



# Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

---

1115 Manatee Avenue West, Bradenton, Florida 34205 - Phone (941) 749-1800 – Fax (941) 741-4082  
P.O. Box 25400, Bradenton, Florida 34206 - www.manateeclerk.com

## MEMORANDUM

To: Charlie Hunsicker, Parks and Natural Resources Department Director  
From: Lori Stephens, Inspector General *Lori Stephens*  
Date: March 16, 2020  
Subject: Recreation Division Cash Controls Follow-up Audit

---

The Division of Inspector General has completed a follow-up audit of the cash controls of the Parks and Natural Resources Department’s Recreation Division based on the audit report dated May 5, 2017. This follow-up audit consisted of reviewing and testing the management action plans included in the original audit report to ensure that corrective actions have been implemented. The scope of the follow-up audit included the period from March 1, 2019, through August 31, 2019.

The Recreation Division provides recreational opportunities to Manatee County residents and visitors by implementing and coordinating aquatic and athletic activities, youth camp programs, and special events throughout the County. These services are funded, in part, through the collection of user fees which are intended to cover all, or a portion, of the costs of the programs. The user fee schedule is approved by the Board of County Commissioners. User fees are collected at the G.T. Bray Recreation Center and at the off-site aquatic centers; fees can also be paid online. The Recreation Division uses RecTrac, a recreation management software program, to process customer payments.

We are pleased with the corrective actions taken by management to improve the efficiency of the billings for the field rentals and to implement procedures with adequate controls for mailed payments, rain checks, and special events. In addition, management has updated their Cash Handling Procedures Manual and distributed it to all relevant staff.

During the exit meeting on February 24, 2020, your management staff, together with the Division of Inspector General, discussed areas where further improvements are still needed and agreed on the following corrective action plans:

### SALES TAX

The Florida Department of Revenue (FDOR) requires that sales tax be calculated on each taxable transaction. Additionally, Florida sales tax must be calculated using a bracket system; FDOR has rate tables available to assist with the calculations. In Manatee County, the general sales and use tax rate is 7%. For the rental, lease or license to use real, commercial property, the sales tax rate for Manatee County is 6.7%.

“Pride in Service with a Vision to the Future”

Clerk of the Circuit Court – Clerk of Board of County Commissioners – County Comptroller – Auditor and Recorder

A judgmental selection of 105 transactions processed during the audit period 3/1/19 through 8/31/19 was tested to determine whether sales taxes were calculated in accordance with FDOR rules. From this testing, the following issues were noted:

- A gate/access pass (Jiggs Landing) was set up in RecTrac to charge the rental sales tax rate of 6.7%, rather than the general sales and use rate of 7%. Since the pass does not involve any type of rental, it appears that the 7% rate would apply. This resulted in some transactions where sales tax may have been undercharged.
- The daily admission fee of \$2.00 for the pools was set up in RecTrac to allocate \$1.87 to revenue, and \$0.13 to sales tax. However, according to the FDOR sales tax bracket table, a sale of \$1.87 should collect \$0.14 in sales tax.
- RecTrac did not round up to the penny for transactions charged at the 6.7% tax rate, as required by FDOR rules. This resulted in some transactions where sales tax was undercharged by \$.01.

#### **Management Action Plan**

Management has adjusted the daily pool admission fee to properly allocate the sales tax amount by adjusting the revenue to \$1.86 and the sales tax to \$0.14. Additionally, the Jiggs Landing gate pass rate has been updated to reflect the 7% sales tax rate. Management will do further research, including inquiring with FDOR, to determine whether any transactions should be taxed at the 6.7% commercial property rental rate. Until a determination is made, all taxable transactions will be set to the 7% general sales and use tax rate. The anticipated implementation date is April 30, 2020.

#### **OFFSITE POOLS**

User fees are collected at the two offsite pools: the John H. Marble Pool and the Willie J. "Bro" Clemons, Jr. Pool. Lifeguards collect fees from the customers and record the transactions in cash registers, which are now connected to RecTrac. At the end of each day, the lifeguards count the cash collected and reconcile the totals to the RecTrac reports; the reconciliations are documented on Cash Verification Sheets. The cash and supporting documentation are then stored in a locked safe. Approximately once a week, an Aquatics Supervisor picks up the cash and documentation and takes it to the G.T. Bray Recreation Center where the deposits are prepared.

Through interviews with Aquatics staff, review of documented procedures, observation of cash collections at the offsite pools, and testing of deposit documentation, we noted no evidence of missing funds; however, we did identify the following areas where internal controls could be strengthened:

- The lifeguards who collect cash at the offsite pools have been assigned individual RecTrac logins for the cash register; however, they do not always use their own login. Rather, the previous or initial user stays logged in to the register, sometimes for the entire day. As a result, it cannot always be determined who entered each transaction during the day.

- Lifeguards have not consistently completed the Cash Verification Sheets correctly. We reviewed a judgmental selection of 92 days of transactions (66 at Marble, 26 at Clemons) during the audit period 3/1/19 through 8/31/19, and found that the Cash Verification Sheet was incomplete or incorrect for 26 out of the 92 days tested.

**Management Action Plan**

Management is in the process of updating and improving the procedures for the daily operation of the off-site pools. These procedures will be used for training staff members before they begin employment, as well as for daily reference. Management will ensure the procedures include instructions for using individual logins for the cash register and for properly completing the Cash Verification Sheet. The anticipated implementation date is May 31, 2020.

**SEGREGATION OF DUTIES**

The segregation of duties involved in the processing of cash transactions at the County's two offsite pools and the G.T. Bray Recreation Center were reviewed. Proper segregation of duties helps reduce the risk of fraud and error by involving multiple employees in the revenue process. Ideally, the duties of custody, accounting, and authorization should not be performed by the same person. When this is not practical, compensating controls should be implemented.

Through testing and analysis, we found one process where there is still not an adequate segregation of duties. The processing of funds collected at the G.T. Bray Recreation Center is performed by one employee, who is responsible for preparing the bank deposits (custody) and reconciling the funds collected (recordkeeping), without any compensating control.

**Management Action Plan**

Management will assign a Fiscal staff member to periodically reconcile the G.T. Bray Recreation Center deposit documentation to the OneSolution revenue postings. The anticipated implementation date is March 31, 2020.

We would like to thank you and your staff for the attention given to the audit findings and the assistance given to the Division of Inspector General staff. Another follow-up audit will be scheduled after implementation of the management action plans.

LJS/MEG

cc: Angelina "Angel" Colonnese, Clerk of the Circuit Court and Comptroller  
Board of County Commissioners  
Cheri Coryea, County Administrator  
John Osborne, Deputy County Administrator  
Karen Stewart, Deputy County Administrator  
Mitchell Palmer, County Attorney  
Dan Wolfson, Finance Director