

**Community Programs Division Follow-Up Audit
Parks and Recreation Department
December 2009**

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Community Programs Division Follow-Up Audit



Office of the City Auditor

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Executive Summary

***Four of eight
recommendations were
fully implemented***

Fully Implemented

- ***Monitoring facility use agreements***
- ***Obtaining customer feedback***
- ***Uniform refund policy***
- ***Monitoring of seasonal employee hours***

Partially Implemented

- ***Cost recovery model***
- ***Fee Policy***
- ***Monitoring compliance with Youth Programs Standards of Care***

Not Implemented

***Activity-based
accounting***

The City Auditor's Office has completed a follow-up to the December 2008 Community Programs Division Audit of the Parks and Recreation Department. The follow-up audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The objective of the follow-up was to determine the implementation status of prior audit recommendations.

Management concurred with seven of the eight recommendations included in the initial Community Programs Division Audit. The City Auditor's Office noted that four of the eight recommendations have been fully implemented, three have been partially implemented and one has not been implemented. Management fully implemented recommendations concerning facility use agreements, customer feedback, refunds, and the monitoring of seasonal employees. Recommendations related to a cost recovery model, fee policy, and monitoring compliance with the Youth Programs Standards of Care were partially implemented. The recommendation to implement activity-based accounting was not implemented.

Management indicated that they are working on a cost recovery and fee policy based on recommendations in the Indoor Facility Needs Assessment conducted by an outside consultant. City Council approval will be requested once the model is complete. The City Auditor's Office noted during the follow-up that while the Youth Programs Standards of Care have been updated, records regarding CPR/first aid training were incomplete. The Parks and Recreation Department initially did not concur with the recommendation related to activity-based accounting. However, the City has since decided to implement activity-based accounting, city-wide, in Fiscal Year 2011.

Audit Scope and Methodology

The City Auditor's Office reviewed activity within the Community Programs Division since the December 2008 audit release date. The following methodology was used in completing the audit.

- Interviewed Parks and Recreation Department staff responsible for and knowledgeable of actions taken to implement the initial audit recommendations.
- Reviewed updated policies and procedures.
- Observed newly created reports available to staff.

Status of Prior Audit Recommendations

Recommendation:

The Parks and Recreation Department Director should coordinate with the City Attorney's Office to determine appropriate controls to monitor co-sponsored organizations' compliance with requirements set forth in the City Ordinance.

Management's Response:

Concur. The Department will continue working closely with the City Attorney's Office to determine procedures for obtaining information from partnering organizations to ensure compliance with their facility use agreements and City ordinances. A master checklist will be created for all Arlington Sports Committee organizations for tracking the various requirements of these agreements and ordinances.

Target Date: February 2009

Responsibility: Clif Spangler, Sports Facilities Manager

Implementation Status:

Fully Implemented. The Parks and Recreation Department met with the City Attorney's Office and as a result of those meetings decided that no changes were needed to the facility use agreements. They did, however, implement a master checklist to track the various facility use and concession agreements.

Recommendation:

The Parks and Recreation Department Director should explore other options, such as online surveys, partnering with the University of Texas at Arlington, etc. to reach and obtain feedback from more citizens.

Management's Response:

Concur. The Department recognizes the need to survey both existing customers and those not currently utilizing our programs. A statistically valid, city-wide survey was conducted in Fall 2007 as part of the Indoor Facility Needs Assessment and the City will be conducting a city-wide survey in October 2009 that contains a Parks and Recreation component. The Department also received survey responses from 2,904 program participants in Fiscal Year 2008. The Department is also exploring the use of online survey tools such as Survey Monkey, and integrating these tools in our internet and marketing initiatives. Finally, the department has initiated a secret shopper program that will provide both customer service and program feedback for all recreation facilities.

Target Date: September 2009

Responsibility: Shannon Rudiger, Parks Business Services Manager

Implementation Status:

Fully Implemented. The Parks and Recreation Department began using online surveys to obtain feedback from adult athletics participants as many of them do not use the recreation centers. They are also looking into other ways to survey citizens that do not currently participate in City programs (web links or social networking sites). The department had planned to implement a secret shopper program and obtain user feedback from a City-wide survey; however, due to budgetary constraints these programs were cancelled.

Recommendation:

The Parks and Recreation Department Director should ensure that a uniform refund policy is established that requires proper approval by a limited number of managers prior to issuance.

Management's Response:

Concur. The Department does not currently have a refund policy other than a Satisfaction Guaranteed commitment of "We value you as a customer. If you are not happy with the quality of a program, please tell staff immediately so that we have the opportunity to correct the situation or so we may credit your account for an activity at a later date." Creating a Refund Policy is a Fiscal Year 2009 Work Plan item.

Target Date: June 2009

Responsibility: Shannon Rudiger, Parks Business Services Manager

Implementation Status:

Fully Implemented. The City Auditor's Office reviewed the new Parks and Recreation uniform refund policy. The new policy creates standardized policies and procedures for refunds throughout Parks and Recreation divisions, including golf, tennis, recreation and aquatics. The policy also details rental refunds and return of deposits. Additionally, the new uniform policy specifically limits where refunds can be processed and who they should be approved by. All refunds are to be processed through Parks and Recreation Administration, and a Payment Authorization – Refund form must be completed for both check and credit card refunds and approved by a manager who oversees the area affected by the refund.

Recommendation:

The Parks and Recreation Department Director should require that the Kronos report module be utilized by management to ensure that employee hours correctly reflect their part-time classification.

Management's Response:

Concur. The Parks and Recreation Department requested Information Technology provide a Lawson report that will provide managers with the cumulative number of hours worked per employee. This report can be produced quarterly and will include all regular part-time and seasonal employees. This report will provide the tools necessary to manage part-time employee hours more closely.

Target Date: January 2009
Responsibility: Shannon Rudiger, Parks Business Services Manager

Implementation Status:

Fully Implemented. A report was created by the Information Technology Department for use in the Parks and Recreation Department that specifically details seasonal employee hours. The report is received by Parks management on a quarterly basis and allows them to easily monitor those employees in danger of exceeding the 1,000 hours per year requirement and take action to remedy the situation.

Recommendation:

The Parks and Recreation Department Director should, in conjunction with GreenPlay LLC, develop, seek approval and implement a cost recovery model and fee policy based on City management and City Council direction.

Management's Response:

Concur. The Parks and Recreation Department began a Resource Allocation and Core Service Assessment in Fiscal Year 2008. This was the beginning of a plan to determine cost recovery goals for Parks and Recreation facilities system-wide. Recommendations have been delayed until work is completed on a Recreation Needs Assessment.

Target Date: September 2009
Responsibility: Gary Packan, Assistant Director, Parks and Recreation

Implementation Status:

Partially Implemented. The City Auditor's Office reviewed the draft report of the Resource Allocation and Core Service Assessment completed in July 2008. According to the Parks and Recreation Department, the City decided to stop work on the cost recovery model and revisit it once the indoor needs assessment was completed. The Indoor Facility Needs Assessment was completed and adopted by City Council in August 2009. The Parks and Recreation Department is currently meeting to determine a cost recovery model and fee policy based on the recommendations in the study. Management intends to seek approval from City Council once the model is complete.

Recommendation:

The Parks and Recreation Department Director should establish a methodology to calculate program cost recovery on an actual cost basis.

Management's Response:

Concur. See above comment.

Target Date: September 2009
Responsibility: Gary Packan, Assistant Director, Parks and Recreation

Implementation Status:

Partially Implemented. The Parks and Recreation department is currently meeting to determine a cost recovery model based on the indoor needs assessment. They intend to seek Council approval upon completion of that model.

Recommendation:

The Parks and Recreation Department Director should ensure that facilities comply with the Youth Programs Standards of Care, including employee CPR/first aid certifications, completed and documented staff evaluations, complete participant information and documented inspections by the Center Programs Manager/Athletic Program Manager and facility staff or should revise the Youth Programs Standards of Care as deemed necessary.

Management's Response:

Concur. Staff concurs with these findings based on Audit's interpretation of the Standards of Care drafted by the Parks and Recreation Department and adopted by the City Council in April 2008. Youth standards of care are updated and presented to the Council annually as required by the Texas Department of Protective and Regulatory Services.

As part of the 2009 adoption process, staff will more clearly define and monitor standards relative to safety certifications, participant documentation, employee performance reviews and management/safety oversight.

Target Date: April 2009

Responsibility: Bill Gilmore, Assistant Director of Parks and Recreation

Implementation Status:

Partially Implemented. The City Auditor's Office reviewed the updated Youth Programs Standards of Care and noted that daily/weekly facility inspections have been defined as informal and documentation of those inspections is no longer required. The City Auditor's Office noted that a spreadsheet used to record CPR/first aid certification was incomplete. According to Parks and Recreation Department management, the department is working with the American Heart Association and previous instructors to identify those employees that received CPR certification and plans to hold recertification classes in December 2009.

Recommendation:

The Parks and Recreation Department Director should, in conjunction with the Financial and Management Resources Director, utilize activity-based accounting as necessary to record revenue and expenditures by program.

Management's Response:

Do Not Concur. Parks and Recreation Department staff met with Office of Management and Budget staff in early 2007 to discuss activity-based accounting. Both departments agreed that unique

accounting codes for 400 activities and 17 locations would create too complex an accounting structure, particularly for payroll, revenue processing and budgeting. Following City Council's consideration and endorsement of a cost recovery model, as part of the Recreation Needs Assessment, we will implement measures to track the cost recovery of programs and services offered by the Department.

Target Date: June 2009

Responsibility: Gary Packan, Assistant Director of Parks and Recreation

Audit Comment:

While the City Auditor's Office recognizes that creating separate activity codes for each individual program or class may be cumbersome, it appears feasible that the Parks Department could group categories of classes together. For example, it may be beneficial for a recreation center to segregate the cost of "youth classes" versus creating specific activity codes for each type of youth class (e.g., ballet, arts).

Implementation Status:

Not Implemented. The Parks and Recreation Department initially did not concur with the above recommendation. However, the City Manager's Office later indicated that the City planned to implement activity-based accounting, citywide, and that the Budget Office would be responsible for implementation in Fiscal Year 2011.