night drop or to the Treasurer’s Department instead of a Departmental staff courier transporting funds to Central Parks and Recreation Accounting for additional reconciliation. (Note: The full text of the Department’s response is included in the body of the audit report).

4. System Controls

Finding – System access controls and testing of software upgrades and changes related to the ActiveNet system needed to be enhanced. In addition, the Department had not tested the data recovery process or removed invalid data from the system database. There was also no back-up person for the IT analyst.

Recommendation – The Department should take steps to enhance their system access controls, testing of system upgrades, data quality and integrity, and backup plans.

Response – The Department agrees with the findings above regarding System Controls. Parks and Recreation’s software solution is hosted by ActiveNet. This means that we do not have access to the data tables nor servers (since multiple customers reside on the same servers). Therefore, as part of the contract negotiation, ActiveNet must provide a Disaster Recovery Policy for the City of Chesapeake. In this policy, ActiveNet has a primary data center and a redundant site. Both weekly full and daily incremental backups are performed and data is constantly replicated to the secondary datacenter. Testing is completed on a private schedule. This was negotiated by Parks and Recreation, Information Technology and Purchasing. (Note: The full text of the Department’s response is included in the body of the audit report).

5. Contracting Process

Finding – The Department did not consistently use the City’s contracting process as required.

Recommendation – The Department should ensure that it complies with City requirements for contract use.

Response – Parks and Recreation agrees with the findings above regarding the Purchasing process for contractors. It has been suggested that City Departments have readily available access to copies and agreements for purchasing contracts, vendors, IDIQ’s, state contracts and cooperative agreements obtained and approved by Purchasing for these types of purchases in order for staff to stay in compliance with City procurement requirements. Many of the vendors Parks and Recreation utilizes throughout the fiscal year total greater than \$5,000 collectively but much less individually. To this end, Parks and Recreation will review their purchasing history and trends for past years and consolidate these items from all departmental operations. By consolidating these items for an entire fiscal year, initial purchase orders will be able to be set up by requesting full annual contracts. (Note: The full text of the Department’s response is included in the body of the audit report).

D. Operations

Our review of several Departmental operational areas noted several areas where procedures could be enhanced. The department's fee structure had not been reviewed for several years. Physical security and Inventory controls could be enhanced. Usage of the City's Maximo asset management system was not optimal. Finally, the department had not fully complied with city safety program requirements.

1. Fee Structure

Finding – The Department's fee structure had not been evaluated for several years. The potential for additional revenue existed in several areas including requiring Center membership for certain activities, increasing non-resident fees, and reviewing late pick-up fees for children.

Recommendation – The Department's fee structure should be re-evaluated. The potential for additional revenue in areas including requiring Center membership for certain activities, increasing non-resident fees, and reviewing late pick-up fees for children should be explored.

Response – Parks and Recreation agrees with the findings above regarding the reevaluation of fee structure. Fees have, however, been reviewed and evaluated each year by several program areas to include a fee survey of other localities and similar activities. Some have been implemented. A full Department Fee Committee was re-instated under the current Director prior to this Audit, and the Department is in the process of reevaluating past policies and procedures to accommodate changes that have occurred in Parks and Recreation technology, procedures, facilities, and staffing. This is a time-consuming and labor-intensive task since there has been significant turnover and vacancies in leadership positions and should be completed prior to the next budget cycle.

2. Physical Security Controls

Finding – The Department's physical security controls needed to be evaluated and enhanced.

Recommendation – The Department should evaluate physical security controls at its divisions and develop and implement a comprehensive physical security program that addresses various types of emergency situations and divisional physical security control procedures.

Response – Parks and Recreation agrees with the findings above regarding physical security controls. Only two community centers presently have active security alarms, only four have audible fire alarms and none have cameras. No parks

facilities have security cameras. The Department does utilize its eight Park Rangers and an outside security agency to assist with security enforcement in parks and at selected recreational facilities. There are plans for an initial phasing of security systems and cameras in selected community centers in the FY14 budget.

3. Inventory Controls

Finding – Departmental inventory control procedures needed improvement.

Recommendation – The Department should establish an inventory control system that provides timely inventory information for review.

Response – Parks and Recreation agrees that the Department should establish written inventory control policies and procedures and should have an inventory system that provides timely inventory information, control levels, usage records, and storage location information.

The Department continues to wait for the upgrade of the City's Maximo system so it can be utilized as it was intended in the warehouse. The way the system was originally set up would not work currently with the Department's existing warehouse situation. Parks and Recreation has been advised that any inventory control system put in place now would be a future duplication of effort and inefficient use of time management. (Note: The full text of the Department's response is included in the body of the audit report).

4. Maximo System Utilization

Finding – The Department's Maximo Asset Management system was not being utilized to its fullest potential.

Recommendation – The Department should take a more active role in ensuring that the Maximo system is utilized to its fullest potential, with sufficient support as required from Information Technology (IT).

Response – Parks and Recreation agrees that the Department should take a more active role in ensuring that the Maximo system is utilized to full potential. This will be accomplished with revised guidelines and enforcement of policy after the Maximo upgrade is complete. During April 2013, the Work Order division was still entering data for work completed prior to April 2012. Staff has not been able to either catch up or keep up with data entries since even before the initial staff reductions that hit this section hard in 2011. Additionally, many of the errors noted are from the Maximo system, not the operators. These issues were reported to the vendor by the

Department of Information Technology upon initial implementation. At this point, the Department will investigate alternative solutions after the upgrade is complete with the additional tools in Maximo 7.5. With the upgrade system, revised departmental policies, staff training, and consistent enforcement from supervisors, the work order procedures should become standardized and expedited.

5. Safety Program

Finding – The Department did not fully comply with City Administrative Regulation 1.19 regarding development of a safety program.

Recommendation – The Department should take steps to ensure it complies with Administrative Regulation 1.19 and other applicable occupational safety and health regulations and laws.

Response – Parks and Recreation agrees that the Department should take steps to fully comply with Administrative Regulation 1.19. The Department has already established a Department Safety Officer and begun revising and updating its safety program and manual to address related deficiencies. With the recent hiring of a new Risk Manager for the City, the Department will now work closely with him to ensure compliance and to better manage and address safety and occupational issues.

The Department will also be establishing a Safety Committee to assist in coverage and monitoring of its diverse programs and facilities as well as assisting in performing internal safety inspections, training, and safety postings.

E. Northwest River Park

We also reviewed physical conditions and park usage at Northwest River Park (NWRP) a 763 acre park in the southern part of the City. We noted that the parks facilities needed to be updated, and also noted that the parks usage was below that of comparable parks.

1. NWRP's Physical Condition

Finding – The physical condition of Northwest River Park's (NWRP) facilities and infrastructure needed improvement.

Recommendation – NWRP should address the physical deficiencies identified and also develop and implement a continuous preventative maintenance plan.

Response – Parks and Recreation agrees that the Department should establish short- term and long-term plans to correct physical deficiencies and an ongoing preventative maintenance plan. Parks and Recreation has been working to identify

and prioritize the deferred maintenance projects that have accumulated over many years. Currently, the scouts assist with repairs and replacements to the smaller items on the list such as kiosks, fencing and building repairs. They also tackle larger projects such as bridge replacement and the equestrian riding ring. Recently, a new picnic shelter and new playground have been added to the park as well as a number of other repairs and renovations such as to the water treatment area, electrical service, and cash register. Staffing has been a contributing factor in this decline, as the only maintenance person assigned to the parks for the last 10 years has also been responsible for cutting grass, cleaning restrooms and anything else including functioning in a special programs support personnel role. (Note: The full text of the Department's response is included in the body of the audit report).

2. Campsite Usage

Finding – Campsite usage at NWRP was below the usage at comparable parks. The lack of usage appeared to be related to a lack of effective promotion.

Recommendation – NWRP should take steps to increase its promotional activities, which in turn should increase usage of its camping facilities

Response – Parks and Recreation agrees that the Department must look at steps to increase its promotional efforts, not only for the campsites and at NWRP, but also for many other of the City's resources operated by the Department. Staff has made several creative and innovative attempts during the past few years to promote programs and activities at the park. A video was completed in conjunction with Public Communications and DIT to highlight the cabins at NWRP, which is now posted on the website. Within the last 6 months, staff also completed and posted a video highlighting the park rangers and their favorite spots at Northwest River Park. Additional steps to be accomplished in the near future include additional social media alerts, marketing packages with other City resources, and new and revised maps and brochures. (Note: The full text of the Department's response is included in the body of the audit report).

PARKS & RECREATION DEPARTMENT
PERFORMANCE AUDIT

JULY 1, 2011 TO JUNE 30, 2012

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A. Objectives, Scope, and Methodology

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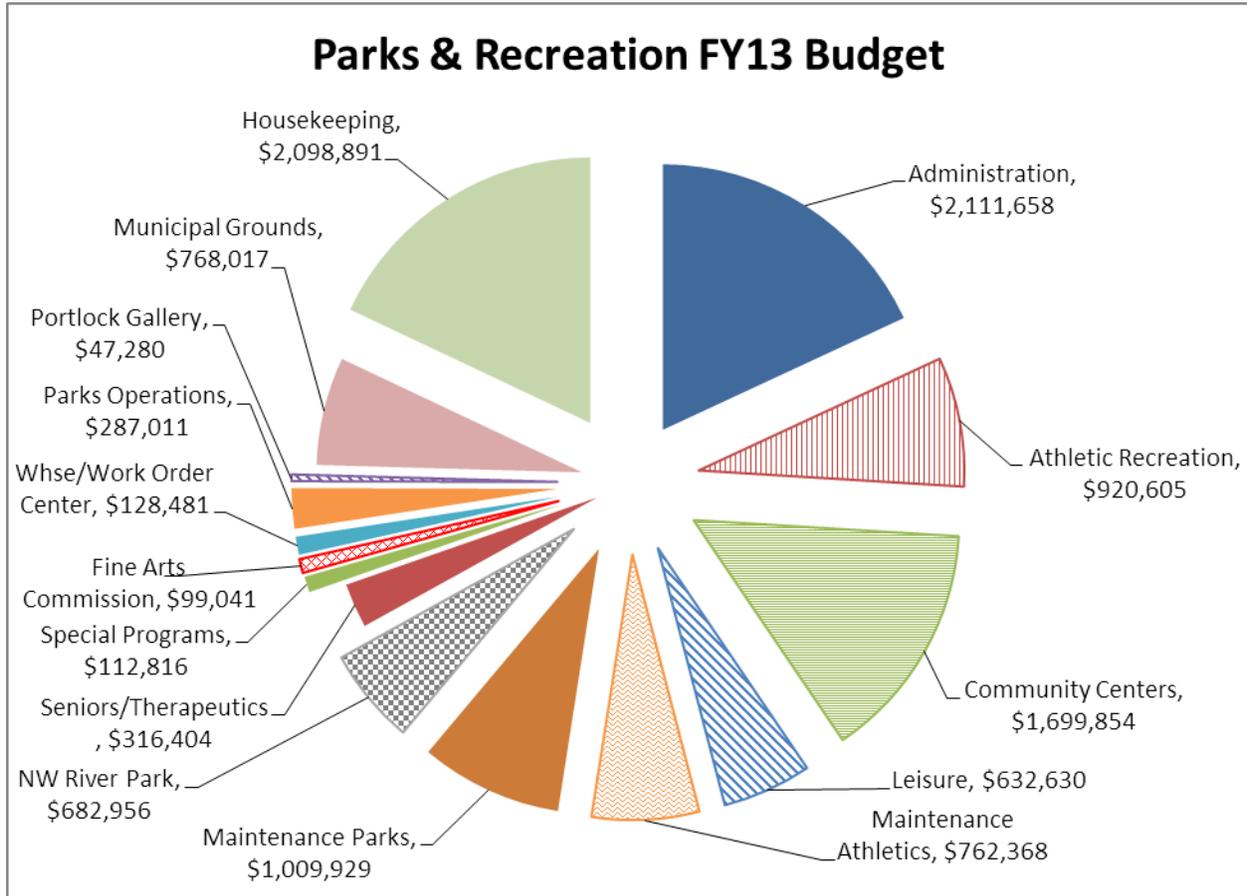
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**Exhibit #1
Parks & Recreation Budget for FY 2012-13**



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Methodology

To conduct this audit, we reviewed the Department's policies, procedures, and practices. This review included testing and evaluation of the community centers' revenue, cash handling and receipting practices, testing of programs' registration processes, and analysis of system software usage. Also, purchasing procedures were tested to ensure compliance with Administrative Regulations and City Code.

In addition to these items, we gathered information on several functions within the Department related to performance indicators such as guidelines and procedures; performance goals; performance measurements; internal controls to monitor the status of program goals; records maintained; and other areas of concern. We conducted site visits of various community centers and parks, reviewed citizen satisfaction surveys, and reviewed park performance results from municipal parks similar to the Northwest River Park.

We interviewed Department staff at all levels including administrative, community centers, parks, and housekeeping to obtain an understanding of overall operations. We also studied the Department's warehouse/inventory operations and Maximo system usage for both inventory and maintenance request tracking.

B. Performance Information

The Department's mission was to provide the citizens of Chesapeake with a variety of year-round leisure activities to promote social interaction, education, creative expressions, physical activity and recreational therapy. This mission was accomplished by providing activities such as classes, special events, clubs, trips, and after-school/evening programs, and therapeutic activities for those with disabilities. The Department had the capability to offer a wide assortment of programs and reached over 400,000 participants annually through its' many offerings. In addition to its community centers, the Department had a variety of diverse parks situated all over the city. Several of these parks were unique to Chesapeake due to their historic relevance or their unmatched natural conditions.

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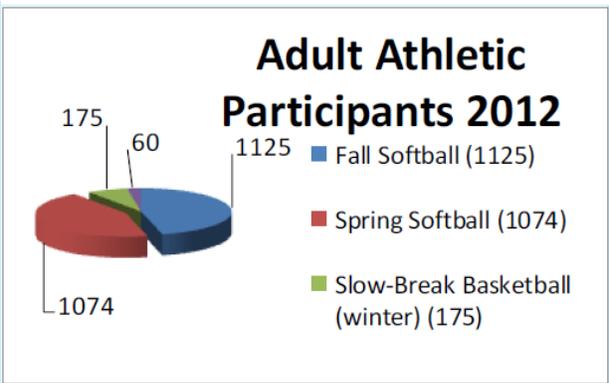
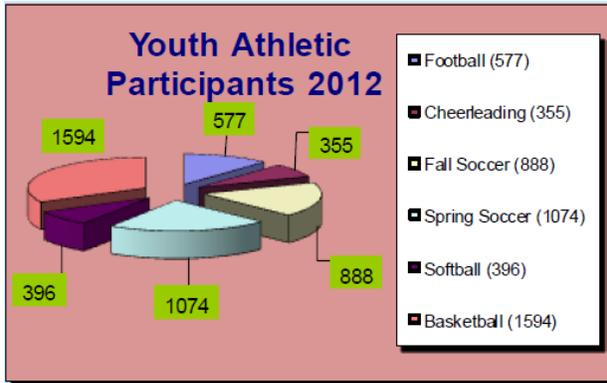


Elizabeth River Park renovation

The Department's budget was divided into 16 sections as follows:

1. Administration – The administrative division of the Department provided leadership and guidance in formulating policies and procedures and support services to the various community centers, parks, and other functions of the Department. These services included fiscal administration, secretarial support, purchasing, management information systems, and general oversight and guidance in promoting the Department's mission. The Administration costs currently include appropriated funding for both the Superintendent position in Recreation and Park Maintenance/ Grounds, a Park Planner, two Public Relations and Promotion positions, and the entire Public Relations budget, all of which funding will be moved to their specific program areas in future budgets. While not truly associated as an administrative function at this time, these line items account for close to 35% of the total administrative costs.

2. Athletic Recreation – Athletic Recreation developed and oversaw a variety of organized sports leagues for both adults and youth. The adult offerings included spring and fall softball leagues and slow-break basketball leagues in the winter. The youth offerings were plentiful and included boys' and girls' basketball, coed soccer, flag and tackle football leagues, cheerleading, and slow-pitch. These activities took place across the City utilizing both City and School athletic fields and gymnasiums. Athletics also administers a number of special activities throughout the year to include Cheer competitions, end-of-the-year sports tournaments, a youth football academic achievement awards program, and the Hershey Track and Field Youth Track Local Program.



3. Community Centers (Centers) – The Centers were the focal point of the Department’s programs and commitment to providing quality leisure activities. The Centers were tasked with providing a wide range of leisure programs, after-school programs, meeting spaces, gymnasiums, fitness rooms, game rooms, and kitchens for citizen use and enjoyment. Certain services were provided for a yearly membership fee. Most of the various classes were conducted at the Centers, and athletic services were made available. The Centers had meeting rooms that were also used for various activities such as baby showers, and birthday parties.

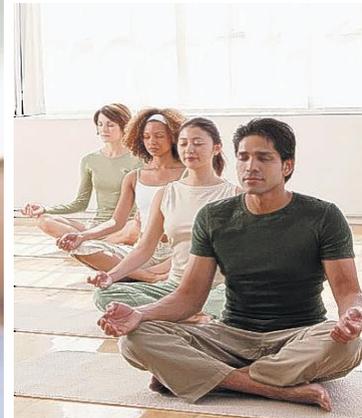
The Centers also operated several programs geared toward youth to help them experience social interaction, provide a safe place to stay while parents were at work, create positive adult role model interaction, and engender a sense of belonging, increased self-esteem, and positive peer influences. These offerings included Summer Blast and various summer camps for youth while they were out of school, and the Stay-and-Play after school program to help with children after school until their parents

returned from work. The Centers also offered Teen Scene, a program offered to engage young teens and provide safe activities for them.

**Exhibit 2
Community Center Statistics
July 1, 2011 - June 30, 2012**

| Community Center | Attendance | Senior Membership | Youth Membership | Adult Membership | Membership Revenue | Rental Net Revenue |
|------------------|----------------|-------------------|------------------|------------------|--------------------|--------------------|
| Camelot | 46,508 | 144 | 207 | 279 | \$11,282 | \$6,585 |
| Dr. Cuffee | 53,585 | 192 | 130 | 329 | \$14,881 | \$53,933 |
| Deep Creek | 40,488 | 116 | 132 | 204 | \$7,515 | \$13,860 |
| Great Bridge | 70,989 | 118 | 219 | 318 | \$11,642 | \$13,405 |
| Indian River | 35,167 | 186 | 207 | 311 | \$10,256 | \$15,306 |
| River Crest | 72,003 | 208 | 204 | 312 | \$12,693 | \$29,465 |
| South Norfolk | 69,153 | 102 | 183 | 267 | \$10,585 | \$6,380 |
| Western Branch | 37,215 | 140 | 226 | 236 | \$14,112 | \$16,360 |
| Totals | 425,108 | 1,206 | 1,508 | 2256 | \$92,966 | \$155,293 |

4. Leisure – Leisure developed all programs, city-wide special events, and classes as listed in the Leisure Guide. These programs included classes in various dance forms, music instruction, art classes, and gymnastics. Special events included annual craft shows, Easter egg hunts, City’s Fourth of July Celebrations, American Indian Festival, Paddle for the Border, Dismal Swamp Stomp, and holiday activities.



5. Maintenance Athletics – This program provided for groundskeeping and maintenance at all city athletic fields. Their responsibilities included preparations necessary for games, tournaments, and other special events. The program also provided support for some School athletic programs, Centerville Soccer Complex, and the Deep Creek Sports Complex.

6. Maintenance Parks – This program provided the groundskeeping and general upkeep of all of the City’s parks and park equipment including Northwest River Park. The Chesapeake park system had 70 park sites encompassing 2,322 acres of land exclusive of any athletic fields. These park sites were made up of neighborhood parks, (under 20 acres), community parks, (20 – 50 acres), and district parks (larger than 50 acres). Western Branch Park, Deep Creek Park and Chesapeake City Park also had the City’s only public dog parks.

The Chesapeake City Park completed a major renovation in 2013 which included a new stage, new shelters, a new restroom building, a skate park, an upgraded Farmers Market, and improvements to the nationally known Fun Forest. Another notable park was the Dismal Swamp Canal Trail, which took visitors through one of the largest swamps in the United States. The park was popular with birders due to the wide variety of birds found in the area as well as horseback riders, cyclists, and runners.



Lakeside Park



Oak Grove Lake Park

7. Northwest River Park – Northwest River Park (NWRP) was a 763 acre municipal park. NWRP offered several nature trails, a large field, playground equipment, large and small pavilions for picnics, a miniature golf course, a science auditorium, a dock to the Northwest River, a man-made lake stocked with trout and other fish, and boating rentals. In addition, there were two four-person cabins, 66 individual campsites with electricity and water, laundry facilities, shower facilities, a camp store, and a sanitation dump. NWRP also had an equestrian field. A comparison of NWRP to other municipal parks and municipal campgrounds indicated that the rental prices for boating and camping were comparable.

Exhibit 3
Seven Locality Campground Comparison

| Name | location | size in acres | entrance fee | tent camping | group site | cabin | nature trails |
|--------------------------------|-----------------------|----------------------|---------------------|---------------------|-------------------|----------------|------------------------|
| Newport News | Newport News, VA | 8,065 | no | yes | Yes | no | yes |
| Waller Mill | Williamsburg, VA | 2,700 | yes | no | No | no | yes |
| Hok-Si-La | Lake Pepin, MN | 252 | no | yes | Yes | no | no |
| River Park North | Greenville, NC | 324 | no | yes | No | no | no |
| Cane Creek Park | Union County, NC | 1,050 | yes | yes | Yes | yes | yes |
| Northwest River Park | Chesapeake, VA | 763 | no | yes | Yes | yes | yes |
| Burke Lake Park & Lake Fairfax | Fairfax Station, VA | 888 476 | yes | yes | Yes | no | yes |
| Moss Park | Orange County, FL | 1,551 | yes | yes | Yes | yes | yes |
| Name | location | Boating | fishing | store | showers | laundry | picnic shelters |
| Newport News | Newport News, VA | Yes | yes | yes | Yes | yes | yes |
| Waller Mill | Williamsburg, VA | Yes | yes | yes | No | no | yes |
| Hok-Si-La | Lake Pepin, MN | Yes | yes | yes | Yes | no | yes |
| River Park North | Greenville, NC | No | no | no | No | no | no |
| Cane Creek Park | Union County, NC | Yes | yes | yes | Yes | yes | yes |
| Northwest River Park | Chesapeake, VA | Yes | yes | yes | Yes | yes | yes |
| Burke Lake Park & Lake Fairfax | Fairfax Station, VA | Yes | yes | yes | Yes | yes | yes |
| Moss Park | Orange County, FL | Yes | yes | no | No | no | yes |



Northwest River Park

8. Seniors/Therapeutics – Senior/Therapeutics developed programs and activities focused on senior citizens and citizens with disabilities. The seniors’ class offerings have included estate planning, learning new technologies, exercise classes for the senior body, and dance socials. Therapeutic classes have included classes such as adaptive yoga, dance, and fitness.

9. Special Programs – Special Programs promoted such things as ribbon cuttings, various special events, and the Environmental Improvement Council. The Environmental Improvement Council was formed to promote interest in the general improvement of the environment and make Chesapeake a cleaner place to live.

10. Fine Arts Commission (Commission) – Founded in 1968, this Commission served as a voice for the arts community and educated the public about the value of music, dance, painting, sculpture, and architecture. The Commission provided financial assistance to individuals, organizations, schools, and corporations to provide Chesapeake with a wide range of interesting arts programs.

11. Warehouse – The warehouse stored inventory for Parks Maintenance, Housekeeping, Athletic Field Maintenance, and the Facilities Maintenance Division of Public Works. Facilities Maintenance had been a part of the Department before it was absorbed by General Services and later, Public Works. Housekeeping and Municipal Grounds Maintenance were later absorbed by Parks and Recreation, with Facilities remaining with Public Works.

12. Work Order Center – The Work Order Center entered the work orders for Public Works’ Facilities Maintenance Division, the Department’s Athletic Field Maintenance, Housekeeping, and Parks Maintenance. The three-employee Work Order Division received 16,309 work orders during FY 2012 divided as follows (the work order count follows the dash):

1. Athletic Grounds (PR-AT) – 3,386
2. Facilities Administration (GS-FA) – 1
3. Facilities Maintenance (GS-FM) – 4,883
4. Housekeeping (PR-HK) – 1,574
5. Leisure (PR-LS) – 4
6. Municipal Grounds (PR-MU) – 793
7. Municipal Grounds [Landscape Services w/Facilities Mgt- (GS-LS)] – 42
8. Northwest River Park – (PR-NW) – 714
9. Parks Administration (PR-PA) – 7
10. Park Grounds (PR-PK) – 4,892
11. Warehouse (PR-WH) – 13



KayaXpedition



Chesapeake 4th of July Parade

13. Parks Operations (now referred to as Parks Programs) – This program division was responsible for developing programs and special events held at the parks and special events held in the parks, including all programs and activities at Northwest River Park.

14. Portlock Galleries at SoNo – This former Chesapeake Museum was renovated in 2005 and became the Portlock Galleries at SoNo. In addition to ongoing art shows and displays, the building and its annex were utilized for Senior/Therapeutic Recreation activities, to house some Departmental staff and provided rental space for other City departments, civic organizations and cultural activities.

15. Municipal Grounds – This program division was responsible for the mowing and landscaping of some City properties, upkeep of painting of City parking lots, storm drains, signs and ditches within the civic center complex, and plant materials. Parks and Recreation is not responsible for the paving or curbing of City parking lots, or storm drains and ditches outside of the civic center complex.

16. Housekeeping – The Housekeeping Division performed custodial services for 1,026,429 square feet of City facilities. Housekeeping performed various industry standards cleaning and other requested services.

C. Financial Control Issues

Our review of financial controls at the Department identified a number of concerns that needed prompt attention. First, revenue controls for both the Athletic Division and the Summer Blast Program had not been developed sufficiently to protect City revenues, and revenue controls for some programs had not yet been automated. Cash controls were also not sufficiently developed, which placed sizable amounts of cash collections at risk. System controls for ActiveNet, a commercial software program used to manage many of the recreation programs, were also not fully developed, and system upgrades often occurred without sufficient testing and oversight. Finally, the Department did not always use City Contracts in the manner prescribed by City Code.

1. Athletics Division Revenue Processing

Finding – The Athletics Division was not using the ActiveNet automated system to process registration payments for their various sporting events. In addition, there were inadequate processing controls and safeguards for receipts and deposits and deposits were not timely. Also, management oversight and direction were lacking for the revenue receipt process.

An effectively functioning revenue receipt process for an entity that handles significant amounts of cash and check receipts should incorporate the following attributes:

- Documented policies and procedures for the revenue receipt process
- Properly trained staff
- Verification of cash and check amounts received in the customer's presence
- Endorsement of checks when received
- Issuance of pre-numbered receipts to customers for all cash/checks
- Placement of cash/check revenue in a lockable box/drawer with limited, documented access.
- Reconciliation of customer payments received to actual registrations received and rosters of attendees
- Storage of reconciled cash/checks collection in a safe (with restricted access) until deposited
- Preparation of deposits
- Deposits no later than next business day after receipt

Although the Athletics Division collected \$272,855 in revenue for Fiscal Year 2012, it utilized a manual registration process for its programs. The manual process did not provide adequate accountability, internal controls and safeguards over the large amount of revenue collected. In addition, the process was laborious, time consuming and did not provide financial data that could be used to reconcile the number of registrations to the amount of revenue received and recorded by the City. The Athletics

Division was not required to use the ActiveNet automated software system to process registration payments, contrary to the rest of the Department. As a result, it could not take advantage of the efficiency and controls provided by the system, and it was also unable to take advantage of the online payment features that the system provided. Finally, the Department did not provide adequate oversight and direction over Athletic Division revenue collections.

We identified the following specific control issues that needed to be addressed:

- Pre-numbered receipts were not always issued to customers.
- There was no accountability for issued, unissued, and voided receipts.
- Checks were not immediately endorsed “For Deposit Only” when received
- Large amounts of cash receipts (\$10,000.00 to \$20,000.00) were transported in personal vehicles.
- Time for completion of paperwork to prepare funds for deposit ranged from 2 to 4 days within the Athletics Division. Because the paperwork had to be delivered to the Department’s settlement area for verification, it took a total of 3 to 6 days for a deposit to get processed to the City Treasurer’s system.
- Projected team attendance roster revenue was not reconciled against the actual revenue recorded in the City’s general ledger.
- ActiveNet was not used to produce team rosters; instead, the rosters were prepared manually.
- Research for transactions was laborious and time consuming because the financial data was kept on numerous paper documents and filed by date of deposit.

This situation existed because the Department had not provided sufficient oversight for Athletics Division revenues and had not required the Division to use the ActiveNet automated system to process payment transactions. The Division also had not developed documented policies and procedures that addressed revenue receipt processing, the safeguarding of assets, and internal controls and accountability over program revenues.

If revenue receipt processing and internal control procedures are not established and periodically monitored, cash funds could be lost. In addition, the accuracy of the City’s program-related revenue recording could be adversely impacted.

Recommendation – The Athletics Division should be required to use the ActiveNet system to process registration payments. In addition, the Department should develop and document revenue processing procedures that address accountability, safeguarding of assets, and segregation of duties, and implement a monitoring process to ensure controls are being followed.

The following control issues should be addressed:

- Cash handling procedures should be developed as outlined in the cash controls section of this report (Section C3).

- Pre-numbered receipts should be issued for all cash\check payments received.
- All issued, unissued, and voided receipts should be accounted for.
- Projected team rosters revenue should be reconciled against actual general ledger revenues.
- ActiveNet should be used to create rosters for the various sporting events and then used to document and research all transactions.
- The Athletic Division should consider registering teams instead of individuals for their team sporting events, similar to the approach used by Virginia Beach.

Response – Parks and Recreation agrees with the findings above regarding the past practices and processes of individual and team registration and payments. Due to various eligibility issues and concerns, past management practices included separate manual athletic registration procedures. To this end, Parks and Recreation has already established and implemented new procedures for the manual system, which began during the Fall 2012 season with total implementation during the Spring 2013 season.

During the fall 2012 registration for athletic programs, initial procedures were put in place to document the revenue processing procedures, address accountability, and to provide safeguarding of assets and segregation of duties. Forms were manually pre-numbered due to timing. Checks or money orders were accepted and cash collection was discouraged. Cash boxes, money bags, manual receipts and calculators were provided. Money was deposited at the community center to be picked up the next day by the courier to be delivered to Parks accounting. All registrations were keyed into ActiveNet once the cash was reconciled with receipts and registration forms.

For the Spring 2013 season, staff was trained and provided with the new procedures, with written verification from each that they understood how to utilize and implement. The procedures addressed verification of cash and check amounts, endorsement of checks, pre-numbered receipts, placement of revenue in community center safes, reconciliation of payments and registrations, voided receipts, preparation of deposits for next business day after receipt. Again, the manual system was replaced with the entering of registrations into ActiveNet beginning with Girls' Softball 2013.

Credit Cards at the Community Centers are also a preferred method of payment, and we will be implementing the requirement of such in the near future as reliability and availability of necessary equipment is accomplished. For the fall 2013 season, program registration times have been extended and are now always available at the main Parks and Recreation Administrative office on Progressive Drive. The program will continue to evaluate other means of registration to create a more efficient and effective process with a fluid check and balance system.

2. Leisure's Summer Blast Program

Finding – The Summer Blast Program had significant revenue and operational control weaknesses including non-completion of attendance forms, management review of supporting documentation, independent checks at the various Centers, and reconciling of revenue to attendance sheets.

As was noted for Athletic Division revenues, an effectively functioning internal control process for an operational program should incorporate the following attributes:

- Documented policies and procedures
- Staff training that covers the following: Registration process, fee structure, automated system processing, cash, payment controls and payment criteria, issuance of receipts and maximum class size.
- Management oversight of the program
- Reconciliation of sales to attendance
- Performance of periodic independent checks of the process
- Ongoing monitoring of the program
- Development and utilization meaningful management reports

The Leisure Division's Summer Blast program collected \$195,699 in revenue for Fiscal Year 2012. Our review of the Summer Blast program revealed a lack of sufficient oversight and accountability for the program by the Leisure Division. There were no independent checks of completed attendance and registration forms, reconciliations of attendees on the attendance sheets to the revenue processed in ActiveNet, or any ActiveNet reports to assist management in monitoring program revenues on an ongoing basis. In addition, documented policies and procedures for revenue handling had not been developed.

In addition, our review of Summer Blast program documentation at the Indian River Center (IRC) revealed the following:

- A Recreation Specialist II allowed two children to attend the Summer Blast program without paying for the classes. The IRC did not initially collect a total of \$640.00 in fees for the two children. The fees were later collected after the situation was identified.
- Weekly fees were not always collected in advance as required. We found \$2,190.00 in fees that had not been collected in advance. There were 18 children that had not paid their fees in advance for one or more weeks. These fees were collected after the situation was identified.
- The required class size of 45 children was exceeded by an additional 10 children for the weeks of 6/1/12 to 8/17/12. As a result, IRC's designated ratio of children to recreation leaders was exceeded.
- There were numerous handwritten manual entries for children who were not listed on the automated roster listing generated by ActiveNet. The majority of these entries were for children who had not paid for their classes.

- The fee waiver portion of the registration form was not up-to-date and was not consistent with other program waiver forms.

These issues occurred because of lack of sufficient oversight by the Leisure Division and IRC. In addition, there were no independent checks or monitoring performed to ensure that attendance sheets and registration forms were properly completed. No meaningful ActiveNet reports had been developed to monitor the performance of the Summer Blast program. Also, there was no reconciliation of revenue received to the number of attendees on completed attendance sheets to verify that all revenue received was processed and ensure that all attendees had properly registered and paid the required fee.

If these control issues are not addressed the Department could be exposed to misappropriation of City revenue. Also, unregistered children could be in attendance that don't have a signed release of liability form or a medical treatment form. The lack of these forms could put the City at risk of liability and could endanger these children should a medical situation arise requiring treatment.

Recommendation – The Leisure Division should develop and document revenue and operating policies and procedures for the Summer Blast program and adequately train staff. In addition, Leisure and Center management should provide oversight, accountability, perform independent checks and implement a monitoring process to ensure controls are being followed. In addition, revenue received should be reconciled to the number of attendees recorded on attendance sheets to ensure all fees were collected.

The following issues should be addressed:

- Advanced payment of program fees should be enforced.
- Class size limits should not be exceeded.
- Automated attendance forms should be completed in detail.
- Leisure Division and IRC management should review all completed attendance and registration forms.
- ActiveNet management reports should be developed and utilized.
- Handwritten additions to automated attendance sheets should be supported by a printed receipt which must accompany the attendance sheet.
- The fee waiver portion of the registration form should be updated to be consistent with other program waiver forms.

Response – Parks and Recreation agrees with the findings above regarding the process and implementation of policies and procedures of the Summer Blast Program. Under past practices, the Community Centers and Leisure Programs were operated as separate units, although each shared the same staff and facilities. Under the new reorganization plan of the Department that will be implemented in FY14, these sections will be combined and administered as one unit. This plan should address many of the past inconsistencies of supervision

and establish efficient accountability of the center. The main issue for which the Summer Blast program was discussed in the report was brought to the attention of audit for further review after the Leisure staff person initially discovered inconsistencies on field trip payment paperwork and attendance sheets that have always been submitted and reviewed. The non-adherence to established, written procedures provided to all of the staff was a personnel issue. Audit was then able to step in and assist in finding ways in which the management of the program can be improved. Registration procedures are outlined in writing and provided to staff each year including the fee structure, processing in ActiveNet, payment criteria, receipts, advanced payment of fees, and maximum enrollment. The process is also discussed with staff in planning meetings to include the fee structure, cash, payment criteria, issuance of receipts and maximum enrollment. Independent checks of attendance sheets to ActiveNet were conducted twice a week when field trip payments were submitted which is how the inconsistencies were originally discovered by staff. This resulted in community center staff's non-adherence to the established procedures. Additional checks were established after the initial incident and prior to the audit report being released, to include submission of all sign in/out sheets to be verified with ActiveNet information and ActiveNet receipts attached to any handwritten additions to the attendance sheets. For the field trips again this year, staff is again requiring rosters as backup and have established written procedures regarding the trips. Furthermore, this year our procedures now include that if there are any late additions to a trip, the receipt must be attached to the sign out/attendance sheets when submitted to administrative staff. All trips require receipts from vendors and rosters of children – children will be verified in ActiveNet to ensure payment has been made and proper waiver forms have been submitted. With consistent monitoring and supervision of staff that will now be implemented under the new reorganization plan of the Department, more effective and efficient accountability should be realized.

3. Cash Controls

Finding – The Department's cash handling and settlement processes needed improvement, and controls and safeguards over cash needed to be enhanced.

An effectively functioning cash control process for an entity that handles significant amounts of cash should incorporate the following attributes:

- Documented cash handling and control procedures.
- Safeguarding of cash funds in the department during the day and at night.
- Control of duplicate keys and combinations to cash funds and safes.
- Defined and detailed daily settlement processes including settlement time(s), use of count sheets with signatures and dates, counts of entire cash fund, processing of overages and shortages, and performance of periodic surprise cash counts.
- Defined cash exchange processes.

We evaluated cash handling processes, internal control processes, and safeguards over cash at several division locations to determine if cash processes were functioning as designed and cash funds were adequately controlled and safeguarded. Our evaluation identified the following concerns:

- The Department did not have documented policies and procedures that addressed daily balancing, settlement, proper cash handling and cash controls. We found that the end-of-the-day balancing and settlement process was fragmented: Cash was balanced at the division level on the day of receipt, and balancing documentation and cash were forwarded to the central office for settlement and entry into the cash management system the next day. It took a minimum of three days for deposits to reach to the City Treasurer's Office for processing.
- The Department did not have an automated process to transfer settlement data from ActiveNet to the City Treasurer's cash system. This practice made daily settlement laborious and cumbersome.
- Cash funds were not adequately safeguarded at all Centers because all full and part time employees had keys to the facility and office and complete access to the key/combination for the floor safes that housed cash funds. The floor safes were not physically attached to the wall, floor or cabinet. In addition, we observed that the individual employees who collected cash from customers did not have a lockable device to control the collected cash.
- Centers were not using logs and checklists to document key daily operations that needed to be performed. For example, Centers did not keep access logs for their safes, and there was no record of who had accessed the safe. A closing checklist had not been developed to document the closing process. Also, Centers did not maintain a listing of employees who had been assigned keys and combinations.
- Centers did not have change funds; therefore, Center employees would divert cash overages and their personal funds to create their own change funds. Over/short general ledger accounts were not established and used to process differences; therefore, shortages were cleared by adjusting control totals provided by the ActiveNet system and overages were processed to the Department scholarship fund (i.e. force balancing).
- The daily balancing process for Centers was not consistent from Center to Center. Center employees had not been properly trained on how to settle their center's cash each day, and a copy of balancing documentation was not kept at the Centers. Also, we found instances where transactions were processed at one Center and were listed on the settlement reports of another Center, resulting in both Centers being out of balance.

- The overall daily balancing process did not require accountability for all non-monetary, voided, and refund transactions. The daily close-out form used by the various divisions did not adequately document the balancing process. The form did not include the signature of the reconciler and verifier, system control totals for cash receipts, and an over/short column. Forms were not completed if there were no transactions. Also, supporting adding machine tapes did not always begin with “00”, did not always reflect the correct total, and were not always initialed and dated.
- Periodic surprise cash counts were not performed on each cash fund to deter theft of cash.

We also reviewed the Department’s Courier operations and noted that the Courier collected deposits Monday thru Friday for all Center locations. There was no safe or other security device installed in the Courier’s vehicle to store collected deposits. The Courier delivered locked deposit bags containing each Center’s deposits to the central office; however, there was no log maintained to record the movement/exchange of the deposits from one individual to another.

These situations occurred because there was little oversight and direction for the Department’s divisions and Centers related to cash control procedures. Policies and procedures had not been developed, documented, and implemented regarding cash settlement and handling processes and the safeguarding of assets. Also, no monitoring process had been developed and implemented to ensure controls were in place and functioning as designed.

If cash handling and control procedures are not established and periodically monitored, cash funds could be lost. In addition, since employees were allowed to carry large sums of cash, checks and money orders in their personal and City vehicles, both the collected funds and the employee’s safety could be placed at risk.

Recommendation – The Department should develop and document cash handling and cash settlement process policies and procedures so that cash is adequately safeguarded. The policies and procedures should address cash controls for all divisions and Courier personnel. In addition, the Department should develop an ongoing monitoring process to ensure adherence to cash handing, cash control, and courier procedures. Also consideration should be given to establish the use of credit cards at the various divisions.

The cash control procedures developed should address the following areas, and the Department should work with the City Treasurer’s Office in developing these procedures:

- Standardization of procedures so that all Divisions and Centers operate consistently across the Department.
- Adequate training for cash-handling and settlement personnel,
- Daily settlement procedures at each Center at the end of each day.
- Procedures for control of cash during the day and at night,
- Use of one dedicated person per cash fund,
- Control over duplicate keys and combinations,
- Creation of change funds for each Center.
- Procedures for handling overages and shortages when they occur,
- Settlement procedures that include daily system financial balancing totals, settlement times and dates, use of count sheets, cash exchange processes, cash counts for all funds including change funds, completion of settlement documents, signatures and dates, and adding machine tapes. All non-monetary, void, and refund transactions should be accounted for and documented. The daily cash settlement process should require that cash funds be verified by one person and reconciled by a second person, and a settlement sheet be completed each day even if there are no transactions. Finally, settlement supporting documentation should be kept at the Centers.
- Adding machine tapes should always be signed, dated and start with "00".
- Deposits should be made no later than the next business day
- Automated transfer of data from the ActiveNet system to the City Treasurer's cash system.
- Automated or manual receipts should be always given to customers when they pay for products or services. In addition, the numerical sequence of all issued, unissued and void receipts should be accounted for each month.
- Change funds should be drawn from the City and should not be created with employee's personal funds.
- Cash and change funds should be counted at the end of the each day and each morning before opening for business,
- A vault/safe log should be created for each Center that documents the date, time, and individual who accessed the vault/safe,
- The Department should expand usage of credit cards and encourage customers to pay by checks or credit cards so that cash transactions are kept at a minimum.
- Periodic surprise cash counts should be performed by a designated employee,
- An ongoing monitoring process should be established.

In addition, the Department should consider installing a safe or other security device in the courier vehicle for deposits picked up at the Centers. The Courier should periodically vary his route and time of deposit pick-up and deliver deposits directly to the Treasurer's Office for processing rather than the central office. Consideration should also be given to the use of tamper evident plastic bags for deposits rather than night deposit bags, so that the control of bag keys is eliminated. In addition, a pick-up and delivery log should be created and used to document the movement of deposits. Alternatively, the Department should also consider using an Armored Courier to pick-up

and deliver deposits to the Treasurer's Office because of the size of the deposits.

Response – The Department agrees with the findings above regarding the Cash Controls. The Department has already taken several steps to address the documentation, accountability and monitoring process of accounting for registrations and revenues.

Although there are written policies, some are outdated, some do not cover all the areas now necessary in a growing department. Although there had been repeated staff training in the past, consistent and ongoing review and supervision are needed for accountability. In addition, changes in cash handling must be modernized as centers need to be responsible for direct deposit of cash to a night drop or to the Treasurer's Department instead of a Departmental staff courier transporting funds to Central Parks and Recreation Accounting for additional reconciliation. The Information Technology Department is working on upgrading the Treasurer's system which will allow us to upload the ActiveNet information versus keying the information. Drop boxes have now been added to centers, safes have been replaced and access is now limited, and credit card acceptance is finally being implemented. New procedures are being finalized to add to coverage issues and all community center staff have been rotated to new locations. Staff will be re-trained in the new procedures, and monitoring of staff procedures will begin once all is in place. It is the desire to limit cash in the centers and thus a change fund will then not be necessary at all centers. Parks and Recreation Accounting will then be responsible for the audit and monitoring function of the cash collection process. An additional accounting position has been approved in the FY14 budget. Additionally, the Department has installed new safes with drop box type doors to assist with limiting access to the secured funds. The Department is already taking steps to address the security of funds and improve the daily closeout process. Future plans include monitored security cameras. The Department has installed a new computer at each community center specifically for the use of visitor membership swipes. This now allows staff to use the other computer for other transactions, allowing staff to readily log out when not in use. Finally, new employees receive login credentials prior to working the community center.

4. System Controls

Finding – System access controls and testing of software upgrades and changes related to the ActiveNet system needed to be enhanced. In addition, the Department had not tested the data recovery process or removed invalid data from the system database. There was also no back-up person for the IT analyst.

City Administrative Regulation (AR) 1.13, Electronic Data Resources Acceptable Uses Policy, Section III (C) states, "Employees are permitted to access the City's electronic data resources using their assigned User ID's and Passwords. Sharing of

one's User IDs and Passwords constitutes a breach of the policy and subjects the employee to disciplinary action.”

Section III (D) states, “User passwords for most systems will be chosen by the user. Users are expected to choose strong passwords...The use of strong passwords will be enforced by those systems and applications that have the technical capability to do so”.

In addition, access to data should be appropriately controlled to prevent unauthorized use, disclosure, modification, damage, or loss of data. Access controls should include password security, segregation of duties, and periodic review of access. In addition, an entity should maintain reliable systems that include adequate testing of vendor upgrades, data backups, and recovery processes. System operations should include daily, weekly, and monthly back-up schedules, monitoring of back-ups to ensure they were successfully completed, and periodic recovery testing.

We identified a number of issues with ActiveNet's access controls. First, the Department was not fully compliant with AR 1.13. We identified the following password-related control issues:

- Policies and procedures for passwords had not been established, documented, implemented and monitored.
- Employees had not been required to change their passwords in over two years.
- Employees were allowed to share passwords on a consistent basis.
- Employees were not required to sign-off or lock their computer when they left their work area, which allowed unauthorized use of their password. The ActiveNet system was not programmed to utilize the timeout feature when the system was not in use.
- New employees were not assigned their own ID and password before being assigned to a Center. Therefore, ID's and passwords were shared with new employees until they received their own password.
- ActiveNet had the capability to evaluate the strength of passwords, but this feature was not activated or utilized.

We also identified concerns with the testing of system upgrades and changes. A prior system change that was made to correct a problem had been reversed due to the implementation of a new system upgrade. The Department was unaware that the prior system change had been reversed. We noted that when upgrades were received in the Department's test system from the vendor, they were not tested before they were implemented. The Department IT Analyst indicated that he did not have time to test the vendor system changes prior to placing them into production. Also, we determined that test scripts had not been developed to run against upgraded system changes to ensure that all data remained the same.

In addition, we identified numerous issues with data integrity in the system database. We found 8,622 instances (16% of the database population) where the

'customer type' field was left blank. There were also numerous duplicate customer accounts that remained in the database. In addition there were eleven (11) customer types established for use by the Centers, but only four were being used. Furthermore, completion of the 'date-of-birth' field was not required. Finally, there was no back up person to replace the IT Analyst, and the business interruption plan had not been documented and tested.

There were a number of causes for this situation:

- The Department lacked documented policies and procedures that addressed password controls. Employees had not been trained on the importance of password integrity, and although the Department was aware of the sharing of passwords, no action was taken to stop their misuse. ActiveNet's password evaluation controls had not been activated to help deter the misuse of passwords. Finally, since the ActiveNet system needed to be logged-on to allow customers to swipe their cards to enter the Centers, employees preferred to not sign-off when completing transactions.
- System upgrades and changes were not tested because the Department's IT Analyst did not always have the time necessary to fully test system upgrades before placing them into production. In addition, Department management was not a part of the testing process
- Customer information fields (including all demographic fields) were not completed by Department staff, and system controls had not been activated to ensure that required fields be completed.
- The Department did not have anyone trained to replace the IT analyst. Also, the IT analyst had not documented or tested the backup process with the vendor.

If the password control issues are not addressed, data could be comprised or destroyed, and fraud could occur without the Department having the ability to determine who perpetrated it. Also, failure to adequately test upgrades can lead to substantial data errors. Similarly, failure to complete customer information fields can lead to data errors and reduces the functionality of the database. Finally, if the Department does not have a trained technical back-up person in the event the IT analyst is unavailable, or experiences a business interruption without a working backup system, it could have a significant adverse effect on the Department's operations.

Recommendation – The Department should take steps to enhance their system access controls, testing of system upgrades, data quality and integrity, and backup plans.

To address this situation, the Department should consider the following:

- The Department should establish, document, implement, and monitor system password control procedures.
- Employees should be trained on system access controls, and the importance of these controls should be emphasized. All employees should be required to change their passwords on a regularly scheduled basis.
- Employees should be instructed not to share their passwords with other employees.
- Employees should be required to sign-off or lock their computers when they leave their work stations. Also, the time-out feature in ActiveNet should be activated, and time limits should be established.
- New employees should be assigned ID's and passwords to prior to being assigned to a center. Employees should be prohibited from processing transactions under another employee's password.
- The system password strength enforcement feature in ActiveNet should be activated.
- Test scripts for ActiveNet upgrades and changes should be developed.
- All upgrades and changes should be tested and signed off on before they are placed into production.
- The ActiveNet database should be reviewed for any inaccurate data such as duplicate accounts or blank fields, and any errors should be corrected.
- All required fields should be completed, and system controls should be activated to ensure that all required fields are completed.
- A back-up employee should be trained to make technical changes to the ActiveNet system in the event that the IT analyst is unavailable.
- A business interruption plan should be developed, documented, and tested on a periodic basis.
- A dedicated computer should be installed at each Center that is used specifically for customers to sign-in. (Used computers can be obtained from the City's IT Department). The log-in ID and password for this computer should be unique to the Center (not the employee), and the computer should not have the ability to access any transaction on the ActiveNet system.

Response – The Department agrees with the findings above regarding System Controls. Parks and Recreation's software solution is hosted by ActiveNet. This means that we do not have access to the data tables nor servers (since multiple customers reside on the same servers). Therefore, as part of the contract negotiation, ActiveNet must provide a Disaster Recovery Policy for the City of Chesapeake. In this policy, ActiveNet has a primary data center and a redundant site. Both weekly full and daily incremental backups are performed and data is constantly replicated to the secondary datacenter. Testing is completed on a private schedule. This was negotiated by Parks and Recreation, Information Technology and Purchasing.

This recommendation from Audit is already in place per City regulation AR 1.13. Staff signed a copy of the policy and supervisors are to follow up and train new staff between standard periods. Train the Trainer techniques are employed for educating staff. It is up to each center manager to train their staff in the ActiveNet procedures with the assistance of job aids already provided. Parks and Recreation has staff to back up the IT Analyst, and the IT Department is available as needed. Finally, there are scanning stations installed at all 8 community centers that have a center User ID and Password that correspond to the centers' email accounts. These scanning station login credentials are limited to ActiveNet membership scanning.

5. Contracting Process

Finding – The Department did not consistently use the City’s contracting process as required.

According to Section 54-35 of City Code, “It shall be unlawful for any officer, employee or agent of the city to purchase any supplies, services or equipment or to incur any obligation on the part of the city without first having obtained the approval of the procurement administrator or designee and the head of the department or agency for which the supplies, services or equipment are to be used, except that the city manager may delegate authority for the purchase of supplies, services or equipment totaling \$4,999.99 or less to department directors or agency heads under such terms and conditions as the city manager may deem appropriate. “

We noted that the Department did not consistently utilize competitive bids, State contracts, or other cooperative agreements for ten vendors who received \$5,000 or more in payments in FY 2012. Payments to these vendors totaled \$75,106. Additionally, there were four vendors with purchase orders (POs) who received payments exceeding the amounts authorized in their POs. These instances are illustrated in Exhibits 4 and 5 below.

**Exhibit 4
Vendors w/o Contracts Paid > \$5,000 – FY 2012**

| Vendor | Name | FY 2012 Amount |
|---------------|-----------------------------|-----------------------|
| 0000000929 | HIGGERSON BUCHANAN INC | \$13,520 |
| 0000000880 | TURF & GARDEN INC | \$9,120 |
| 0000001209 | OCEAN TUMBLERS INCORPORATED | \$8,825 |
| 0000002532 | COMDATA NETWORK INC | \$7,196 |
| 0000008213 | SYTHA BAUGHAM | \$6,953 |

| Vendor | Name | FY 2012 Amount |
|--------------|------------------------------|-----------------|
| 0000004013 | JOHN DEERE LANDSCAPES INC | \$6,471 |
| 0000000282 | SHIRLEY J SEXTON | \$5,600 |
| 0000001193 | BOYD-BLUFORD COMPANY INC | \$5,497 |
| 0000000380 | FREDA HELEN GREENWELL | \$5,384 |
| 0000022406 | WHEELING PARK COMMISSION INC | \$6,540 |
| TOTAL | | \$75,106 |

Exhibit 5
Vendors Paid > PO Amount – FY 2012

| Vendor | Name | FY 2012 Voucher Amount | Purchase Order Amount | Non-PO Voucher Amount |
|--------------------------------------|-------------------------|------------------------|-----------------------|-----------------------|
| 0000000187 | SPORT SUPPLY GROUP INC | \$28,554 | \$9,721 | (\$18,833) |
| 0000001424 | DESIGNS INCORPORATED | \$10,314 | \$4,350 | (\$5,964) |
| 0000000960 | G & W BROKERAGE COMPANY | \$9,399 | \$4,299 | (\$5,101) |
| 0000002017 | S&S WORLDWIDE INC | \$6,202 | \$650 | (\$5,551) |
| Total vendor with PO payments | | \$54,469 | \$19,020 | (\$35,449) |

This situation occurred because the Department believed that competitive bidding was not required unless an individual purchase was greater than \$4999.99, even if routine purchases of the same materials from the same vendor during a fiscal year would exceed that threshold. If this situation is not addressed, the Department will likely continue to violate City procurement requirements. This could lead to:

- Higher goods or services cost;
- Increased risk of litigation from excluded competitor vendors.

Recommendation – The Department should ensure that it complies with City requirements for contract use.

The Department should consider implementing the following procedures to ensure it complies with City requirements:

- Copies of any City contracts should be obtained prior to making purchases against them.
- Requisitions and purchase orders should be consistently obtained as required.
- Attempts to utilize State contracts or cooperative agreements should be approved by Purchasing as required.

Response – Parks and Recreation agrees with the findings above regarding the Purchasing process for contractors. It has been suggested that City Departments have readily available access to copies and agreements for purchasing contracts, vendors, IDIQ's, state contracts and cooperative agreements obtained and approved by Purchasing for these types of purchases in order for staff to stay in compliance with City procurement requirements. Many of the vendors Parks and Recreation utilizes throughout the fiscal year total greater than \$5,000 collectively but much less individually. To this end, Parks and Recreation will review their purchasing history and trends for past years and consolidate these items from all departmental operations. By consolidating these items for an entire fiscal year, initial purchase orders will be able to be set up by requesting full annual contracts.

New procedures will also be established for independent contractors and utilized to operate recreational instructional programs to include full advertising of needs and execution of written contract prior to implementation, verification process for participation for each class, and reconciliation of information for payment to instructor for each session.

D. Operations

Our review of several Departmental operational areas noted several areas where procedures could be enhanced. The department's fee structure had not been reviewed for several years. Physical security and Inventory controls could be enhanced. Usage of the City's Maximo asset management system was not optimal. Finally, the department had not fully complied with city safety program requirements.

1. Fee Structure

Finding – The Department's fee structure had not been evaluated for several years. The potential for additional revenue existed in several areas including requiring Center membership for certain activities, increasing non-resident fees, and reviewing late pick-up fees for children.

In the City's FY 2012-13 Operating Budget, the first financial policy states that the City will "Expect (the) Operating Budget to be balanced on a current revenue and current expense basis". Implicit in this expectation is the concept of allowing program revenues to support at least some of the program costs, as illustrated by fees collected for the previous discussed athletics and summer programs.

We noted that the overall fee structure for the Department had not been evaluated for several years. In our evaluation of these fees we observed the following:

- The Department did not require patrons to purchase a Center membership to participate in Center programs. A new revenue stream could potentially be created if membership was required, and the required recording of patron information would make subsequent registrations for Center programs more efficient. The City of Virginia Beach (Virginia Beach) required membership before allowing enrollment in their recreation programs, and Chesapeake already used a similar approach in requiring membership to participate in the discount program at the Chesapeake Expressway. Based upon statistics for the FY 2012 year, there were 4,877 program patrons who were not Center members (1,909 children and 2,968 adults). At FY 2012 rates, membership fees for these patrons could generate up to \$93,290 in additional revenues for the City.
- Non-Resident fees needed to be reevaluated. Non-resident patrons could participate in all Department programs for an additional minimum fee (Athletic programs had a \$20 differential; Arts, crafts, dance and the Summer Blast program had a \$5 differential). In addition, annual Center membership fees were \$25 for residents and \$40 for non-residents. Virginia Beach charged a much higher differential. Their annual membership fee for residents was \$81, but the non-resident membership fee was \$317.
- The late pick-up fee for children was \$5 for every 15 minutes the parent/guardian was tardy. Many day care centers charged larger fees for this service (i.e. \$25 for every 15 minutes or \$1 for every minute late).

This situation occurred because the Department had not researched the fee structure of other localities to determine how other localities set up and operated their programs. Fee structures for the various programs had not been reviewed and updated in several years. The Department also had not sufficiently explored the possibility of 1) requiring patrons to have Center memberships prior to participating in programs, 2) charging larger non-resident fees for program offerings, or 3) charging higher late pick-up fees. If this situation is not addressed, the City budget will continue to carry more of the expense burden for these programs than would otherwise be necessary.

Recommendation – The Department's fee structure should be re-evaluated. The potential for additional revenue in areas including requiring Center membership

for certain activities, increasing non-resident fees, and reviewing late pick-up fees for children should be explored.

The Department should re-evaluate relevant fee charges and propose adjustments as it deems necessary. The Department should also explore the possibility of requiring that patrons obtain Center memberships before being allowed to participate in Center programs. The potential for higher nonresident program fees and higher late pickup fess should also be explored.

Response – Parks and Recreation agrees with the findings above regarding the reevaluation of fee structure. Fees have, however, been reviewed and evaluated each year by several program areas to include a fee survey of other localities and similar activities. Some have been implemented. A full Department Fee Committee was re-instated under the current Director prior to this Audit, and the Department is in the process of reevaluating past policies and procedures to accommodate changes that have occurred in Parks and Recreation technology, procedures, facilities, and staffing. This is a time-consuming and labor-intensive task since there has been significant turnover and vacancies in leadership positions and should be completed prior to the next budget cycle.

2. Physical Security Controls

Finding – The Department’s physical security controls needed to be evaluated and enhanced.

Physical controls are the implementation of security measures used to deter or prevent unauthorized access to facilities. Examples of physical controls are closed-circuit surveillance cameras, motion or thermal alarm systems, picture IDs, and locked and dead-bolted steel doors. Through the use of physical controls, an organization controls physical access to facilities and systems. In addition, physical security controls are meant to detect and delay the passage of an intruder as he or she moves inward toward sensitive areas around or within a facility.

We previously noted that some Department divisions accumulated large sums of cash and checks from program operations. These assets were not adequately protected to prevent unauthorized access. In addition, we found the following additional physical security control issues:

- All full and part time employees at the divisions had the keys/combinations to building interiors during both day and night,
- Locks on exterior and interior doors at the Centers had not been changed in over eight (8) years,
- Camera systems for protection and to assist with insurance liability claims were not installed at each division,
- Building exterior doors and windows were not alarmed, sound alarms were not

- installed on rear exit doors, and the facilities did not have any motion detectors,
- Pull alarms were not installed at the front desk and in the office's so that they could be activated in the event of an emergency. In addition, floor safes were not alarmed and were not tied to the police department.

These situations resulted in part from limited budget resources to pay for the implementation of appropriate physical security controls. In addition, it appeared that safety and security measures had not been prioritized in the past. If these conditions continue, the safety and security of the employees and patrons could be placed at risk.

Recommendation – The Department should evaluate physical security controls at its divisions and develop and implement a comprehensive physical security program that addresses various types of emergency situations and divisional physical security control procedures.

The Department's physical security program should address the following areas:

- Security program policies and procedures should be develop and documented and employees should be trained on them.
- Keys and locks to buildings entrance doors should be changed as necessary.
- Alarm systems should be installed that have unique codes to identify each person who needs to have access to the buildings.
- Consideration should be given to installing a card reader entry system at Centers/park buildings where access needs to be controlled.
- Alarms should be installed on doors and windows as necessary. Also, remote exterior doors should have sound alarms installed. Consideration should be given to using motion detectors for additional protection as needed.
- Camera systems should be installed at each Center/park for liability, security and defense against claims.
- Pull alarms should be installed at the front desk and office and should be tied to the police.

Response – Parks and Recreation agrees with the findings above regarding physical security controls. Only two community centers presently have active security alarms, only four have audible fire alarms and none have cameras. No parks facilities have security cameras. The Department does utilize its eight Park Rangers and an outside security agency to assist with security enforcement in parks and at selected recreational facilities. There are plans for an initial phasing of security systems and cameras in selected community centers in the FY14 budget.

3. Inventory Controls

Finding – Departmental inventory control procedures needed improvement.

According to United States Government Accountability Office Executive Guide, Best Practices in Achieving Consistent, Accurate Physical Counts of “Inventory and Related Property, pg. 5 & 6 “Proper inventory accountability requires that detailed records of produced or acquired inventory be maintained, and that this inventory be properly reported in the entity’s financial management records and reports. Physical controls and accountability reduce the risk of (1) undetected theft and loss, (2) unexpected shortages of critical items, and (3) unnecessary purchases of items already on hand. These controls improve visibility and accountability over the inventory, which help ensure continuation of operations, increased productivity, and improved storage and control of excess or obsolete stock.”

“The lack of reliable information impairs the government’s ability to (1) know the quantity, location, condition, and value of assets it owns, (2) safeguard its assets from physical deterioration, theft, loss, or mismanagement, (3) prevent unnecessary storage and maintenance costs or purchase of assets already on hand, and determine the full costs of government programs that use these assets.”

We noted the following items related to Departmental inventory procedures:

- The Department’s warehouse did not use an inventory system that monitored stock levels and prices. Stock was ordered when the stock level in a bin was checked visually instead being based upon stock usage. There was no perpetual record of inventory on hand and no tracking of unit prices.
- The warehouse maintained records of materials and supplies issued to work crews by using locally generated standardized forms, but the forms were placed in a filing cabinet. Also, Items issued for work orders were not entered into the City’s Maximo Work Order system to allow monitoring of performance costs.
- Stock levels were not reconciled against purchase and usage records to ensure that all inventory items were accounted for. In addition, there was no actual physical inventory conducted within the last four years.
- Although the warehouse was responsible for ordering and distributing cleaning and repair supplies, not all cleaning and repair supplies were ordered by the warehouse. Instead, individual Centers, Housekeeping, and other divisions ordered these supplies and stored the supplies locally.
- We found items that had exceeded their shelf life. In addition, the Department’s Warehouse Supervisor indicated that some items were obsolete. The obsolete items were primarily spare parts for machinery or equipment no longer in use.
- Facilities Maintenance had to make multiple small item purchases from specialty supply stores (such as for plumbing or electrical supplies) because these items were not in inventory at the warehouse.



Out-of-date Supplies

Obsolete parts (fan belts)

These situations occurred because there were no specific inventory policies and procedures, oversight for warehouse operations, or coordination among the Department's divisions and work centers for inventory-related issues. Additionally, these situations resulted from a lack of resources allocated to the implementation of Maximo at the warehouse (see Finding #4). Without adequate accountability for inventories, departmental inventory will be at risk of (1) undetected theft and loss, (2) unexpected shortages of critical items, and (3) unnecessary purchases of items already on hand.

Recommendation – The Department should establish an inventory control system that provides timely inventory information for review.

The Department should decide which inventory supplies will be purchased and stored at the warehouse. Once this occurs, a full (100 percent) baseline physical inventory should occur, and the physical inventory should include all storage locations within the Department. Written inventory control procedures should also be developed. The written procedures should assign specific responsibility for the different inventory functions in the warehouse. The procedures should include:

- Periodic inventory reconciliations.
- Review and oversight of all departmental inventory purchases.
- Evaluation of potentially obsolete supplies.
- Assigned responsibility for entering required Maximo work order information.

Response - Parks and Recreation agrees that the Department should establish written inventory control policies and procedures and should have an inventory system that provides timely inventory information, control levels, usage records, and storage location information.

The Department continues to wait for the upgrade of the City's Maximo system so it can be utilized as it was intended in the warehouse. The way the system was

originally set up would not work currently with the Department's existing warehouse situation. Parks and Recreation has been advised that any inventory control system put in place now would be a future duplication of effort and inefficient use of time management.

When the Maximo system has been upgraded, the Department should be able to do a physical inventory and keep an electronic record that will allow monitoring of stock levels, prices, what stock is issued and who it was issued to, and performance costs.

Staff has made arrangements with Public Works Facilities to go over any items that may or may not be obsolete. The belts shown in the photo are drive belts and are also to be inspected by Facilities to see if they are, or not, obsolete. Once this has been done, the Department will dispose of any unnecessary items in the proper manner. When Maximo is upgraded, a more efficient system will be in place for evaluating expired/obsolete items.

Although the warehouse is responsible for ordering and distributing most routine cleaning and repair supplies, not all of the cleaning and repair supplies are currently ordered by the warehouse. Instead, in many cases, individual centers, programs, housekeeping, and other divisions order supplies and store them as necessary at their specialty equipment and facilities.

4. Maximo System Utilization

Finding – The Department's Maximo Asset Management system was not being utilized to its fullest potential.

ISACA, the International organization that provides guidelines on Information Technology (IT) system controls, defines governance as "The oversight direction and high level monitoring and control of an enterprise to ensure the achievement of defined and approved objectives." The Department was responsible for governance procedures, including implementation and utilization of software.

We noted several items related to the design, implementation, and use of the Maximo system that prevented it from being utilized to its fullest potential within the Department. Data was not entered timely and the system did not provide for easy extraction to create accurate and complete reports. Further, it appeared that staff needed additional system training. We identified the following issues related to the Department's use of the system:

- During April 2013, the Work Order division was still entering data for work completed prior to April 2012.
- Although 11,425 Department work orders were processed on the Maximo system for FY 2012, a total of 8,934 were not classified as completed (closed).

- The Department did not consistently document time spent on each Maximo work detail category; only the actual work performed was documented. Time spent for administration, travel, planning, and acquiring parts or tools was not captured consistently. Without this information, management would not have sufficient information to assign resources and location of resources.

This situation existed in part because the Department had not taken all of the steps necessary to ensure that Maximo was utilized to its fullest potential. If these issues are not addressed, data integrity and timeliness issues could adversely impact the efficiency of day-to-day departmental operations and limit Maximo's potential benefit. In addition, management will not be able to extract accurate and complete Work Order data related to time, performance, and cost for completed projects from the Maximo system.

Recommendation – The Department should take a more active role in ensuring that the Maximo system is utilized to its fullest potential, with sufficient support as required from Information Technology (IT).

The Department should ensure that all appropriate personnel are properly trained on the utilization of the Maximo system and should emphasize the use and maintenance of the system as a critical job requirement. In addition, the following issues should be addressed:

- Departmental policies and procedures (as well as any changes to them) should be developed and documented for utilization with the Maximo system.
- Employees should be properly trained on use of the Maximo system.
- Time spent on each Maximo work detail category should be documented to enhance cost tracking and availability of management information.
- Work Orders should be closed and archived when all Work Order data is entered and completed and the established archiving timeframe has passed.
- The Department should assign responsibility for timeliness of data entry for completed Work Orders.
- Maximo system data should be reviewed to ensure that it is accurate, up-to-date, and set up so that it can be extracted from the system to provide management with additional and more convenient information and reports.
- Department staff should be trained on writing queries and creating and obtaining reports from the Maximo system.

Response – Parks and Recreation agrees that the Department should take a more active role in ensuring that the Maximo system is utilized to full potential. This will be accomplished with revised guidelines and enforcement of policy after the Maximo upgrade is complete. During April 2013, the Work Order division was still entering data for work completed prior to April 2012. Staff has not been able to either catch up or keep up with data entries since even before the initial staff reductions that hit this section hard in 2011. Additionally, many of the errors

noted are from the Maximo system, not the operators. These issues were reported to the vendor by the Department of Information Technology upon initial implementation. At this point, the Department will investigate alternative solutions after the upgrade is complete with the additional tools in Maximo 7.5. With the upgrade system, revised departmental policies, staff training, and consistent enforcement from supervisors, the work order procedures should become standardized and expedited.

5. Safety Program

Finding – The Department did not fully comply with City Administrative Regulation 1.19 regarding development of a safety program.

City Administrative Regulation 1.19 City-Wide Safety Program – Loss Control Policy stated, “Each department head shall be responsible for the development, administration, and monitoring of a written safety program within his/her department and maintaining the safety record of his/her department.” The Department had documented safety program procedures. However, the existing procedures had not been updated to address the specific goals and objectives outlined in Administrative Regulation 1.19. In addition, we found that the existing safety procedures were not being adhered to, forms were outdated, and there was limited oversight and monitoring over the safety program.

In discussions with the departmental safety administrator and observations of various operating areas, we found that required safety inspections had been not performed the required safety inspections in accordance with departmental procedures. For example, we noted the following:

- The warehouse had a gasoline container hidden under rags in a corner.



- Portable fire extinguishers in various buildings and vehicles did not have monthly checks performed as required. Also, there was no consistent verification of the annual service inspections done by the approved vendor.



- An Eyewash station had expired solution. (photographs taken 11/28/2012)



- Containers used for mixing chemicals for pesticide application were not properly labeled as required by OSHA regulations.



- The Safety Committee Review Board for accidents had not held meetings for several years according to the departmental safety coordinator.
- Department Policy # 4006, Accident Reporting Procedure, had not been updated since 2002, contained out of date forms, and did not provide a timeline for investigating accidents and injuries.
- Department Policy # 4007, Safety Inspections and Reports, was dated 1980 and did not address changes in City and Departmental structure.
- Similarly, although Department Policy # 4003 set a minimum interval of monthly, a Safety Committee meeting had not been held in several years.
- The Department had not conducted a noise analysis of various operations to determine compliance with OSHA requirements, including whether it needed to make audiometric testing available to all employees whose exposures equaled or exceeded an 8-hour time-weighted average of 85 decibels.
- Although the Department used pesticides for various landscaping purposes. Employees did not consistently use personal protective devices as required by Material Safety Data Sheet (MSDS).
- The MSDS was not reviewed prior to purchasing of chemicals to ensure that the Department had the capabilities of using the proposed pesticides and herbicides. Because this review was not conducted, certain products requiring use of respirators were purchased, and they could not be used.
- The Department had not completed or posted the occupational injuries and illness form (OSHA 300) log annually as required.

This situation occurred because the Department did not maintain, review, enforce, and update safety policies and procedures to reflect changes to City and other requirements. If these conditions continue there is increased risk of deterioration of safety conditions that could increase personal injury, asset damage or loss, and risk violations of Federal and State OSHA regulations.

Recommendation – The Department should take steps to ensure it complies with Administrative Regulation 1.19 and other applicable occupational safety and health regulations and laws.

These steps should include:

- Formally documenting all required initial and periodic training
- Establishing a Safety Accident Review Board that reviews vehicular accidents, determines preventability of accidents, and recommends appropriate mitigating actions to reduce recurrence
- Establishing a Safety Committee which develops programs that encourages all employees to identify, correct, and report safety concerns
- Designating a responsible person to conduct periodic routine and unannounced safety inspections and document the results
- Ensuring that required and useful safety information is posted.

Response – Parks and Recreation agrees that the Department should take steps to fully comply with Administrative Regulation 1.19. The Department has already established a Department Safety Officer and begun revising and updating its safety program and manual to address related deficiencies. With the recent hiring of a new Risk Manager for the City, the Department will now work closely with him to ensure compliance and to better manage and address safety and occupational issues.

The Department will also be establishing a Safety Committee to assist in coverage and monitoring of its diverse programs and facilities as well as assisting in performing internal safety inspections, training, and safety postings.

E. Northwest River Park

We also reviewed physical conditions and park usage at Northwest River Park (NWRP) a 763 acre park in the southern part of the City. We noted that the parks facilities needed to be updated, and also noted that the parks usage was below that of comparable parks

1. NWRP's Physical Condition

Finding – The physical condition of Northwest River Park's (NWRP) facilities and infrastructure needed improvement.

City Code Section 14-7(a), Abandoned, hazardous or obstructing vessels, wharves, docks, piers or other structures, states, "Whenever the director of development and permits or designee shall be of the opinion that any vessel has been abandoned, or that any wharf, pier, piling, bulkhead or any other structure or vessel might endanger the public health or safety of other persons, or might constitute an obstruction or hazard to the lawful use of the waters within or adjoining the city, he shall cause a written notice to be delivered or mailed by certified mail to the owner of such wharf, pier, piling, bulkhead or other structure or vessel directing the owner to remove, repair or secure such property within the time specified in such notice."

During our tours of Northwest River Park and its equestrian field, we noticed several physical condition concerns. These concerns were as follows:

- The Southwest Terminal pier on Northwest River was not a floating dock and became submerged on high tides. There were no navigational lights or warning markers on the dock. Additionally, this 30 year-old fishing and docking pier was built before Americans with Disabilities Act (ADA) requirements for fishing piers and platforms, and had not undergone compliance alterations.



- The paddleboat dock and fishing pier and bulkhead were deteriorated and were trip hazards.



- The Marjorie Rein Memorial Walkway overlook (commissioned in 1994) had been deemed unstable by the City Engineer and was closed in 2009. Repairs had not been completed to reopen this walkway over the Northwest River.
- NWRP's lake had not been maintained since its construction. The lake had no natural circulation, which allowed decay to build up and did not support fish life. An aeration system had been installed to raise the saturated oxygen levels of the lake to levels that supported fish life. However, the aeration system did not include the entire lake, and there was a buildup of duckweed in several coves.
- The bridge linking NWRP to the City's equestrian field was not rated to support the weight of tractors. Because of this situation, tractors used to mow the equestrian field were loaded on trailers then transported on two-lane Indian Creek Road.



- The entrance/egress from the equestrian field was on a blind curve making leaving or entering hazardous while pulling a horse trailer.



This situation resulted from a lack of sufficient resources to adequately maintain NWRP's physical facilities. There was no continuous inspection and preventative maintenance program for the park. Amenities and infrastructure repair and replacement had been accomplished by using volunteer services such as Boy Scout Eagle and Girl Scout Gold projects. If the physical condition of the fishing and docking piers and other areas are not addressed, park patrons will be exposed to risk of injury.

Recommendation – NWRP should address the physical deficiencies identified and also develop and implement a continuous preventative maintenance plan.

NWRP should identify and report in Maximo all hazardous conditions including trip hazards, deteriorated structures and paths, and missing/damaged items. Additionally, NWRP should complete all work orders that address hazardous conditions. Finally an ongoing maintenance program should be developed and maintained.

Response – Parks and Recreation agrees that the Department should establish short- term and long-term plans to correct physical deficiencies and an ongoing preventative maintenance plan. Parks and Recreation has been working to identify and prioritize the deferred maintenance projects that have accumulated over many years. Currently, the scouts assist with repairs and replacements to the smaller items on the list such as kiosks, fencing and building repairs. They also tackle larger projects such as bridge replacement and the equestrian riding ring. Recently, a new picnic shelter and new playground have been added to the park as well as a number of other repairs and renovations such as to the water treatment area, electrical service, and cash register. Staffing has been a contributing factor in this decline, as the only maintenance person assigned to the parks for the last 10 years has also been responsible for cutting grass, cleaning restrooms and anything else including functioning in a special programs support personnel role.

Other more major renovation projects have also begun. The pier at South Terminal has been demolished and removed completely below the mud line. The Virginia Marine Resources Commission permit has been applied for and is awaiting final signatures to proceed forward. The replacement pier bid has been submitted to Purchasing. We have had one contractor visit the site to spec out and bid on two of the other listed projects. We will be continuing to request bids from other contractors for the replacement of the paddleboat dock, the Marjorie Rein Walkway and a bridge to the equestrian area. Due to the deteriorated state of the park, it will take some time to bid out and complete all of the identified projects; however, new Departmental leadership has placed a high priority on accomplishing this task and developing a short-term and long-term renovation plan.

The report also mentions the deteriorated state of Lake Lesa. The assumption that the duckweed build up is from lack of oxygen is incorrect. Duckweed buildup occurs based on rain levels and nutrient run off. According to the Department of Game and Inland Fisheries, this is a high level year for duckweed. Two things that would help control the duckweed at NWRP would be replacement of the spillway cap and chemical spraying.

2. Campsite Usage

Finding – Campsite usage at NWRP was below the usage at comparable parks. The lack of usage appeared to be related to a lack of effective promotion.

Department Procedure #2005, The Budget Process, required the department to “State...the number of people expected to use the facilities”. We compared the prices, campsites, and opportunities such as boating, hiking trails, and a park store of three other municipal campgrounds (Newport News, Fairfax Virginia and Orange County Florida). Exhibit 6 highlights the results.

Exhibit 6
Campsite Usage at Comparable Municipal Campgrounds

| FY12 | Northwest River Park | Newport News ¹ | Orange County, FL | Burke Lake Park Fairfax |
|--|-----------------------------|---------------------------|-------------------|-------------------------|
| Number of campsites | 66 | 188 | 132 | 244 |
| Campground sites available during season | 16,104 | 45,872 | 47,924 | 59,536 |
| campground sites occupied | 2,182 | 8,335 | 11,791 | 17,791 |
| Percentage of usage | 13.55% | 18.17% | 24.60% | 29.88% |
| FY11 | Northwest River Park | Newport News | Orange County, FL | Burke Lake Park Fairfax |
| Number of campsites | 66 | 188 | 132 | 244 |
| Campground sites available during season | 16,104 | 45,872 | 47,913 | 59,536 |
| campground sites occupied | 2,148 | 9,302 | 11,499 | 19,595 |
| Percentage of usage | 13.34% | 20.28% | 24.00% | 32.91% |
| FY10 | Northwest River Park | Newport News | Orange County, FL | Burke Lake Park Fairfax |
| Number of campsites | 66 | 188 | not provided | 244 |
| Campground sites available during season | 16,104 | 45,872 | not provided | 59,536 |
| campground sites occupied | 2,358 | 9,997 | not provided | 22,659 |
| Percentage of usage | 14.64% | 21.79% | not provided | 38.06% |

As indicated above, NWRP's campsite usage was well below the campsite usage of comparable municipal campgrounds. NWRP's total gross rental revenue for FY 12 was \$126,426, of which \$50,960 was from their 66 campsites. Potential campsite revenue ranged from \$84,546 (at 25% occupancy) to \$338,184 (at 100% occupancy).

¹ Campground sites available were not provided by the Newport News or Burke Lake campgrounds. The data was calculated to reflect a standard.

We also noted that, although NWRP and several of its activities and events were mentioned in the Department's Leisure brochure, there was limited marketing of the park. For example:

- There was no metadata information on the City's webpage for NWRP. Metadata was used by search engines such as Google or Bing to generate search results.
- NWRP had not created promotional materials such as YouTube videos highlighting its trails, facilities and other offerings. NWRP had only one video on its website.
- There was no exit sign information on the Chesapeake Expressway advertising NWRP. There was also no signage at the NWRP dock on the Northwest River.

The lack of park usage and the lack of promotion appeared to be the result of several factors. First, NWRP did not have WIFI services. Cable Internet services were near the park, but had not reached it. Second, there was some confusion regarding responsibility for NWRP promotion. The Department website coordinator believed that metadata information was to be entered by IT. Also, no one had followed up to place signage for NWRP on the Expressway exit or other locations to promote awareness.

Unless this situation is addressed, NWRP will likely continue to be underutilized. This underutilization would likely continue to diminish the potential revenue stream from the park.

Recommendation – NWRP should take steps to increase its promotional activities, which in turn should increase usage of its camping facilities

The Department should work with Public Communications and IT to maximize promotion of NWRP through social media and other available mechanisms. Also, they should work with IT towards the installation of cable Internet service, thereby allowing reliable WIFI service throughout the park and campground and allow a video surveillance system to be installed. The Department should also consider conducting a survey of Chesapeake campers that do not use the campground at NWRP to ascertain the reasons why.

Response – Parks and Recreation agrees that the Department must look at steps to increase its promotional efforts, not only for the campsites and at NWRP, but also for many other of the City's resources operated by the Department. Staff has made several creative and innovative attempts during the past few years to promote programs and activities at the park. A video was completed in conjunction with Public Communications and DIT to highlight the cabins at NWRP, which is now posted on the website. Within the last 6 months, staff also completed and posted a video highlighting the park rangers and their favorite spots at Northwest River Park. Additional steps to be accomplished in the near future include additional social media alerts, marketing packages with other City resources, and new and revised maps and brochures.

Although there are many possible ways to explain the assumed underutilization at Northwest River Park, one of the main factors that should be considered is the lack of updated and modern amenities. To date, the park has limited and unreliable connectivity access, has outdated and inefficient plumbing and has a septic system that is constantly in need of pumping. Thriving campgrounds have gone wireless, have air conditioned restrooms, and no longer operate on septic systems. In fact, much of this park unfortunately has not changed since the early 1980's. In regards to the list of parks to which NWRP was compared, little attention was given to differences in amenities outside the basics, such as trails and boats. Outside factors must be taken into consideration when making comparisons between usage and rates, including but not limited to proximity to main highways, availability of convenient commercial establishments and necessities such as shopping, grocery stores, and attractions, and modern bathing facilities. New Departmental leadership has placed a high priority on accomplishing the necessary steps to better promote the park and to develop a short-term and long-term renovation plan to help add the necessary amenities and renovate the aging facilities within the park. As this plan is realized, NWRP should see a correlation between these improvements in facilities and promotion and with rising park usage.

APPENDIX A

RESPONSE FROM PARKS AND RECREATION OFFICIALS

MEMORANDUM

TO: Jay Poole, City Auditor

FROM: Michael D. Barber, Director of Parks and Recreation

DATE: July 2, 2013

SUBJECT: Parks and Recreation Responses to Internal Audit



Please be advised that I have received and reviewed the draft audit evaluation and recommendations provided by your Department. The responses (in green) were provided by myself, as well as a team of Parks and Recreation staff, since most of the procedures and findings were implemented prior to my arrival as Director in April 2012.

Enclosed you will find the Parks and Recreation Department's responses to the Internal Audit recommendations and are acceptable and approved to publish as written.

If you have any questions or need additional information, please do not hesitate to contact me at 382-1305. Thank you for your assistance in this matter.

MB:lj

Enclosure

c: Wanda Barnard-Bailey, Ph.D., Deputy City Manager

C. Financial Control Issues

1. Athletics Division Revenue Processing

Finding – The Athletics Division was not using the ActiveNet automated system to process registration payments for their various sporting events. In addition, there were inadequate processing controls and safeguards for receipts and deposits and deposits were not timely. Also, management oversight and direction were lacking for the revenue receipt process.

Recommendation – The Athletics Division should be required to use the ActiveNet system to process registration payments. In addition, the Department should develop and document revenue processing procedures that address accountability, safeguarding of assets, and segregation of duties, and implement a monitoring process to ensure controls are being followed.

Response – Parks and Recreation agrees with the findings above regarding the past practices and processes of individual and team registration and payments. Due to various eligibility issues and concerns, past management practices included separate manual athletic registration procedures. To this end, Parks and Recreation has already established and implemented new procedures for the manual system, which began during the Fall 2012 season with total implementation during the Spring 2013 season.

During the fall 2012 registration for athletic programs, initial procedures were put in place to document the revenue processing procedures, address accountability, and to provide safeguarding of assets and segregation of duties. Forms were manually pre-numbered due to timing. Checks or money orders were accepted and cash collection was discouraged. Cash boxes, money bags, manual receipts and calculators were provided. Money was deposited at the community center to be picked up the next day by the courier to be delivered to Parks accounting. All registrations were keyed into ActiveNet once the cash was reconciled with receipts and registration forms.

For the Spring 2013 season, staff was trained and provided with the new procedures, with written verification from each that they understood how to utilize and implement. The procedures addressed verification of cash and check amounts, endorsement of checks, pre-numbered receipts, placement of revenue in community center safes, reconciliation of payments and registrations, voided receipts, preparation of deposits for next business day after receipt. Again, the manual system was replaced with the entering of registrations into ActiveNet beginning with Girls' Softball 2013.

Credit Cards at the Community Centers are also a preferred method of payment, and we will be implementing the requirement of such in the near future as reliability and availability of necessary equipment is accomplished. For the fall 2013 season, program registration times have been extended and are now always available at the main Parks

and Recreation Administrative office on Progressive Drive. The program will continue to evaluate other means of registration to create a more efficient and effective process with a fluid check and balance system.

2. Leisure's Summer Blast Program

Finding – The Summer Blast Program had significant revenue and operational control weaknesses including non-completion of attendance forms, management review of supporting documentation, independent checks at the various Centers, and reconciling of revenue to attendance sheets.

Recommendation – The Leisure Division should develop and document revenue and operating policies and procedures for the Summer Blast program and adequately train staff. In addition, Leisure and Center management should provide oversight, accountability, perform independent checks and implement a monitoring process to ensure controls are being followed. In addition, revenue received should be reconciled to the number of attendees recorded on attendance sheets to ensure all fees were collected.

Response – Parks and Recreation agrees with the findings above regarding the process and implementation of policies and procedures of the Summer Blast Program. Under past practices, the Community Centers and Leisure Programs were operated as separate units, although each shared the same staff and facilities. Under the new reorganization plan of the Department that will be implemented in FY14, these sections will be combined and administered as one unit. This plan should address many of the past inconsistencies of supervision and establish efficient accountability of the center. The main issue for which the Summer Blast program was discussed in the report was brought to the attention of audit for further review after the Leisure staff person initially discovered inconsistencies on field trip payment paperwork and attendance sheets that have always been submitted and reviewed. The non-adherence to established, written procedures provided to all of the staff was a personnel issue. Audit was then able to step in and assist in finding ways in which the management of the program can be improved. Registration procedures are outlined in writing and provided to staff each year including the fee structure, processing in ActiveNet, payment criteria, receipts, advanced payment of fees, and maximum enrollment. The process is also discussed with staff in planning meetings to include the fee structure, cash, payment criteria, issuance of receipts and maximum enrollment. Independent checks of attendance sheets to ActiveNet were conducted twice a week when field trip payments were submitted which is how the inconsistencies were originally discovered by staff. This resulted in community center staff's non-adherence to the established procedures. Additional checks were established after the initial incident and prior to the audit report being released, to include submission of all sign in/out sheets to be verified with ActiveNet information and ActiveNet receipts attached to any handwritten additions to the attendance sheets. For the field trips again this year, staff is again requiring rosters as backup and have established written procedures regarding the trips. Furthermore,

this year our procedures now include that if there are any late additions to a trip, the receipt must be attached to the sign out/attendance sheets when submitted to administrative staff. All trips require receipts from vendors and rosters of children – children will be verified in ActiveNet to ensure payment has been made and proper waiver forms have been submitted. With consistent monitoring and supervision of staff that will now be implemented under the new reorganization plan of the Department, more effective and efficient accountability should be realized.

3. Cash Controls

Finding – The Department’s cash handling and settlement processes needed improvement, and controls and safeguards over cash needed to be enhanced.

Recommendation – The Department should develop and document cash handling and cash settlement process policies and procedures so that cash is adequately safeguarded. The policies and procedures should address cash controls for all divisions and Courier personnel. In addition, the Department should develop an ongoing monitoring process to ensure adherence to cash handling, cash control, and courier procedures. Also consideration should be given to establish the use of credit cards at the various divisions.

Response – The Department agrees with the findings above regarding the Cash Controls. The Department has already taken several steps to address the documentation, accountability and monitoring process of accounting for registrations and revenues.

Although there are written policies, some are outdated, some do not cover all the areas now necessary in a growing department. Although there had been repeated staff training in the past, consistent and ongoing review and supervision are needed for accountability. In addition, changes in cash handling must be modernized as centers need to be responsible for direct deposit of cash to a night drop or to the Treasurer’s Department instead of a Departmental staff courier transporting funds to Central Parks and Recreation Accounting for additional reconciliation. The Information Technology Department is working on upgrading the Treasurer’s system which will allow us to upload the ActiveNet information versus keying the information. Drop boxes have now been added to centers, safes have been replaced and access is now limited, and credit card acceptance is finally being implemented. New procedures are being finalized to add to coverage issues and all community center staff have been rotated to new locations. Staff will be re-trained in the new procedures, and monitoring of staff procedures will begin once all is in place. It is the desire to limit cash in the centers and thus a change fund will then not be necessary at all centers. Parks and Recreation Accounting will then be responsible for the audit and monitoring function of the cash collection process. An additional accounting position has been approved in the FY14 budget. Additionally, the Department has installed new safes with drop box type doors to assist with limiting access to the secured funds. The Department is already taking

steps to address the security of funds and improve the daily closeout process. Future plans include monitored security cameras. The Department has installed a new computer at each community center specifically for the use of visitor membership swipes. This now allows staff to use the other computer for other transactions, allowing staff to readily log out when not in use. Finally, new employees receive login credentials prior to working the community center.

4. System Controls

Finding - System access controls and testing of software upgrades and changes related to the ActiveNet system needed to be enhanced. In addition, the Department had not tested the data recovery process or removed invalid data from the system database. There was also no back-up person for the IT analyst.

Recommendation – The Department should take steps to enhance their system access controls, testing of system upgrades, data quality and integrity, and backup plans.

Response – The Department agrees with the findings above regarding System Controls. Parks and Recreation’s software solution is hosted by ActiveNet. This means that we do not have access to the data tables nor servers (since multiple customers reside on the same servers). Therefore, as part of the contract negotiation, ActiveNet must provide a Disaster Recovery Policy for the City of Chesapeake. In this policy, ActiveNet has a primary data center and a redundant site. Both weekly full and daily incremental backups are performed and data is constantly replicated to the secondary datacenter. Testing is completed on a private schedule. This was negotiated by Parks and Recreation, Information Technology and Purchasing.

This recommendation from Audit is already in place per City regulation AR 1.13. Staff signed a copy of the policy and supervisors are to follow up and train new staff between standard periods. Train the Trainer techniques are employed for educating staff. It is up to each center manager to train their staff in the ActiveNet procedures with the assistance of job aids already provided. Parks and Recreation has staff to back up the IT Analyst, and the IT Department is available as needed. Finally, there are scanning stations installed at all 8 community centers that have a center User ID and Password that correspond to the centers’ email accounts. These scanning station login credentials are limited to ActiveNet membership scanning.

5. Contracting Process

Finding – The Department did not consistently use the City’s contracting process as required.

Recommendation – The Department should ensure that it complies with City requirements for contract use.

Response – Parks and Recreation agrees with the findings above regarding the Purchasing process for contractors. It has been suggested that City Departments have readily available access to copies and agreements for purchasing contracts, vendors, IDIQ’s, state contracts and cooperative agreements obtained and approved by Purchasing for these types of purchases in order for staff to stay in compliance with City procurement requirements. Many of the vendors Parks and Recreation utilizes throughout the fiscal year total greater than \$5,000 collectively but much less individually. To this end, Parks and Recreation will review their purchasing history and trends for past years and consolidate these items from all departmental operations.

By consolidating these items for an entire fiscal year, initial purchase orders will be able to be set up by requesting full annual contracts.

New procedures will also be established for independent contractors and utilized to operate recreational instructional programs to include full advertising of needs and execution of written contract prior to implementation, verification process for participation for each class, and reconciliation of information for payment to instructor for each session.

D. Operations

1. Fee Structure

Finding – The Department’s fee structure had not been evaluated for several years. The potential for additional revenue existed in several areas including requiring Center membership for certain activities, increasing non-resident fees, and reviewing late pick-up fees for children.

Recommendation – The Department’s fee structure should be re-evaluated. The potential for additional revenue in areas including requiring Center membership for certain activities, increasing non-resident fees, and reviewing late pick-up fees for children should be explored.

Response– Parks and Recreation agrees with the findings above regarding the reevaluation of fee structure. Fees have, however, been reviewed and evaluated each year by several program areas to include a fee survey of other localities and similar activities. Some have been implemented. A full Department Fee Committee was re-

instated under the current Director prior to this Audit, and the Department is in the process of reevaluating past policies and procedures to accommodate changes that have occurred in Parks and Recreation technology, procedures, facilities, and staffing. This is a time-consuming and labor-intensive task since there has been significant turnover and vacancies in leadership positions and should be completed prior to the next budget cycle.

2. Physical Security Controls

Finding – The Department’s physical security controls needed to be evaluated and enhanced.

Recommendation – The Department should evaluate physical security controls at its divisions and develop and implement a comprehensive physical security program that addresses various types of emergency situations and divisional physical security control procedures.

Response – Parks and Recreation agrees with the findings above regarding physical security controls. Only two community centers presently have active security alarms, only four have audible fire alarms and none have cameras. No parks facilities have security cameras. The Department does utilize its eight Park Rangers and an outside security agency to assist with security enforcement in parks and at selected recreational facilities. There are plans for an initial phasing of security systems and cameras in selected community centers in the FY14 budget.

3. Inventory Controls

Finding – Departmental inventory control procedures needed improvement.

Recommendation – The Department should establish an inventory control system that provides timely inventory information for review.

Response - Parks and Recreation agrees that the Department should establish written inventory control policies and procedures and should have an inventory system that provides timely inventory information, control levels, usage records, and storage location information.

The Department continues to wait for the upgrade of the City’s Maximo system so it can be utilized as it was intended in the warehouse. The way the system was originally set up would not work currently with the Department’s existing warehouse situation. Parks and Recreation has been advised that any inventory control system put in place now would be a future duplication of effort and inefficient use of time management.

When the Maximo system has been upgraded, the Department should be able to do a physical inventory and keep an electronic record that will allow monitoring of stock levels, prices, what stock is issued and who it was issued to, and performance costs.

Staff has made arrangements with Public Works Facilities to go over any items that may or may not be obsolete. The belts shown in the photo are drive belts and are also to be inspected by Facilities to see if they are, or not, obsolete. Once this has been done, the Department will dispose of any unnecessary items in the proper manner. When Maximo is upgraded, a more efficient system will be in place for evaluating expired/obsolete items.

Although the warehouse is responsible for ordering and distributing most routine cleaning and repair supplies, not all of the cleaning and repair supplies are currently ordered by the warehouse. Instead, in many cases, individual centers, programs, housekeeping, and other divisions order supplies and store them as necessary at their specialty equipment and facilities.

4. Maximo System Utilization

Finding – The Department’s Maximo Asset Management system was not being utilized to its fullest potential.

Recommendation – The Department should take a more active role in ensuring that the Maximo system is utilized to its fullest potential, with sufficient support as required from Information Technology (IT).

Response – Parks and Recreation agrees that the Department should take a more active role in ensuring that the Maximo system is utilized to full potential. This will be accomplished with revised guidelines and enforcement of policy after the Maximo upgrade is complete. During April 2013, the Work Order division was still entering data for work completed prior to April 2012. Staff has not been able to either catch up or keep up with data entries since even before the initial staff reductions that hit this section hard in 2011. Additionally, many of the errors noted are from the Maximo system, not the operators. These issues were reported to the vendor by the Department of Information Technology upon initial implementation. At this point, the Department will investigate alternative solutions after the upgrade is complete with the additional tools in Maximo 7.5. With the upgrade system, revised departmental policies, staff training, and consistent enforcement from supervisors, the work order procedures should become standardized and expedited.

5. Safety Program

Finding – The Department did not fully comply with City Administrative Regulation 1.19 regarding development of a safety program.

Recommendation – The Department should take steps to ensure it complies with Administrative Regulation 1.19 and other applicable occupational safety and health regulations and laws.

Response - Parks and Recreation agrees that the Department should take steps to fully comply with Administrative Regulation 1.19. The Department has already established a Department Safety Officer and begun revising and updating its safety program and manual to address related deficiencies. With the recent hiring of a new Risk Manager for the City, the Department will now work closely with him to ensure compliance and to better manage and address safety and occupational issues.

The Department will also be establishing a Safety Committee to assist in coverage and monitoring of its diverse programs and facilities as well as assisting in performing internal safety inspections, training, and safety postings.

E. Northwest River Park

1. NWRP's Physical Condition

Finding – The physical condition of Northwest River Park's (NWRP) facilities and infrastructure needed improvement.

Recommendation – NWRP should address the physical deficiencies identified and also develop and implement a continuous preventative maintenance plan.

Response - Parks and Recreation agrees that the Department should establish short-term and long-term plans to correct physical deficiencies and an ongoing preventative maintenance plan. Parks and Recreation has been working to identify and prioritize the deferred maintenance projects that have accumulated over many years. Currently, the scouts assist with repairs and replacements to the smaller items on the list such as kiosks, fencing and building repairs. They also tackle larger projects such as bridge replacement and the equestrian riding ring. Recently, a new picnic shelter and new playground have been added to the park as well as a number of other repairs and renovations such as to the water treatment area, electrical service, and cash register. Staffing has been a contributing factor in this decline, as the only maintenance person assigned to the parks for the last 10 years has also been responsible for cutting grass, cleaning restrooms and anything else including functioning in a special programs support personnel role.

Other more major renovation projects have also begun. The pier at South Terminal has been demolished and removed completely below the mud line. The Virginia Marine Resources Commission permit has been applied for and is awaiting final signatures to proceed forward. The replacement pier bid has been submitted to Purchasing. We have had one contractor visit the site to spec out and bid on two of the other listed projects. We will be continuing to request bids from other contractors for the replacement of the paddleboat dock, the Marjorie Rein Walkway and a bridge to the equestrian area. Due to the deteriorated state of the park, it will take some time to bid out and complete all of the identified projects; however, new Departmental leadership has placed a high priority on accomplishing this task and developing a short-term and long-term renovation plan.

The report also mentions the deteriorated state of Lake Lesa. The assumption that the duckweed build up is from lack of oxygen is incorrect. Duckweed buildup occurs based on rain levels and nutrient run off. According to the Department of Game and Inland Fisheries, this is a high level year for duckweed. Two things that would help control the duckweed at NWRP would be replacement of the spillway cap and chemical spraying.

2. Campsite Usage

Finding – Campsite usage at NWRP was below the usage at comparable parks. The lack of usage appeared to be related to a lack of effective promotion.

Recommendation – NWRP should take steps to increase its promotional activities, which in turn should increase usage of its camping facilities

Response - Parks and Recreation agrees that the Department must look at steps to increase its promotional efforts, not only for the campsites and at NWRP, but also for many other of the City's resources operated by the Department. Staff has made several creative and innovative attempts during the past few years to promote programs and activities at the park. A video was completed in conjunction with Public Communications and DIT to highlight the cabins at NWRP, which is now posted on the website. Within the last 6 months, staff also completed and posted a video highlighting the park rangers and their favorite spots at Northwest River Park. Additional steps to be accomplished in the near future include additional social media alerts, marketing packages with other City resources, and new and revised maps and brochures.

Although there are many possible ways to explain the assumed underutilization at Northwest River Park, one of the main factors that should be considered is the lack of updated and modern amenities. To date, the park has limited and unreliable connectivity access, has outdated and inefficient plumbing and has a septic system that is constantly in need of pumping. Thriving campgrounds have gone wireless, have air conditioned restrooms, and no longer operate on septic systems. In fact, much of this park unfortunately has not changed since the early 1980's. In regards to the list of parks to which NWRP was compared, little attention was given to differences in amenities

outside the basics, such as trails and boats. Outside factors must be taken into consideration when making comparisons between usage and rates, including but not limited to proximity to main highways, availability of convenient commercial establishments and necessities such as shopping, grocery stores, and attractions, and modern bathing facilities. New Departmental leadership has placed a high priority on accomplishing the necessary steps to better promote the park and to develop a short-term and long-term renovation plan to help add the necessary amenities and renovate the aging facilities within the park. As this plan is realized, NWRP should see a correlation between these improvements in facilities and promotion and with rising park usage.