



Follow-up Review of
Audit of Quiet Waters Park
Renaissance Festival

Office of the County Auditor

Robert Melton, CPA, CIA, CFE, CIG
County Auditor

Audit Conducted by:
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OFFICE OF THE COUNTY AUDITOR

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Honorable Mayor and Board of County Commissioners:

We have conducted a follow-up review of our audit of the Quiet Waters Park Renaissance Festival. The objective of our review was to determine the implementation status of our previous recommendations.

Six of the previous recommendations were implemented and one was partially implemented.

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

We appreciate the cooperation and assistance provided by the Parks and Recreation Division throughout our review process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton".

Bob Melton
County Auditor

cc: Bertha Henry, County Administrator
Andrew Meyers, County Attorney
Monica Cepero, Deputy County Administrator
Dan West, Director, Parks and Recreation Division

Broward County Board of County Commissioners

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INTRODUCTION

Scope and Methodology

The Office of the County Auditor conducts audits of Broward County's entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted a follow-up review of the Audit of the Renaissance Festival (Festival) at Quiet Waters Park. Quiet Waters Park is operated by the Parks and Recreation Division (Parks Division). The Renaissance Festival is an independently organized event, which operates subject to the terms of the License and Concession Agreement (Agreement) between Broward County and Florida Renaissance Festival, Inc. (Renfest). The purpose of our follow-up was to determine the status of previous recommendations for improvement.

The objectives of the original audit were to determine whether:

1. All fees and monies due are paid to the County
2. The vendor is in compliance with the terms of the Agreement
3. Any opportunities for improvement exist.

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

Our follow-up review included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The follow-up testing was performed in relation to the 2019 Festival.

Overall Conclusion

Six of the previous recommendations were implemented and one was partially implemented.

Background

The Florida Renaissance Festival (Festival) is held at Quiet Waters Park (Park) over approximately six weekends in February and March of each year. The event is produced by Florida Renaissance Festival, Inc. (Renfest), a Florida Profit Corporation, under a 5-year License and Concession Agreement (Agreement) with Broward County (County) beginning with the 2018 Festival; however, Renfest has operated the Festival under prior agreements with the County for the last 28 years. The Agreement establishes the terms and conditions by which Renfest may use the County's facilities and the payments to be made to the County for such use. The Contract Administrator, as defined by Section 1.3 of the Agreement, is the Director of Broward County Parks and Recreation Division (Parks Division), or the Senior Park Manager for the Park.

The Festival itself features Renaissance/16th Century themed entertainment, performances, games, children's rides, souvenir merchants, food and beverage sales. Employee and volunteer participants, as well as many attendees, dress in period styled costumes, maintaining the theme of the event. A parade throughout the grounds is a central feature of each day, including members of the 'Royal Court' and other village characters, as well as entertainers and vendors.

All event photographs were taken by the Office of the County Auditor on February 11, 2018.





Stage performances are included with the cost of admission and are scheduled at various times and locations throughout the day. The performances include jousting knights, musical and dance performances, comedy sketches, magicians, children’s stories and craft or skill demonstrations. Attractions are available for all ages and a variety of interests. Each year, a ‘Student Day’ event is held, providing a limited educational program to Broward County schoolchildren.

Medieval styled games and rides are also available for a fee. Games focus on skills and strengths, such as knife or other weapon throwing, archery, or balance. Rides are powered by employees rather than electricity, and include a giant rocking horse and spinning chairs, as well as pony and camel rides for children.



A variety of food and beverages, including beer (no hard liquor) are available for purchase. Over 100 vendors are available in the 'artisan marketplace.' Merchandise sold focuses on hand crafted items, such as jewelry, costumes, wooden toys, glassware, pottery, candles, old-fashioned treats and candies, plus renaissance period costumes, clothing and weaponry. Services such as sketching, henna tattoos, face painting, hair braiding and massage are also available.



Event Revenue Remitted to County

Under the Agreement, Renfest remits to the County an event fee of \$1.10 per attendee and a park admission fee of \$1.50 per attendee. Renfest utilizes the services of a third-party ticketing agent for online and gate ticket sales. Attendees are provided a ticket with a Quick Response code (QR-code), which is scanned at the festival entrance. The numbers of scanned tickets are then reported by the ticketing agent to Renfest and Parks Division. Reported attendance data is used to calculate amounts due for event and admission fees, plus applicable sales taxes. Payments to the County are due the Friday following each event weekend.

OPPORTUNITIES FOR IMPROVEMENT

This section reports follow-up on actions taken by management on the Findings in our previous audit. The issues and recommendations herein are those of the original audit, followed by the current status of the recommendations.

1. Parks Management Should Ensure That Renfest Completes Required Background Screening Activities

Article 12 of the Agreement requires Renfest to complete criminal background screenings on "its officers, employees, agents, Subcontractors, vendors, and volunteers who will be working under this Agreement within the Park." Exhibit C of the Agreement contains a specific Affidavit form that is to be submitted by Renfest as affirmation that background screening has been conducted. This form requires each screened individual to be identified by name, birth date, the date they were deemed eligible to provide services, and the applicable category of eligibility (initially screened, new screenings, or no longer providing services). The first affidavit is to include all screened employees (initially screened) and the results. Thereafter, the Affidavit is only required to be submitted monthly, and identify new persons (new screenings) who are providing services under this Agreement. Persons who are listed as sexual predators or offenders are prohibited from providing services for Renfest.

We noted the following concerns:

- A. The first background screening affidavit was submitted after the start of the Festival and after the Student Day event. The first background screening affidavit was submitted by Renfest on February 13, 2018, three days after the first day of the event on February 10, 2018, and one day after the Student Day event on February 12, 2018. The Agreement does not state a specific submission date for the initial report, and Parks staff did not require Renfest to submit the Affidavit prior to the start of the event.

Parks should have assurance, in the form of the submitted Affidavit, prior to the start of an event which serves the public and students, that all individuals providing services at the event have been properly screened and that no individuals who are sexual predators or offenders are employed or volunteering.

- B. The first background screening affidavit and report did not affirm the completion of background screenings for all required individuals. As part of our review, we randomly selected Renfest employees, performer groups, cast members and vendors listed in the event program and/or website to check for completion against the initial screening report. One out of 18 (6%) randomly selected persons/groups and both Festival Operational Managers were not included in the report. This omission is a violation of contract terms and can expose the County to liability.

Renfest included both Operational Managers in a follow up background screening submission. The performer was no longer with the show at the time the deficiency was recognized, and Renfest stated they were unable to add this individual to the subsequent report.

- C. The first background screening affidavit was submitted on the wrong form and did not include all required information. The first background screening affidavit submitted by Renfest was not on the contractually required form, as shown in Exhibit C of the Agreement, and all person's birth dates were not shown as required. Birth date information may be necessary to confirm if an individual providing services to Renfest (particularly those with common names), is listed in any sexual predator or offender databases. Contract documents are prepared by County Attorneys and contain the information and affirmations deemed legally necessary to protect the County. Failure to use the correct form may expose the County to liability.

The subsequent background screening report was submitted using the correct form, and birthdates were provided for all individuals.

- D. Renfest did not maintain proper supporting documentation regarding the completion of background screenings. According to Section 12.3 of the Agreement, Renfest is to maintain 'copies of the results of the criminal backgrounds screenings' and submit to County upon request. To ensure appropriate documentation is being maintained by Renfest, we requested such supporting information for eleven individuals, including the three persons omitted from the initial screening report, as noted 1A above. Renfest did not maintain actual copies of the results of such screenings and instead submitted to us copies of tracking system information indicating that a search was performed. It is important that all information required by the agreement be properly maintained by Renfest and available for County review.

Subsequently, we conducted registry database searches, and no individuals for whom support was requested were identified as sexual predators or offenders.

- E. Background screening requirements specified in Section 12.2 of the Agreement only prohibit persons who are listed as sexual predators or offenders from providing services for Renfest. This exclusion does not extend to persons convicted of violent crimes. Given the easy access to weapons during the festival, the County could be exposed to liability and loss of public trust should a violent event occur. Persons convicted of violent crimes or weapons related offenses may be an unsafe presence in an event that features games, which involve the throwing of knives and archery, vendors selling swords and other related items, as well as cast and performers, who may be carrying weapons or performing demonstrations involving the use of weapons.

The non-compliance items noted within this Opportunity for Improvement were generally corrected by Renfest during the event, and no abusive acts are known to have occurred; however, both Renfest and Parks Division management have an affirmative obligation to the public to perform appropriate due diligence activities to help ensure the safety of all visitors.

We recommend management:

- A) Require Renfest to provide all initial background screening reports prior to the start of all events.
- B) Review background screening affidavits to obtain assurance that all persons providing services to the event are included.
- C) Ensure that all background screening reports are submitted using the correct affidavit form, as contained in the current contract, and that the Affidavits include all required information.
- D) Require Renfest to maintain all supporting documentation for background screenings and to make them available upon request.
- E) Evaluate the feasibility of expanding background screenings to include a criminal background check for violent crimes.

Status:

- A) **Partially implemented.** Two of three background screening reports were submitted by the due date.
- B) **Implemented.**
- C) **Implemented.**

D) **Implemented.**

E) **Implemented.** Management evaluated the feasibility through a consideration of other local and national contracts and consultation with the County Attorney's Office and decided not to make changes to the background screening requirements.

2. Contract Administration Activities Should be Proactive to Ensure Timely and Accurate Fee Submissions by Renfest

During our review, we identified several issues relating to inconsistencies and omissions in attendance reporting, resulting in initial underpayments by Renfest. These errors were generally corrected during the course of the event, with final invoices submitted at the end of the event resolving all outstanding issues. Additionally, we identified opportunities for improved contract administration which may help limit such errors in subsequent years. Section 4.2 of the Agreement requires Renfest to pay an Annual Event fee of \$1.10 per attendee and Park Admission fee of \$1.50 per attendee. Payments to the County are due the Friday following each event weekend. Our review focused on amounts due for the first three weekends of the event. The concerns noted are as follows:

- A. Renfest did not properly include all attendees in admissions reporting for the first three weekends of the event. As a result, initial amounts submitted to the County were under-reported. Incorrect attendance reports for the first three weekends of the event were submitted to the County resulting in minor fee underpayments, which were later corrected by Renfest, and all amounts due have been submitted. Specifically, observed errors include:
- Initial failure to include complementary tickets in attendance reporting and fee submission. The Parks Division Manager identified and corrected this issue, following the second weekend. In the third weekend, this category was initially over reported, and then corrected.
 - Failure to electronically capture and report 'free' admissions allowed by Renfest to military, seniors and teachers, arriving before noon on President's Day (the second weekend of the festival). This issue was self-reported by Renfest, who took corrective active on the same date, by manually tracking and subsequently reporting the numbers of such admissions to Parks.
 - Initial difficulties in re-scanning season pass tickets when used within 24 hours of first admission. This issue was self-reported by Renfest and corrected during the second weekend.

- Inconsistencies in the calculations of sales tax remitted for event fees. A corrected methodology was provided to Renfest by Parks Division.
- B. Parks Division did not formally approve Renfest’s ticket subcontractor or provide Renfest with a revenue reporting form, which may have reduced initial reporting and payment inconsistencies noted in 2A above. Parks Division did not properly review with Renfest its expectations regarding attendance/revenue reporting or provide a form or instructions for Renfest to use during the event. Further, Renfest did not formally request permission to use its subcontractor for tickets sales, which in turn, was not formally approved by Parks Division, as required by the terms of the agreement.

According to Article 6, “The Contract Administrator shall provide Renfest with a revenue reporting form, format, or program to utilize to ensure accountability of the funds, and shall provide policies and procedures including, but not limited to, forms or instructions relating to accounting, recordation and receipts.” Further, the Scope of Services, VI.a. states that if a subcontractor is used to collect Annual Event fee and Park Admission fees, the Subcontractor shall be approved by the Contract Administrator prior to the Subcontractor performing any activities on behalf of Renfest.

In meetings and in emails, Parks Division staff acknowledge these activities did not take place. However, it is noted that Parks Division reviewed invoice due dates with Renfest, and provided ongoing guidance to Renfest to correct identified discrepancies in reporting. Staff state these issues will also be covered with Renfest in post-event discussions.

However, payment issues detailed in this Opportunity for Improvement may have been avoided if a comprehensive attendance reporting format and procedures had been established prior to the start of the event.

We recommend management:

- A) Require Renfest to submit reports which clearly identify all applicable categories/types of ticket sales, including all free and complementary tickets, noting the numbers of attendees for each category by each day of the event, or indicating 'zero' if no such tickets were redeemed.
- B) Ensure upfront ticket collection procedures are established by:
 - i. Providing the necessary guidance to Renfest, prior to the start of the festival, regarding required reporting formats and revenue collection policies and procedures.

- ii. Ensuring any ticket sales subcontractor is formally requested by Renfest, and properly reviewed and vetted by Parks Division, prior to approval, to ensure the subcontractor has adequate reporting capabilities.

Status:

A) Implemented.

B) Implemented.