

MEMORANDUM

To: Richard Aalberg, Director of Agriculture and Natural Resources Department

From: R. B. "Chips" Shore, Clerk of the Circuit Court and Controller

Date: December 2, 1999

Re: Agriculture Center/Fairgrounds Maintenance Division's Contract and Rental Program

The Internal Audit Department reviewed the contracts and rental programs at the Agriculture Center/Fairground Maintenance Division for the period ending April 30, 1999. The review consisted of ensuring compliance with the contracts and rental agreements when the Division rents the building and ground facilities for both governmental and non-governmental events. Additional objectives reviewed included the following:

- To verify the accuracy and input timeliness of cash receipts processed by the Division.
- To verify the accuracy of revenues received in accordance with a Board approved fee schedule or existing contract.
- To ensure operational efficiency over the cash receipt process.

Based on our review, it appears that the Agriculture Center/Fairgrounds Maintenance Division complies with the terms of rental contracts and the objectives listed above except for the following:

1. The revenues being collected for the rental of the grounds and buildings is in accordance with a fee schedule that was revised in March of 1997. The Board of County Commissioners has not approved this revised fee schedule. Resolution 88-202 is the last Board approved fee schedule for the use of the grounds and facilities at the Agriculture Center.

2. The Agriculture Center/Fairground Maintenance Division has been renting their facilities to the general public for non-educational and non-governmental functions such as wedding receptions, family reunions, corporate parties, special interest activities, etc. Some of the activities allow individuals on the premises as late as 10 p.m. The buildings at the Agriculture Center do not appear to have adequate lighting, staffing, and security for late night activities. These safety concerns increase the County's liability and are not offset by the revenue received for non-agriculture and non-governmental rentals.

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Management's Action Plan

Management is in the process of updating their policy statement and the operational procedures to allow the use of the Agriculture Center only for governmental, agricultural and other Extension Service clientele groups. This package will also include a new fee schedule that will incorporate only the fees that are used from the March 1997 revised fee schedule. In addition, management will be terminating the facilities rental agreements with the general public that conflict with their new primary mission statement. This complete package will be presented to the Board of County Commissioners for approval by March 30, 2000.

We appreciate the efforts of the Agriculture Center/Fairground Maintenance Division's management in addressing the issues raised during the review of the facility rental agreements. We believe through the implementation of management's action plan, the programs using the Agriculture Center/Fairground Maintenance Division personnel for assisting our auditors during the review process.

RBS:RJO:MDB

cc: Board of County Commissioners

Ernie Padgett, County Administrator

Jim Seuffert, Director of Financial Management Department