

Follow-up Review of Audit of Topeekeegee Yugnee Park

Office of the County Auditor

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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 previous Audit of Topeekeegee Yugnee (TY) Park. The objective of our review was to determine the implementation status of our previous recommendations.

Eighteen of the previous recommendations were implemented, two were not implemented, and one is no longer applicable. **We commend** management for implementing most of the recommendations.

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

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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 Topeekeegee Yugnee (TY) Park, one of 18 Regional Parks operated by the County's Parks and Recreation Division. The purpose of our follow-up review was to determine the status of previous recommendations for improvement.

The objectives of the original audit were:

1. To determine the adequacy of controls and processes over cash.
2. To determine the reasonableness of expenditures and operational practices.
3. To determine whether any additional 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 we considered necessary in the circumstances.

Overall Conclusion

Eighteen of the previous recommendations were implemented, two were not implemented, and one is no longer applicable. **We commend** management for implementing most of the recommendations.

Background

Topeekeegee Yugnee Park's name is based on a Seminole Indian phrase which means "meeting or gathering place." This name is



appropriate for a park known for its shady picnic areas, large playgrounds, extensive tree canopy, and the scenic water fountain. Also, popular with health-conscious patrons, is the Park's two-mile loop of paved pathways for walking, jogging, skating, and biking.

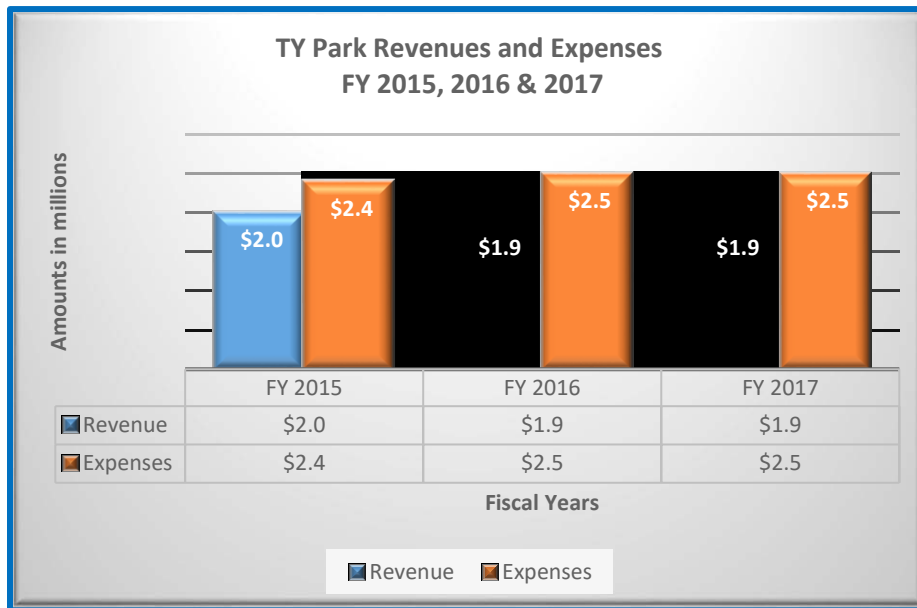
This 139-acre urban park, located in Hollywood, is the second highest revenue-generating regional park operated by the Broward County Parks and Recreation Division.

Entrance to the park is \$1.50 per person on weekends and holidays and free on weekdays.

Expenditures and Revenues

TY Park had 86 employees as of December 31, 2017, including 21 full time and 65 part-time and student employees. Operating revenues totaled approximately \$2 million in fiscal year (FY) 2015 and \$1.9 million each year, in FY 2016 and FY 2017. Operating expenses totaled approximately \$2.4 million in FY 2015 and \$2.5 million each year, in FY 2016 and FY 2017, as displayed in Exhibit 1.

Exhibit 1



Source: Analysis performed by the Office of the County Auditor

TY Park has a variety of revenue generating amenities including a large campground, Castaway Island waterpark, a marina, and pavilion shelter facilities.

Campground

The park has a full-hookup recreational vehicle (RV) campground with 61 paved RV sites, each with electrical service, water, sewer, a grill, and a picnic table. The campground also has WIFI, a dump station and an air-conditioned restroom building, equipped with hot showers and laundry facilities.

Revenues from campground operations represent approximately 25% of total Park revenues and averaged \$484,000 annually for FYs 2015, 2016 and 2017.



Castaway Island

The aquatics complex at TY Park features the Castaway Island water playground, which includes a kiddie pool suitable for ages 5 and under, a swimming pool/lagoon with waterfall, a concession stand, and 14 “Funbrellas” available for rent.



The aquatics complex also includes a marina with boat rentals. Revenues from Castaway Island water park represent approximately 34% of total Park revenues and averaged \$642,000 annually for FYs 2015, 2016 and 2017.

Picnic Shelters

TY Park has thirteen pavilion shelters consisting of one corporate shelter that accommodates up to 500 people, plus three large shelters, eight medium shelters, and one small shelter. All shelters have water, electricity, grills, and tables. There is also a lakeside gazebo with capacity for 20 people.



Revenues from picnic shelters represent approximately seven percent of total Park revenues and averaged \$125,000 annually for

FYs 2015, 2016 and 2017.

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. TY Park Should Have Collected and Remitted Approximately \$79,600 in Tourist Development Taxes from Recreational Vehicle Campground Patrons

During our review of campground activities, we noted the following concerns:

- A. The Broward County Parks and Recreation Division does not bill recreational vehicle (RV) campground patrons Tourist Development Tax (TDT). As a result, TY Park did not collect and remit approximately \$79,600 in TDT from RV campground rentals in Fiscal Years 2015 through 2018. Failure to collect TDT in accordance with Florida Statutes resulted in unpaid taxes owed by the Parks and Recreation Division to the TDT Funds. Table 1 shows the annual RV campground revenues and TDT liability since FY 2015.

Table 1
Uncollected TDT from
TY RV Campground Revenues

Fiscal Year	RV Campground Revenue	TDT (5%)
2015	\$495,891	\$24,795
2016	\$465,247	\$23,262
2017	\$491,205	\$24,560
2018	\$139,158[Note 1]	\$ 6,958
Total	\$1,591,501	\$79,575

Source: Prepared by Office of the County Auditor based on analysis of TY Park RV Campground Revenues

Note 1: Amount represents revenues for 1st Qtr. FY 2018

Section 125.0104(3)(a)1., Florida Statutes, entitled "Tourist Development Tax..." states that "...that every person who rents, leases, or lets for consideration any living quarters or accommodations in any...recreational vehicle park...for a term of 6 months or less is exercising a privilege which is subject to taxation."

- B. In the future, TY Park may qualify for exemption from TDT. However, TY Park has not requested an exemption from collection of TDT by the Florida Department of Revenue. Form DR-72-2, Declaration of Taxable Status for trailer camps, Mobile Home Parks and Recreational Vehicle Parks, states "Transient accommodations at trailer camps, mobile

home parks, and recreational vehicle parks are tax exempt when more than 50 percent of the total rental units available are occupied by tenants who have continuously resided there for more than 3 months." This exemption would require TY Park to file Form DR-72-2 with the Florida Department of Revenue declaring that the campground qualifies for exemption from the transient rental tax.

We recommend management:

A. Immediately:

- i. Implement procedures to collect and remit TDT on RV campground revenues unless and until an exemption is obtained as recommended in B) below.
- ii. Remit past-due TDT for campground revenues for the last three years.

B. Evaluate occupancy to determine whether TY Park would qualify for exemption from TDT under Florida Department of Revenue guidelines. If so, application for the exemption should be made promptly.

Management's Response:

Agreed. Parks and Recreation Division (PRD) immediately evaluated history of occupancy and determined PRD does not qualify for exemption of the Tourist Development Tax (TDT). Subsequently, PRD registered with the Department of Revenue for collection of TDT. Procedures were implemented to collect the six percent TDT beginning April 1, 2018, and remit as required.

Status:

Ai. **Implemented.**

Aii. **Not implemented.** Management decided to address the issue prospectively and not make a remittance for past years.

B. **Implemented.** Management determined that TY Park would not qualify for exemption.

2. TY Park Should Discontinue the Practice of Soliciting Gift Card Donations and Ensure Donations are Accepted in Accordance with County Policy.

During our review of cash receipt practices, we noted the following concerns:

- A. Park staff are accepting donations in the form of gift cards. Acceptance of donated gift cards are in violation of the Administrative Code and the County Administrative Policies and Procedures (CAPP).

In order to conduct filming activities on Broward County property, vendors submit a permit application, provide a certificate of insurance and receive approval from the Convention and Visitors Bureau (CVB). The instructions for the permit application states “No fees are required for film permits in Broward County. The Broward County Parks may ask if you would like to make a donation to a foundation that helps fund park improvements.”

Upon approval of the application, CVB forwards a copy of the approved permit and insurance certificate to TY Park. The Park Manager states that after receipt of the permit and insurance certificate, she contacts the permit holder to schedule the filming activities, and during the conversation suggests that the permit holder may donate gift cards valued at \$499 or less to the Park. However, the Administrative Code does not provide for acceptance of gift cards. Section 18.63.b of the Administrative Code states that “Donations of less than five hundred (\$500) may be accepted by the County Administrator or designee for deposit in existing County trust accounts to be used for the purpose which the trust was established.” Section 2.2.8 A.3 of the CAPP, Volume 3: Cash Handling and Deposit states “Organizations shall give the donor a receipt and forward the donation to Records Taxes and Treasury Division for deposit.”

County policies on accepting donations ensure that monies are properly accounted for and recorded in the accounting system. Accepting donations via gift cards at TY Park results in revenues (donations) and expenditures (use of the gift cards) that are not tracked within the County’s financial accounting system. This results in underreported revenues and expenditures. In addition, these transactions circumvent the County’s budgetary and procurement controls.

- B. Uses of gift cards are not adequately tracked or monitored. We noted the following concerns regarding monitoring of gift cards:
 - i. TY Park did not routinely provide receipts for gift cards received or track which permit holders provided donations. We reviewed 16 permits for filming activities at TY Park during our review period. We determined that at least three of the 16 permit holders donated gift cards because we observed the gift cards while performing a “safe count” on January 22, 2018. However, we were unable to determine, and TY Park management was unable to confirm, whether any of the other 13 permit holders donated gift cards.
 - ii. Purchases made with gift cards were not tracked. Available receipts for gift card purchases disclosed expenditures of \$4,023 for the period January 2017 to February 5, 2018; however, we were unable to determine whether the \$4,023 in receipts were complete and reflected all expenditures that occurred.
 - iii. Expenditure records were incomplete, therefore we could not determine whether expenditures were for a valid public purpose. Gift card receipts totaling \$427 did not include details of items purchased. The remaining \$3,596 of receipts identified purchases including maintenance supplies, small tools and equipment,

food, T-shirts, and party and pet supplies; however, additional supporting documentation was not available to determine the purpose of the items. As a result, we were unable to determine whether purchases were for valid business purposes.

Adequate internal controls are essential to ensure proper safeguarding of assets. Failure to adequately track and monitor gift cards could result in undetected theft or misuse of gift cards. Under this system, accountability for funds received and spent is precluded.

We recommend management:

- A. Update voluntary donation procedures to:
 - i. Discontinue the practice of soliciting gift card donations
 - ii. Ensure voluntary donations are accepted in accordance with County policy.
- B. Until such time as gift card donations are no longer accepted:
 - i. Provide receipts for gift cards received and track which permit holders provided donations
 - ii. Track balances and expenditures by each individual gift card
 - iii. Ensure that expenditure records adequately detail the items purchased and purpose

Management's Response:

Agreed. The practice of soliciting gift card donations was immediately suspended.

Status:

- A. **Implemented.**
- B. **Not Applicable.** Gift card donations were immediately discontinued.

3. Permit Holders that Conduct Filming Activities at TY Park Should Provide Required Insurance Coverages.

We reviewed 16 permits for filming activities at TY Park and found:

- A. Five of the 16 (31%) permit holders did not provide required workers' compensation and employers' liability insurance coverages. The permit application requires statutory limits for workers compensation and employer liability coverages. Failure to provide the

required coverages exposes the County to liability in the event someone is injured in the park during filming.

- B. Two of the 16 (12.5%) permit holders did not provide required automobile insurance coverage. The permit application requires \$300,000 of automobile liability coverage for company owned vehicles. Failure to provide automobile coverage exposes the County to liability in the event an accident with injuries and or property damage occurs on County property, involving the permit holder's vehicle.

Organizations interested in conducting filming activities in Broward County must obtain a Film/Television Permit from the CVB. To conduct the filming activities on Broward County's property, permit holders must provide an insurance certificate with general liability, automobile, workers compensation and employer liability coverages and name Broward County, as additional insured.

We recommend management coordinate with the CVB to ensure permit holders provide required automobile, workers compensation, and employer liability coverages.

Management's Response:

Agreed. The Greater Fort Lauderdale Convention & Visitors Bureau (CVB) screens, reviews and ensures that the applicants meet all permit requirements; subsequently both permitting and insurance forms are sent to the applicable County agency for their review and approval. CVB agrees to work on a process that avoids duplication and notifies Park Managers only after a filming crew/entity has been thoroughly vetted and approved.

Status: Implemented.

4. Unclaimed Shelter Security Deposits of \$10,264 Should not Have Been Taken by the County in FY 2017.

The Parks and Recreation Division's current procedures require patrons renting shelters to pay security deposits ranging from \$50 to \$500. Security deposits are returned to the patrons if the shelters are left in good condition at the conclusion of the rental. If the security deposits are unclaimed, Parks Division's current practice requires the Account Clerks to contact the patrons via telephone so that a credit can be processed to their credit card. If the patron cannot be reached and the deposit remains unclaimed for 90 days, the unclaimed security deposits are taken by the Parks and Recreation Division as revenues and placed into the County's General Fund. This practice is in conflict with Chapter 717 Florida Statutes, which requires unclaimed customer security deposits to be escheated to the State of Florida.

Our review found specifically:

- A. The Parks and Recreation Division apparently violated State Statutes by reclassifying \$10,264 in unclaimed shelter security deposits as revenues in FY 2017, and \$3,960 of the amount was received at TY Park. Improper handling of unclaimed customer deposits could result in the County being assessed penalties by the State of Florida for not remitting escheated property. Section 717.117 (3) of Florida Statutes require that a report must be filed before May 1 for the preceding calendar year. The department may impose and collect a penalty of \$10 per day up to a maximum of \$500 for failing to report or failing to include in a report information required by this chapter.
- B. Credit card receipts totaling \$300 in unclaimed security deposits for the period June 24, 2017 to December 23, 2017 were found in the TY Park safe on January 22, 2018. Although TY Park staff made multiple attempts to contact the patrons via telephone, these deposits remained unclaimed. Once it is determined that the owner cannot be contacted, these amounts should be escheated in accordance with state law.

We recommend mangement:

- A. Determine total unclaimed security deposit amounts that are due to the State of Florida and comply with Section 717 of Florida Statutes.
- B. Implement a process to notify patrons by mail of unclaimed security deposit amounts prior to escheatment, and take appropriate action regarding unclaimed funds.

Management's Response:

Agreed. PRD is reviewing unclaimed security deposits and will submit payment to the State of Florida for those payments that can be identified, in compliance with Sec. 717, Florida Statutes. PRD has also developed a process in RecTrac (PRD's point-of-sale system) to identify patrons associated with unclaimed deposits so this information can be remitted to the state. Procedure will be implemented June 1, 2018.

Status:

- A. **Implemented.** Unclaimed security deposits are now processed through the Accounting Division. Accounting issues a check to the patron and remits any uncashed (stale dated) checks to the State.
- B. **Implemented.**

5. Management Should Separate Incompatible Duties Performed by Account Clerks.

Our review disclosed inadequate “segregation of duties” performed by the Account Clerks.

Specifically, we found the Account Clerks:

- Perform daily Cashier closeouts at the end of a shift,
- Reconcile cash receipts to the day’s sales activity in RecTrac,
- Combine cash receipts and prepare the deposit slip,
- Enter the revenue information in PeopleSoft financial accounting system,
- Perform the safe custodian function, and
- Have security access to perform adjustments to revenues recorded by RecTrac.

This is problematic because the Account Clerk could potentially take cash from daily receipts and adjust the supporting records to hide potential theft. “Segregation of duties,” is an important preventive control which requires more than one individual to be responsible for completing a process. This control makes it difficult for intentional wrongdoing because it requires collusion of two or more individuals.

Failure to properly separate conflicting duties could result in errors or misappropriation of funds without timely detection.

We recommend management segregate incompatible duties performed by the Account Clerks.

Management’s Response:

Partially agreed. PRD received a 38% reduction in staff during the downturn in 2010. Since the economic recovery, PRD has only brought back 2.5% of those eliminated positions. As a result, segregation of accounting/cash handling duties across the Division remains a challenge. PRD will continue to make every effort to ensure staff duties are segregated, but this recommendation depends upon resources, as well as the return on investment analysis of administrative support staff versus direct service expenses.

Status:

Not implemented. Parks is in the process of creating administrative controls to segregate the adjustment function from the daily closeout function.

6. Camera Surveillance Recordings Should be Periodically Viewed Live by Authorized Personnel.

TY Park has 17 cameras providing surveillance coverage of cash handling sites, including the Administrative Office, gate entrance, maintenance facilities and other areas and activities throughout the park. The camera system generates an access log that captures the last 100 instances of logins and logouts to/from the camera surveillance equipment by authorized personnel. We obtained and reviewed the last 100 entries, covering a period of 21 days, January 9 to January 29, 2018, to determine whether management personnel periodically logged into the cameras to routinely view live surveillance footage.

Our review disclosed the following:

- A. Cameras were not viewed live to observe staff's activities for five of the 21 days (24%) and the cameras were viewed an average of 4 hours during the other 16 days. Cameras provide detective controls for cash handling activities throughout the park, in addition to providing security controls at strategic areas. Failure to view live surveillance footage reduces security controls which could prevent timely detection of theft or potential wrongful activities at cash receipt points, and may result in loss of County revenues.
- B. Duties performed by Account Clerks, as discussed in Opportunities for Improvement Number 5, also include viewing live surveillance recordings. Account Clerks lack independence and viewing the cameras create a conflict because cash handling represents a significant portion of their job duties.

We recommend management:

- A. Ensure that authorized personnel log into cameras and periodically view live surveillance images on a daily basis.
- B. Restrict Account Clerks from viewing live surveillance recordings.

Management's Response:

Agreed.

Status:

- A. **Implemented.**
- B. **Implemented.**

7. Camera Surveillance Equipment Should be Repaired or Replaced Timely.

TY Park personnel conduct monthly park inspections and complete a Facility Safety Checklist documenting inspection results for major park facilities, including signage, cameras, buildings and security alarm systems. We reviewed the Facility Safety Checklists for the 13-month period of January 2017 to January 2018, and found three cameras were inoperative for periods of five and 13 months as follows:

- A. One camera covering the gate entrance circle, strategically placed to capture license plates of vehicles entering the park was inoperative for five months. Failure to repair/replace the gate entrance camera timely prevented the monitoring of license plates of vehicles entering the park.
- B. Two cameras covering the maintenance yard were inoperative for 13 months. The cameras for the maintenance facility were moved from an old location and the park was unable to reinstall the cameras after the move because it needed new fiber optic lines. The installations were completed in February 2018. Failure to reinstall cameras timely in the maintenance yard, weakens security controls, could prevent the detection of inappropriate activities, and could permit concealment of County assets to remain undetected.

Surveillance equipment represents an integral portion of the security system to safeguard County resources and County citizens using the park. As such, they should be operational at all times. When equipment is not operational, there is an increased risk of inappropriate activities occurring without timely detection.

We recommend management ensure cameras are repaired or replaced timely.

Management's Response:

Agreed. The camera at issue was out of operation, having been struck by an RV in early 2017. PRD staff attempted to repair the camera in-house, but this was not successful because a Panasonic-certified technician is required for such repairs. Once PRD filled the vacant electrician position with a certified Panasonic electrician, the camera was repaired and placed back into operation in early May 2017.

Status:

- A. **Implemented.**
- B. **Implemented.**

8. Alarm Systems Should be Tested Monthly to Confirm Connectivity to the Central Monitoring Station.

During our review of park security, we noted the following concerns with the Park's alarm system:

- A. The Monthly Facility Safety Checklist showed the security alarm system and panic button for the Administrative Office were inoperative in January and February 2017, during the last two months of the contract covered by Glanz Technologies. Parks' security personnel provided email correspondence reporting both incidents to the former vendor and proposed work orders; however, the vendor was non-responsive. Failure to repair the alarm system and panic button timely resulted in lack of security alarm coverage during the two months. To ensure designed systems are in place, systems should be in proper working order at all times.
- B. The County executed an agreement with a new security alarm vendor on January 6, 2017, and monitoring of TY Park's alarm commenced March 2, 2017. We obtained and reviewed an Event History Report from the current security vendor for the period of March 2017 to December 2017. The report did not confirm that Parks conducted tests of the alarm system for connectivity to central monitoring during May, July, and August. However, for these three months, the Facility Safety Checklist prepared by TY Park personnel, showed that the alarm system and panic button successfully tested for connectivity to central monitoring. Parks staff confirmed that the alarm system and panic buttons were tested and that the security vendor was contacted via telephone at the beginning and end of each test but did not document confirmation of the test from the security vendor (i.e. Documenting the time of the call and who was spoken to or obtaining written confirmation from the security vendor).

We recommend management:

- A. Ensure security vendors provide timely repairs to the security alarm system and panic button.
- B. Enhance the monthly testing procedures by:
 - i. Coordinating with the security vendor to ensure completeness of the monthly tests to confirm connectivity of the alarm system to the central monitoring station.
 - ii. Documenting and retaining confirmation of monthly tests with the security company.

Management's Response:

Agreed. Alarm systems are tested monthly and documented. However, during the period in review (January and February 2017), PRD was unable to gain cooperation from the previous vendor to provide PRD's account information to the new vendor. After the new vendor gained access, PRD returned to compliance.

Status:

A. **Implemented.**

B. **Implemented.**

9. Prenumbered Theatre-Type Tickets Used as Documents of Value Should be Properly Controlled.

Controls over tickets are inadequate. TY Park uses prenumbered theatre-type tickets as receipts at the entrance to the park to alleviate long lines and also when the Point of Sale System, RecTrac, is not working. The tickets are also used during special occasions, such as the Family Hayride and Campfire event. These tickets are considered documents of value (DOV). We noted the following concerns:

- A. TY Park maintains a log documenting the tickets stored in the locked cabinet but did not perform monthly independent inventory and reconciliation of the tickets. Lack of independent inventory and reconciliation could result in undetected thefts/loss of revenues. Section 5.2 of the CAPP, Volume 3 (Chapter 1) Cash and Revenue Control, requires monthly inventory and reconciliation of DOV to be performed by an independent employee who is not involved in safeguarding or issuing the DOV.
- B. The inventory log did not identify each cashier to which the rolls of tickets were assigned, and the number of tickets issued/used by each cashier at the completion of the hayride event held in December 2017. As a result, 23 tickets were missing/unaccounted for when we conducted our count. The 23 tickets represented estimated hayride revenues of \$85.26 that were not included in the day's revenue. The revenue reports generated by RecTrac showed revenues collected for 406 tickets, leaving 23 tickets unaccounted for. Without a chain of custody of the tickets, accountability for missing tickets is precluded.

The Park Manager and the Account Clerk were not aware of the shortage and could not provide an explanation. Failure to track tickets assigned to each cashier prevented management from properly assigning shortages to the cashiers for missing tickets. Parks Division Draft Cash Handling procedures, Section 3.A.5, requires the Park Manager to

reconcile DOV against the RecTrac report at the end of each shift and to record discrepancies on the DOV inventory sheet.

- C. The prenumbered theatre type tickets used at TY Park as DOV are commonly available for purchase from local discount and office supply stores. These tickets could be purchased and used by cashiers, thereby circumventing the controls and concealing cash receipts, resulting in undetected loss of County revenues. Prenumbered tickets should be unique and not generic in nature.

We recommend management:

- A. Independently inventory and reconcile unused tickets monthly.
- B. Ensure that tickets are:
 - i. Properly account for on inventory logs that accurately document usage and the names of cashiers to whom tickets are assigned
 - ii. Accurately tallied and reconciled to revenues at the end of each shift
- C. Consider other available solutions instead of the theatre-type tickets that are currently in use, or closely monitor use to preclude cashiers from substituting tickets and concealing revenues.

Management's Response:

Agreed. Pre-numbered tickets are stored in a locked cabinet and verified and signed by two staff when issued.

Status:

- A. **Implemented.**
- B. **Implemented.**
- C. **Implemented.**

10. Changes to Safe Access Codes Should be Documented.

During our review of cash on hand, we noted the following concerns:

- A. There was no documentation to support five of the six (83%) instances of activation and deactivation of safe access codes during the audit period. County Administrative Code and Procedures, Cash and Revenue Control Volume 3 (Chapter 1) Section 4.1 D. requires management to change access codes annually and immediately disable access codes

when there is an employee separation. Without adequate controls over access to the safe, accountability for missing items may be precluded.

- B. TY Park's management purchased and installed an electronic lock for the safe in December 2017 and did not purchase the necessary software that would permit periodic electronic audit of access to the safe. This software permits management to run reports listing the dates, times, and access codes that opened the safe. This is an important security control that strengthens controls over cash receipts. Without this control, effective monitoring of those who have accessed the safe is not reasonably possible.

We recommend management:

- A. Document changes to safe access codes.
- B. Purchase and utilize the electronic software to periodically monitor access to the safe.

Management's Response:

Agreed. Changes in safe codes are made annually and/or when staff leave. Management procured and installed software that records all entry to the safe allowing management to view staff time of entry into the safe.

Status:

- A. **Implemented.**
- B. **Implemented.**
- C. **Implemented.**