

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: May 23, 2013

To: Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Personnel and Audit
Supervisor David Cullen, Co-Chair, Committee on Finance, Personnel and Audit

From: Jerome J. Heer, Director of Audits

Subject: Status Report – Audit of Parks Point of Sale Revenue Controls (File No. 12-369)

At its meeting on May 17, 2012, the Committee on Finance and Audit passed a motion to approve and recommend for adoption the recommendations made in our audit report, "Controls Over Milwaukee County Parks' Point of Sale Revenues are Sound but Timeliness of Reporting and Other Improvements are Possible."

Subsequently, a six-month status report, summarizing the progress made toward implementation of these recommendations, was reviewed at the Committee meeting in December 2012.

Attached is the second status report, which summarizes the current status of the recommendations. As indicated in the report, 14 of the 17 recommendations have been implemented.

This status report is informational and indicates progress towards implementing all of the audit recommendations is substantially complete. Therefore, we will informally work with Parks' management to monitor efforts to close out the three outstanding audit recommendations. Should there be any problems in realizing the intended implementation schedule for those remaining items, as identified in the attached report, we will inform the Committee.



Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Scott Manske, Milwaukee County Comptroller
Finance, Personnel and Audit Committee Members
Chris Abele, County Executive
James Keegan, Interim Parks Director, Department of Parks, Recreation and Culture
Chris Lindberg, Chief Information Officer, Information Management Services
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Research Analyst, County Board Staff
Janelle Jensen, Committee Clerk

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

File Number: 12-369

Audit Title: Controls Over Milwaukee County Parks' Point-of-Sale Revenues are Sound but Timeliness of Reporting and Other Improvements are Possible

Department: Parks, Recreation and Culture

Status Report Date: May 2013

Audit Date: April 2012

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
	1. Develop protocols, such as retention of appropriate documentation of programming modifications, to ensure the Parks POS/Advantage interface program is maintained with minimal disruption in operations should DAS' contractual relationship with the consultant currently performing that task end.					Yes	
2. Work to modify the current application interface or write a new one to facilitate nightly or semi-weekly batch posting of POS transactions, or a summary of transactions, to the Advantage system.					Yes	No	<p><u>November 2012 Response</u> Auditee: Our current methodology has proven more effective and efficient than use of the existing interface. It has reduced the amount of time to have transactions posted to Advantage. The existing interface has not been updated. It is not an automatic interface, as it requires user pull and push which is time consuming and cumbersome.</p>

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Audit Date: April 2012 **Status Report Date:** May 2013 **Department:** Parks, Recreation and Culture

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	3. Develop a computerized tracking methodology to ensure that revenues from all sites are reported as scheduled and that corrective actions are taken when problematic sites are identified.					Yes	
4. Consider installing cameras at all regulation golf/concession registers. At minimum, a camera should be installed at Oakwood Golf course, the third highest golf revenue generating site (approximately \$800,000 in revenues for 2010).					Yes	No	<p><u>November 2012 Response</u> Auditee: A camera system was installed at Oakwood Golf Course in August 2012. Installation of a security system is planned at the Mitchell Park Domes as part of the greenhouse project.</p>

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5. Replace combination safes with keypad safes whereby the access-code can be easily changed as often as needed at no additional cost.					Yes	No	<p><u>November 2012 Response</u> Auditee: 32 new keypad safes were purchased and are being installed.</p> <p><u>May 2013 Update</u> Auditee: All new keypads safes have been purchased and installed.</p>
6. Develop timely exception reports to more actively monitor voided and negative transactions. Parks management should devise reports that can be sorted by voided and negative transactions per cashier, per revenue site and per month to help detect patterns of potential abuse.					Yes	No	<p><u>November 2012 Response</u> Auditee: 5 Managers reviewed transaction detail reports for each cash site on a rotating basis. A POS report was created to review negative and voided transactions for sites on POS. Irregularities were documented followed up on.</p>
7. Document management review and analysis of exception reports on a regular basis. The Parks cash handling procedures manual should be updated with this procedure and cashiers should be made aware of the change.					Yes	No	<p><u>November 2012 Response</u> Auditee: The cash-handling manual will be updated over winter 2012-2013.</p> <p><u>May 2013 Update</u> Auditee: The cash-handling manual was updated 12/27/12.</p>

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	8. Implement a policy to conduct and document a minimum number of surprise on-site cash counts per year, take remedial action if necessary, and disseminate this information to all cashiers.					Yes	
9. Require all cashiers to punch, deface, or void redeemed gift certificates prior to securing it into the register drawer.					Yes	No	<p>November 2012 Response Auditee: Current policy is for the cashier to deface/void all gift certificates as they are used. This policy will be reinforced with cashiers.</p>
10. Establish regular reconciliation of tickets ordered, issued and redeemed to identify gaps in serial numbers and/or possible indications of unauthorized duplicates being redeemed. Link this process with ticket ordering to prevent erroneous orders of tickets with duplicate serial numbers.					Yes	No	<p>November 2012 Response Auditee: Ticket usage has been discontinued a most pools as it was a superfluous control.</p> <p>New orders numbers will begin with the number after the last batch ordered and will only be ordered by Accounting. Total ticket inventory sent to pools are tracked and usage verified by ending inventory.</p>

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	11. Destroy and document any duplicate tickets that are ordered and/or printed in error.					Yes	
12. Establish a procedure to generate request to applicable vendors for a copy of required Certificates of Insurance for each contract year at least 60 days prior to the expiration date of the copy on file and ensure that a valid copy is acquired and retained.					No	Yes	November 2012 Response Auditee: Parks purchased the Contract Insight software program earlier this year. We are currently in the process of uploading our open contracts into Contract Insight. Contract Insight includes features tracking devices related to our contracts, including a metric that tells us when a contractor's certificate of insurance is 60 days from expiration. Parks expects to be fully functional in 6 months. <u>May 2013 Update</u> Auditee: Parks purchased the Contract Insight software program in the summer of 2012. Contract Insight features tracking devices related to our contracts, including a metric that tells us when a contractor's certificate of insurance is 60 days from expiration. Parks has uploaded approximately 2/3 of its contracts into Contract Insight and expects to have uploaded the final 1/3 within the next 6 months.

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	13. Work with IMSD to develop an access control policy for its POS system and ensure that password change requests, revocations, and assignments are properly authorized and documented. Such a policy should be consistent with Milwaukee County IMSD standards and documented in Parks' policy and procedures manual.					Yes	

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	14. Work with IMSD to develop a change control policy to manage changes to application interface program(s) interfacing with Advantage. Such a policy should be consistent with Milwaukee County IMSD standards, documented in Parks' policy and procedures manual.					No	

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	15. Work with Parks to ensure that POS data restoration plans are tested and documented.					No	
16. Take steps to move the server within the same room away from the window to an area of the room where it is less visible and susceptible to water damage, or to a more secure area altogether.					Yes	No	<p>November 2012 Response -Increased security precautions have been put in place since this initial audit. -Re-enforced deadbolt doors have been installed as well as high security metal screens have been installed on the windows.</p>

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	17. Replace the existing external entry door containing a window with a more secure door.					Yes	