

MEMORANDUM OF TRANSMITTAL



To: John Perrone, Parks Division Manager

From: George J. McGowan, CPA
Director, Office of Audit Services and Management Support

Date: August 30, 2021

Subj: Review of Cash Receipts at Turkey Lake (Report No. 21-10)



The Office of Audit Services and Management Support has performed a consulting engagement of the controls over the Cash Receipts process at Turkey lake. The objectives were to ensure that cash receipt processes operated efficiently and that controls over the processes were in place and functioning properly.

We conducted this engagement in conformance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the consulting engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the objectives of the engagement. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

The scope of this engagement focused on the cash receipts activity on July 9, 2021 and July 20, 2021. We identified opportunities for Turkey Lake Park staff to improve upon its operational processes. Please see the attached report that summarizes our work.

We appreciate the cooperation and courtesies extended by the staff of the Parks Division. This consulting engagement was performed by Perez Goree, CPA Audit Program Manager.

c: Lisa Early, Director of Families Parks & Recreation
Jody Buyas, Natural Resource Manager
David Wagg, Parks Assistant Division Manager

Review of Cash Receipts Operations at Turkey Lake Park

Audit Services and Management Support,
August 30, 2021

Report Number 21-10



Audit Services & Management Support (ASMS) received a Hotline report that a patron did not receive an accurate receipt for a recent visit to Bill Frederick Park



After learning of this report, Parks management requested ASMS to review cash receipts operations at this park



Management had concerns about
the internal controls of the
admissions process for park patrons



ASMS agreed to perform a review of the admissions process by observing gate collections on two separate dates; no notice was given to staff of when this would occur



On 7/9/2021 (50 attendants) ASMS observed the opening process which included removing cash from safe and verifying the change drawer starting point was at its designated \$100 balance and entered in Activenet. No issues were noted.



On 7/20/2021 (671 attendants) ASMS observed the gate collections process and noted opportunities for improvement:

Lane 1 closest to office uses point of sale device connected to Activenet accounting system. This lane can process any form of admissions (cash, membership verification, or credit card). ASMS observed Lane 1 being designated as the lane to process membership admissions.



Lane 1

During larger events such as that observed on this date, Lane 2 was also used and did not have a point of sale device connected to Activenet. This lane was used to process cash payments for admissions by one staff member with another designated employee tasked with making periodic cash pickups and recording the cash in Activenet: The designated employee counted the cash and recorded it in the system as a single point of sale. **Control weakness: No individual physical receipt of cash transactions was given to patron and a reconciliation cash count to system count could not verify completeness and accuracy of cash collected.**

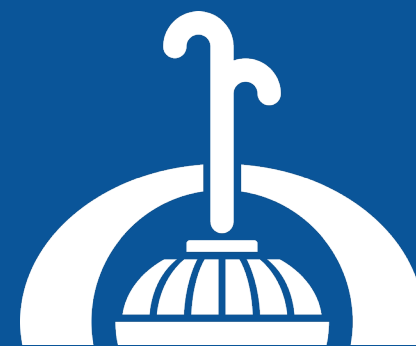


Lane 2

ASMS observed that Lane 3 was used to process credit card payments for admissions with an Activenet hand-held device.



Lane 3



The Manager at Turkey Lake has taken proactive steps to improve the efficiency of admissions to the park when larger crowds are expected, such as using more than one entrance lane and looking into pre-payment options for patrons.

During larger events a designated staff member greets each car upon entrance and directs them to the appropriate lane 1, 2 or 3 based on the citizens method of payment (membership, cash, or credit card).

This staff member also uses a handheld clicker to keep track of the number of people entering the park. These changes in process have not been reduced to a written policy, but they are improvements that can improve the admissions count and minimize patrons backing up onto Hiawassee Rd.



Recommendation: Management should continue with its efforts of working with Technology Management to expand the point-of-sales capabilities of the Activenet system. This expansion would allow any combination of payment methods to be processed in any lane which improves the efficiency of the admissions along with strengthening the internal controls of cash receipts.

Management Responses: Management concurs and will add large event admissions to their written cash handling policy.

1. Use more than one entrance lane at a time to minimize patrons backing up onto Hiawasee Rd.
2. Pre-paid admissions
3. Use handheld clicker to track number of park patrons

Management has already met with TM, Facilities & the cities contractor to get a quote on extending the wireless signal towards the entry/admission lanes for future use of mobile payment processing (handheld devices).

The next step is getting a quote from the contractor, which is in progress, then we will regroup with management on steps moving forward and a timeline depending on cost and our budget.

