

FOLLOW-UP REVIEW

CITY AUDITOR

Report Date:	March 5, 2018
Departments:	Parks, Recreation and Community Facilities (PRCF)
Subject:	Red Mountain Multigenerational Center (RMMC)
Lead Auditor:	Dawn von Epp, Sr Internal Auditor

OBJECTIVE

The objective of this follow-up review was to determine whether the Red Mountain Multigenerational Center (RMMC) has effectively implemented the action plans presented in their response to our February 2017 audit.

SCOPE & METHODOLOGY

To accomplish our objective, we reviewed departmental procedures and reports, interviewed and observed staff, and tested sampled transactions posted from February 2017 - January 2018.

BACKGROUND

On February 6, 2017 we issued a report on our audit of RMMC. The objective of the audit was to determine whether internal controls were in place and operating effectively to provide reasonable assurance that revenues were safeguarded from loss. The report included three recommendations, summarized as follows:







1. Front desk staff should be trained to follow established written procedures; and management oversight should be improved to ensure compliance.
2. Member photos should be stored in the Active system and used to verify the identity of members entering the facility.
3. Management should update written procedures to provide accurate instructions for staff; and should implement a process to ensure the accuracy of these documents is maintained as operational changes occur.


PRCF management agreed with all recommendations and submitted action plans.

CONCLUSION

All of the action plans associated with the audit have been successfully implemented. Additional details are presented in the attached Appendix.

APPENDIX

 = Implemented  = In Progress  = Not Implemented		
<u>Issue and Action Plan</u>		<u>Implementation Status</u>
IAP#1: Non-compliance with Cash Handling Procedures		
<p>Recommendation 1-1: Management should ensure employee training is consistent with established policies and procedures.</p> <p>Management Response: A staff training packet is being created which will include policies and procedures as well as a checklist for training topics that must be covered. Key staff will be trained by management, and employee and trainer will be required to sign off on all training that has been completed. Training packet to be completed by 2/6/17, with initial training beginning immediately and continuing as new staff are hired.</p> <p>Estimated Completion Date: 2/6/17</p>	<p>Implemented –</p> <p>The staff training packet was developed and the training checklist is used to track completed training.</p>	
<p>Recommendation 1-2: Management should monitor compliance with cash handling procedures on a regular basis.</p> <p>Management Response: All staff are now required to cash out and balance their individual drawers regardless of the amount of cash, check, or credit card processed during their shift. Management staff are now reviewing refund and overage/shortage reports on a weekly basis and address discrepancies in procedure immediately. Staff are now required to include a detailed explanation for all refunds. Staff have been verbally retrained on cash handling procedures including cash drawers being individually balanced and verified. Additional formal training will be conducted and included in the training packet as indicated above beginning 2/6/17.</p> <p>Estimated Completion Date: 1/18/17</p>	<p>Implemented –</p> <p>Management is monitoring refund, overage, and shortage transactions. Staff is aware of and complies with processes related to refund transactions, overage and shortage transactions, and individually balancing out cashier drawers.</p>	
<u>Issue and Action Plan</u>		<u>Implementation Status</u>
IAP#2: Membership Usage Verification		
<p>Recommendation 2-1: Management should implement a process to verify the identity of members upon admittance. Consideration should be given to utilizing the photograph functionality available within ActiveNet and revising the check-in process to include matching customers to photographs.</p> <p>Management Response: The department is currently</p>	<p>Implemented –</p> <p>Staff captures photographs of customers as new memberships are sold, and uses them to verify the</p>	

<p>evaluating the feasibility of implementing the photograph feature in Active Net, as well as the hard and soft costs associated with this implementation. A proposed plan of action will be developed and forwarded to PRCF leadership by February 28, 2017.</p> <p>Original Estimated Completion Date: 2/28/2017</p>	<p>identity of members upon admission.</p>	
<u>Issue and Action Plan</u>	<u>Implementation Status</u>	
IAP#3: Procedure Documents Outdated/Inaccurate		
<p>Recommendation 3-1: Management should update all written procedures to include accurate instructions for staff.</p> <p>Management Response: Procedures that needed correction had been immediately updated and sent to the auditor. Three procedures, 5.16, 14.16 and 5.15 were reviewed at the time of audit, but are currently under re-review for modifications, and will be completed by 2/6/17 for inclusion in the staff training packet.</p> <p>Original Estimated Completion Date: 2/6/2017</p>	<p>Implemented –</p> <p>The procedures identified as requiring updates have been revised.</p>	
<p>Recommendation 3-2: Management should implement a process to ensure that procedure documents are actively maintained as operational changes occur.</p> <p>Management Response: All procedures will be reviewed on annual basis in December, with financial and Active Net procedures receiving an additional mid-year review in June. Procedures will be revised off schedule as necessary. Current documents were reviewed at the time of the audit, but are being re-reviewed at the present time.</p> <p>Original Estimated Completion Date: 2/6/2017</p>	<p>Implemented –</p> <p>The June and December 2017 reviews were completed and procedures were updated, as necessary. Additionally, 2 off-schedule revisions occurred in 2017 as well.</p>	