

MANATEE COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT DEPARTMENT

CONVENTION AND VISITORS BUREAU AUDIT

A U D I T R E P O R T

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MANATEE COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT DEPARTMENT
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A U D I T R E P O R T

The Internal Audit Department conducted a financial, compliance, and operational audit of the Convention and Visitors Bureau for the audit period October 1, 2004 through September 30, 2005. The audit was performed in accordance with *Generally Accepted Governmental Auditing Standards* issued by the Comptroller General of the United States; and the *Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors.

BACKGROUND:

The Convention and Visitors Bureau is responsible for marketing, advertising, promotions and related programs to increase travel and tourism related business in Manatee County. Funding for these programs is provided by local option Tourist Development Taxes.

PURPOSE/OBJECTIVES:

The main audit purpose/objectives included, but were not limited to, the following:

- To verify expenditures are properly documented, approved, recorded and reported.
- To verify an adequate system of internal control exists to safeguard assets, maintain the integrity of reports on operations, and provide adequate evaluation of the Convention and Visitors Bureau's objectives and responsibilities.
- To verify compliance with laws and regulations, including Florida Statutes, policies and procedures, and signed agreements or contracts.
- To evaluate overall operational efficiency and effectiveness.

SCOPE:

The scope of the audit included reviewing the overall adequacy of the Division's internal controls and the operational efficiency and effectiveness of the Convention and Visitors Bureau by examining and testing financial and operational records of the Division, the Division's compliance to the state's and county's laws, and signed contracts and agreements for the period ending September 30, 2005.

METHODOLOGY:

Internal control evaluations were accomplished by reviewing key operations of this specified area through discussions with management and staff, observations, and analytical and substantive testing of individual internal controls. Risk analysis was used to establish priorities of audit objectives.

IRREGULARITIES, ABUSE, OR ILLEGAL ACTS:

No indications of irregularities, abuse, or illegal acts were discovered during the Convention and Visitors Bureau Audit for the period ending September 30, 2005.

TEST OF COMPLIANCE:

Internal Audit tested compliance with certain laws and regulations, obtained an understanding of internal controls and assessed control risk. Tests performed were limited to the specific areas included in the Purpose/Objective section of this report and appeared to provide sufficient evidence to support an opinion on compliance and internal controls for the areas tested. Except as noted in our audit report, tested items were in compliance with regulations and other policies established by the Convention and Visitors Bureau.

STATEMENT ON INTERNAL CONTROL STRUCTURE:

In planning and performing the operational audit of the Convention and Visitors Bureau for the year ended September 30, 2005, the internal control structure was considered in order to determine the auditing procedures for the purpose of this report. As a result, we noted in the audit report matters involving the internal control structure and its operations that are considered reportable conditions under standards established by the U.S. General Accounting Office, *Government Auditing Standards*. Reportable conditions involve matters relating to deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report on data consistent with management's intentions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, as defined above. In addition, because of the inherent limitations in any internal control structure, deficiencies in the design or operation of the internal control structure may exist and not be detected.

MANAGEMENT TEAM AND MANAGEMENT ACTION PLAN:

A Management Action Plan will be given for each Area for Improvement. Management Action Plans are corrective actions with implementation dates developed in cooperation with the Division's management team and the Internal Audit Department. The management team included the Director of the Convention and Visitors Bureau and the Marketing and Public Relations Director.

MANAGEMENT SUMMARY:

Manatee County is fortunate to have a Convention and Visitors Bureau whose management and staff are highly professional and knowledgeable of the tourist industry. We compliment the Director and his staff for their commitment to continuous improvement in serving the tourist needs of this community. We found that expenditures were documented, approved, recorded and reported in accordance with county procedures and policies. An adequate system of internal controls exists to safeguard assets, maintain the integrity of reports on operations, and assure timely input by the Board of County Commissioners and the Tourist Development Council regarding the expenditures of funds.

We commend management for an efficient and effective operation. We make only one minor recommendation in this report that may further improve operations. We recommend the Convention and Visitors Bureau develop additional written policies and procedures to provide training and guidance to new employees, specifically for the billing process, that should include documentation standards for exceptions to the policies for advertising in which local businesses participate. (See Area for Improvement #1 on Page 6)

The finding listed in this report was discussed with Larry White, Director of the Convention and Visitors Bureau. Other minor findings noted during the audit were discussed and/or corrected during the audit, and were not included in this report.

We would like to thank the Convention and Visitors Bureau's management and staff for the cooperation and courtesy afforded to our auditors throughout the audit. We appreciate the efforts and timeliness in addressing the issues raised during the audit and aggressively seeking solutions to these matters. We look forward to the Convention and Visitors Bureau's continued effort on monitoring controls and maintaining accountability over all of their operations.

AUDIT REPORT AUTHORIZATION:

This audit report has been reviewed and authorized by:

Richard J. Orienti, CIA, CFE
Director of Internal Audit

R. B. "Chips" Shore
Clerk of the Circuit Court & Comptroller

AREA FOR IMPROVEMENT #1.....

The Convention and Visitors Bureau's policies and procedures manual can be improved by including procedures for the billing to local businesses that advertise with the Convention and Visitors Bureau. Specific improvements can be gained by defining the process for granting exceptions to routine billings and by improving the documentation required for exceptions to the policies established. By establishing written policies and procedures, the Convention and Visitors Bureau could further ensure consistency with programs' objectives; and provide training and guidance to new employees.

Management Action Plan:

The Management Team through the management action plan will develop procedures for the billing process that includes documentation standards for exceptions to the policies for advertising in which local businesses participate by December 31, 2006.



Manatee County

Clerk of the Circuit Court and Comptroller

R.B. "Chips" Shore

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MEMORANDUM

TO: Larry White, Convention and Visitors Bureau Director

FROM: R. B. "Chips" Shore, Clerk of the Circuit Court, County Comptroller and Auditor

DATE: August 28, 2006

RE: Convention and Visitors Bureau Audit

Enclosed is the Internal Audit Report for the Convention and Visitors Bureau as of September 30, 2005. Our Internal Audit Department will perform a follow-up audit on the areas of improvement included in this report, together with those areas identified in the final audit report, to verify implementation of Management's Action Plan.

I wish to thank you and your staff for their courteous and professional cooperation with our Internal Auditors throughout the audit. If you have any further questions regarding this report, please feel free to contact Richard Orienti at extension 4170.

RBS/RJO

Enclosures

cc: Manatee County Board of County Commissioners
Ernie Padgett, County Administrator



Manatee County

Clerk of the Circuit Court and Comptroller

R.B. "Chips" Shore

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MEMORANDUM

TO: City Desk Editor, Bradenton Herald
City Desk Editor, Manatee AM
Islander Bystander
Sid Thomas, Editor
WHNZ, Newsroom
Longboat Key Observer (Attn: Shay Sullivan)

FROM: R. B. "Chips" Shore, Clerk of the Circuit Court, County Comptroller and Auditor

DATE: August 28, 2006

RE: Announcement of the Release of an Internal Audit Report

My office is releasing today the Internal Audit Report for the Convention and Visitors Bureau as of September 30, 2005. Copies may be obtained by contacting the Internal Audit Department at (941) 741-4017. Copies of the report can either be mailed or picked up at the County Courthouse room 158.