

**COUNTY OF MILWAUKEE**  
**Inter-Office Communication**

**Date:** November 26, 2012

**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."

The attached status report summarizes the progress made toward implementation of these recommendations. As indicated in the report, Parks' management has completed implementation of ten of the seventeen recommendations.

This status report is informational and since a number of recommendations are in process at this point, we will work with Parks' management to provide an updated status report for the June 2013 committee meeting cycle.



Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Scott Manske, Milwaukee County Comptroller  
Finance, Personnel and Audit Committee Members  
Chris Abele, Milwaukee County Executive  
James Keegan, Interim Parks Director, Dept. 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  
Carol Mueller, Chief Committee Clerk, County Board Staff

**STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS**

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

**File Number:** 12-369

**Audit Date:** April 2012

**Status Report Date:** 11/21/12

**Department:** Parks, Recreation and Culture

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	No	Auditee: IMSD has process and protocols in place to ensure that application code is secured and appropriate documentation is retained. Team Foundation Server, implemented in mid 2011, currently stores technology code related the Parks POS interface. All code development and periodic changes are managed within Team Foundation Server.
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	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.
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	No	Auditee: A spreadsheet is used to track the receipt of each cash report per day per site. A "closed/no sales" form is required when the site does not turn in a cash report. An email is regularly sent to sites that are behind or have missing reports. Managers and Chiefs deal with habitual offenders.  For sites on POS, reports inform us of the total sales that need to be accounted for. At month end, sales from cash reports are reconciled to both bank and credit card statements to ensure that no sales are unrecorded.

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	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	
5. Replace combination safes with keypad safes whereby the access-code can be easily changed as often as needed at no additional cost.					No	Yes	Auditee: 32 new keypad safes were purchased and are being installed.
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	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.
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.					No	Yes	The cash-handling manual will be updated over winter 2012-2013.

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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.					No	No	Parks agreed to audit at least 20 sites in 2012. 23 sites have been done year to date. Results of audits are shared with the appropriate Senior Manager and Chief for follow through. Issues that pertain to all site are shared with sites managers for dissemination.
9. Require all cashiers to punch, deface, or void redeemed gift certificates prior to securing it into the register drawer.					Yes	No	Current policy is for the cashier to deface/void all gift certificates as they are used. This policy will be reinforced with cashiers.
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	Ticket usage has been discontinued a most pools as it was a superfluous control.  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.
11. Destroy and document any duplicate tickets that are ordered and/or printed in error.					Yes	No	Duplicate tickets will be destroyed.
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	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.



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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.					No	Yes	The Parks Department is still evaluating this observation to determine what options need to be implemented.
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	Yes	IMSD has a change control process in place. IMSD will work with Parks and the POS supplier to ensure vendor compliance.
15. Work with Parks to ensure that POS data restoration plans are tested and documented.					No	Yes	This task is substantially complete. IMSD back-up and restore processes were applied to the Parks POS system at the time of its implementation and are currently tested on an ad hoc basis. IMSD will continue to work with Parks to formalize a reoccurring schedule for future tests and enhance documentation.
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	-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.

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