

MANATEE COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT DEPARTMENT

PARKS AND RECREATION DEPARTMENT
PARKS AND GROUNDS MAINTENANCE DIVISION AUDIT

A U D I T R E P O R T

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A U D I T R E P O R T

The Internal Audit Department conducted an operational audit of the Parks and Grounds Maintenance Division for the audit period February 1, 2002 through April 30, 2003. 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 Parks and Grounds Maintenance Division of the Parks and Recreation Department provides quality park and recreational facilities that are clean and safe for use by Manatee County residents and visitors. The Division provides maintenance to 57 park and recreation sites, improves existing facilities, and assists in designing new facilities to meet the needs of park visitors. They also monitor landscaping and general grounds maintenance contracts for 80 non-park County facilities.

PURPOSE/OBJECTIVES:

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

- Determining the adequacy of the internal controls of the Parks and Grounds Maintenance Division.
- Determining whether the division provides adequate response in meeting the needs of the general public.
- Determining the overall efficiency and effectiveness over operations of the Parks and Grounds Maintenance Division.

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 Parks and Grounds Maintenance Division by examining operational records of the Division and of the responsiveness in meeting the needs of the users of the facilities.

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 sufficient for investigation were discovered of irregularities, abuse, or illegal acts during the Parks and Grounds Maintenance Division Audit for the period ending April 30, 2003.

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 Parks and Grounds Maintenance Division.

STATEMENT ON INTERNAL CONTROL STRUCTURE:

In planning and performing the audit of the Parks and Grounds Maintenance Division for the year ended April 30, 2003, 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.

STATEMENT ON INTERNAL CONTROL STRUCTURE: Continued

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 Department's management team and the Internal Audit Department. The management team included the Director of Parks and Recreation, the Parks and Recreation Operations Manager, and the Parks and Grounds Maintenance Division Manager.

MANAGEMENT SUMMARY:

The Parks and Grounds Maintenance Division appears to be staffed by dedicated individuals whose priority is to provide quality service as demonstrated in improved condition of Manatee County parks and grounds. All mowing and trimming operations were performed as scheduled. Work Orders are currently used to track work performed by the Division. The current computer system that track work orders, however, is time consuming and is not providing management with the effective reports. Management, together with Internal Audit, are in the process of analyzing the Division's computer system to provide the necessary information to improve the efficiency and effectiveness over operations. This report does not include the evaluation of the Division's computer system, which is being performed as a consulting project by Internal Audit.

With the exception of the following areas, the Parks and Grounds Maintenance Division is functioning effectively in serving the citizens and visitors of Manatee County. The audit, however, identified areas where improvements can be made.

- ◆ Controls over inventory on small equipment, chemicals, supplies and tools can be improved by documenting inventory activity and periodically performing physical inventory counts, giving management better accountability over Division's inventory activity. The Management Team through the management action plan is in the process of strengthening procedures for the disbursement of inventory to improve accountability of the inventory and equipment. **(See Area for Improvement #1 on page 6)**
- ◆ Controls over the inspections of the playgrounds and facilities, and the completion of the inspection forms and the log book, documenting the inspections, need to be improved. Deficiencies on playgrounds and park facilities are not adequately documented and reported as required by the division's policies and procedures. The Management Team through the management action plan has implemented improved reporting forms and has scheduled playground certification training for the Division's employees. **(See Area for Improvement #2 on page 7)**

MANAGEMENT SUMMARY: Continued

- ◆ Existing procedures at the Small Engine Repair Section do not account for the receipt and release of equipment, either left for repair or for units issued for temporary replacement. The Management Team through the management action plan is in the process of developing special forms to account for repairs and is establishing a log that will track equipment as it arrives and leaves this Section.
(See Area for Improvement #3 on page 8)

- ◆ Temporary trailer facilities for ground workers at Lakewood Ranch and Buffalo Creek Parks may present a potentially unsafe working environment for employees. The Management Team through the management action plan has made modifications to the immediate unsafe conditions of the trailers and will seek advice from the Risk Management Division for further recommendations.
(See Area for Improvement #4 on page 8)

- ◆ The Division is performing non-county maintenance at three locations without the approval of the Board of County Commissioners. The Management Team through the management action plan will work with the County Administrator's Office to obtain interlocal agreements for these maintenance activities.
(See Area for Improvement #5 on page 8)

- ◆ The Standard Operating Procedures can be improved by addressing the specific duties and functions of the division's maintenance sections. The Management Team through the management action plan will address the need to expand upon the procedures to provide additional guidance to the employees.
(See Area for Improvement #6 on page 9)

- ◆ Excessive employee turnover affects the efficiency and effectiveness of the division. The Management Team through the management action plan will seek the assistance of the Human Relations Department in reclassifying positions to provide higher entrance salaries to retain employees.
(See Area for Improvement #7 on page 9)

We would like to thank the Parks and Grounds Maintenance Division'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 Grounds Maintenance'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 and Comptroller

AREA FOR IMPROVEMENT #1.....

Subject: Asset and Inventory Control

The Parks and Grounds Maintenance Division uses equipment, parts, and supplies for the repair and maintenance of park facilities, and chemicals for the fertilization and weed control of the grounds. Chemicals are controlled using a log sheet that lists when chemicals are received and removed from the facility. Supplies and parts are controlled using work orders, and small equipment (equipment costing less than \$750) are not currently accounted for after purchase.

Controls over small equipment can be improved by documenting who is issued the equipment. This will give management the tools needed to determine if equipment is missing and give employees the responsibility of maintaining their equipment. Management will also have the ability to conduct periodic physical observation of all equipment to ensure equipment exists and is in good working condition.

Controls over chemicals, parts and supplies can also be improved. For those chemicals, parts and supplies that are most susceptible to theft, an activity log can be implemented with periodic physical inventory counts to alert management to any discrepancies. This will give management/supervisors the ability to analyze who is receiving chemicals, parts and supplies and determine whether the quantity of its use is consistent with their current job responsibilities. This will place less reliance on the current time-consuming work order system for routine-type maintenance duties.

Management Action Plan:

Management is in the process of revamping their current work order system that will free up resources that can be used to implement greater inventory controls. This will include developing a system for small equipment inventory to record equipment activity, by serial numbers when applicable, with a physical inventory to be taken quarterly. In addition, the current system for controlling chemicals will include the taking of physical inventory on a quarterly basis. Management will also determine what parts and supplies are considered high risk and document their activity together with periodic physical inventories to ensure accountability. Management anticipates these controls to be implemented by August 31, 2003.

AREA FOR IMPROVEMENT #2.....

Subject: Inspection of Playgrounds and Park Facilities

The Parks and Grounds Maintenance Division's Standard Operating Procedures require weekly inspections of playgrounds and monthly inspections of park facilities. Forms are provided to indicate the date and results of the inspections. A log book is maintained by the Division to document when the inspection took place.

Controls over the inspections of the playgrounds and facilities and the completion of inspection forms and the log book, documenting the inspections, need to be improved. A lack of training appeared to have contributed to the inspection forms not being completed accurately and consistently, and the log book not having evidence of all of the inspections. Supervisor training is also essential to ensure the proper completion of all documentation and inspections are performed as required.

Management Action Plan:

Management is updating the facility and playground inspection forms to be more facility specific to improve the accuracy of reporting. In addition, management has enrolled park personnel to become certified in playground inspections, which will improve the completion of the forms and the consistency of playground inspections. Supervisors will also be trained in reviewing documentation and detailed operating procedures will be developed to guide employees in their day-to-day operations. Management will complete the form changes and training by October 31, 2003.

AREA FOR IMPROVEMENT #3.....

Subject: Small Engine Repair Section

The Small Engine Repair Section is responsible for maintaining a stock of commonly used parts and supplies to facilitate small engine repairs, and maintains a number of units of equipment, such as powered chain saws, blowers, and trimming equipment, to temporarily replace units in for repair and for emergency use. Current procedures do not account for equipment left for repair and returned to the user, inventory parts used to repair the equipment, and loaned equipment issued. By implementing better controls over this Section, management will have the necessary tools to evaluate the Section's operational efficiency.

Management Action Plan:

Management is in the process of improving the documentation of the work performed by this Section by developing special forms to account for repairs and is establishing a log that will track equipment as it arrives and leaves this Section. Implementation is expected by September 30, 2003.

AREA FOR IMPROVEMENT #4.....

Subject: Temporary Ground Worker Facilities at Lakewood Ranch Park and Buffalo Creek Park

The Parks and Grounds Maintenance Division has set up temporary trailers for the grounds maintenance workers to store equipment and supplies and to provide a shelter for the workers at the Lakewood Ranch Park and the Buffalo Creek Park facilities. While these trailers are considered temporary work areas until the new facility is built, an evaluation may be needed to ensure that the trailers provide a safe working environment for the employees.

Management Action Plan:

Management has taken steps to improve the immediate potential unsafe conditions of the trailer by installing an exit door at the Lakewood Ranch Park maintenance trailer and has corrected electrical concerns at Buffalo Creek. Management will seek the advice of the Risk Management Division, by October 31, 2003, to determine if additional improvements are required to the present facilities.

AREA FOR IMPROVEMENT #5.....

Subject: Performance of Non-county Maintenance

The Parks and Grounds Maintenance Division is performing work, including mowing, trimming, chemical application, sprinkler installation and repair at the Manatee County Health Center and at Manatee County Sheriff's Office locations without Board of County Commissioners approved contracts or interlocal agreements. The Division is also performing beach raking beyond the Manatee County Beach owned property, not related to red tide emergencies, in the City of Holmes Beach, without a Board of County Commissioners approved interlocal agreement.

Management Action Plan:

Management will review the concern of non-county maintenance being performed by the Division with the County Administrator's Office and obtain interlocal agreements approved by the Board of County Commissioners by October 31, 2003.

AREA FOR IMPROVEMENT #6.....

Subject: Policies and Procedures Manual

The Standard Operating Procedures Manual of the Parks and Grounds Maintenance Division is primarily an overview of the county's personnel policies and of the administrative duties of the division and does not provide detailed written instructions for the field staff. All sections of the Division would benefit from detail written instructions of the duties, responsibilities, and functions that may include:

- When, how and how often should inspections be completed;
- How to complete a work order;
- What is considered a daily routine requirement; and
- What is considered a deficiency and how should it be reported

Management Action Plan:

Management will review the policies and procedures and provide the necessary detailed written instructions by October 31, 2003.

AREA FOR IMPROVEMENT #7.....

Subject: Employee Retention

Of the 80 active positions at the Division, 16 individuals (20%) left the Parks Maintenance's employment during the one-year period examined. The excessive turnover is believed by management and supervisory personnel to be related to insufficient entry pay levels.

Management Action Plan:

Management is currently working with the Human Resources Department to reclassify the job levels in order to upgrade the positions to maintain staffing levels and reduce turnover.



Manatee County

Clerk of the Circuit Court and Comptroller

R.B. "Chips" Shore

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MEMORANDUM

TO: Cindy Turner, Parks and Recreation Department Director

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

DATE: August 4, 2003

RE: Parks and Grounds Maintenance Division Audit

Enclosed is the Internal Audit Report for the Parks and Grounds Maintenance Division Audit as of April 30, 2003. 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
Len Carswell, Operations Manager
Jim Cole, Parks and Grounds Maintenance Division Manager



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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 4, 2003

RE: Announcement of the Release of an Internal Audit Report

My office is releasing today the Internal Audit Report for the Parks and Recreation Department's Parks and Grounds Maintenance Division Audit, which was performed as of April 30, 2003. 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.