

STATUS OF IMPLEMENTING AUDIT SERVICES DIVISION - AUDIT REPORT RECOMMENDATIONS

Audit Title: Hales Corners Park has Benefited from the Support of its Friends Group; however, a Formal Agreement with the Organization is Needed to Achieve Adherence to Chapter 13 of the Milwaukee County Ordinances

File Number: 19-238

Audit Issued: February 2019

Status Report Date: September 2019

Department: Parks

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	

<p>1. The Parks Department should work with the Friends Group to establish a prudent timeline to complete the project fundraising and/or discuss options that may include scaling back the project, and report the result of such efforts to the County Board and County Executive by mid-year 2019.</p>	X					X	<p>Auditee:</p> <p>In 2015, a major review of the project occurred between the Friends of Hales Corners Park & Pool, Hunzinger Construction Company and the Milwaukee County Parks. The entire project was reviewed for cost savings and the possibility of downsizing. It was determined at that time that scaling back was not necessary or appropriate. With only twenty-five percent of the funding being left to raise, the plans being fully reviewed and approved, a timeline and plan for raising the remaining funds by the Group, and a Development Agreement in place, Parks agrees with the Group that the project should proceed as approved.</p> <p>Development Agreement attached.</p> <p><u><i>Audit Services Division Comments:</i></u> <i>Based on a recent letter from the Friends Group, it is \$80,000 (24%) short of the \$340,000 total needed to fund the Ice Center and Outdoor Shelter projects. The Group's goal is to raise the needed funds by the of 2020. Park's management should review the annual financial reports submitted by the Friends Group and also request quarterly status reports on the Groups' fund-raising progress.</i></p>
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2. Work with the Friends of Hales Corners Park and Pool to formally document that both parties understand and agree that should the Alyson Dudek International Ice Center-Outdoor Pavilion project not proceed, the Friends Group will provide the timely return of the County's \$75,000 grant.					X		Auditee: Letter Agreement attached.
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<p>3. Ensure proper controls are in place going forward to prevent funds from being dispersed prior to project completion in all cases where applicants indicate in the PAMF program application that funds will be received after project completion</p>	<p align="center">X</p>					<p align="center">X</p>	<p>Auditee: Parks streamlined the process this year and do not give applicants the option to choose to be paid upfront or after completion. Applicants receive the check after the Board approves their application and are required to document (through paid invoices, copies of checks, etc.) that their sPark (PAMF has been rebranded as sPark) grant award is no more than 50 percent the cost of their project. The sPark recipient's award letter states that if project costs are less than expected they must return any funds from the grant that exceed the dollar-for-dollar match. The award letter also states that if the project is not completed all sPark funds must be returned to Parks in a timely manner. Parks Fund Development Manager is responsible for ensuring documentation is received for the 50 percent match.</p> <p>Here is the wording in all the signed award letters:</p> <p>“Once the project is complete we ask that you submit documentation listing the final project cost. Terms of the grant require the match to not exceed dollar-for-dollar, therefore, if the project costs are less than \$(awarded amount x2), (awardee) is obligated to return to Milwaukee County any funds that exceed the dollar-for-dollar match.”</p> <p>Application: https://www.cognitofrms.com/MilwaukeeCountyParks1/SParkFundingApplication</p> <p><i><u>Audit Services Division Comments:</u></i> <i>We suggest that the award letter language be modified from a request for documentation submission (“... we ask</i></p>
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							<i>that you submit documentation listing the final project cost.”) to a language specifying that the documentation submission is a “requirement”, as soon as practical.</i>
4. Update all PAMF program materials to clearly disclose that funds dispersed by Parks to the grantee prior to project completion are to be returned in a timely manner to the County should the project ultimately not proceed.					X		Auditee: Example award letter attached.
5. Enter into a written agreement with the Friends Group following the requirements established in Chapter 13 of the Milwaukee County Code of General Ordinances. The agreement should be submitted to the County Board of Supervisors and the County Executive for review and approval and it should contain clear policies on open meetings, financial reporting, and Code of Ethics/Conflicts of Interest requirements.	X					X	Auditee: Agreement Attached. The agreement was submitted to the County Board of Supervisors for the July 2019 cycle. The item was laid over in July and recently was recommended for approval by the Parks Committee. It goes to the full County Board for approval on 9/19/19. The approving Resolution was amended at Parks Committee and, if approved, requires that a shorter termination clause be added to the agreement as well as additional monitoring requirements by Parks.
6. Request submittal of periodic financial reports for the friends Group.	X					X	Auditee: Per the Friends Agreement, the Group will submit financial reports annually to the Comptroller and Parks. Parks requested financial reports for 2018 and is waiting to receive them. Parks will forward the financial information to Audit as soon as it is received.

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<p>7. The written agreement with the Friends Groups should also include the following elements:</p> <p>a. Language clarifying financial, volunteer, and operational support associated with the roles and responsibilities of each party.</p> <p>b. Language clarifying concerns related to proper storage, and protocol for volunteer activities.</p>					X		<p>Auditee:</p> <p>a. The Friends Agreement generally clarifies the roles of the Group and Parks. Clarity on financial roles is more specifically in sections 4 and 6 of the Friends Agreement. Sections 2 and 3 of the Friends Agreement clarify volunteer and support roles of both parties. The draft Friends Agreement is attached and is going to the full County Board for approval on 9.19.19.</p> <p>b. Parks did not address storage in the Friends Agreement because of the long-term nature of the agreement. At the current time, the Group does not have a key to the pavilion, which addressed the issues with storage. The Group still has storage in the pavilion, but Parks has no concerns with the arrangement. In similar situations, if a group needs storage and a key the group signs a key agreement. Example key agreement attached.</p> <p><u><i>Audit Services Division Comments:</i></u> <i>The storage of Friends' property has been an issue in the past. We suggest that Parks' management make note of any changes to the current arrangement and address any issues timely.</i></p>
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<p>8. Work with the Friends Group to:</p> <p>a. Document efforts made to strengthen internal controls with a special focus in the following areas: establishment of a conflict of interest policy; petty cash procedures; proper check approval, signature authority, and verification procedures; enhanced recordkeeping and donor receipt system.</p> <p>b. Report changes implemented as a result of this work in forthcoming audit follow-up reports to the Audit Services Division, which will be included for review by policymakers.</p>					X		<p>Auditee:</p> <p>a. The Group put together the requested internal controls with assistance from Parks when needed. Documents attached and include a conflict of interest policy, a code of ethics, petty cash procedures, and amended by-laws that address check approval, signing authority, and verification. Parks will enhance recordkeeping by following the Friends Agreement and requesting financial documents per the agreement.</p> <p>b. This document and attachments are a response to Audit's recommendations. Additionally, Parks communicates regularly with Audit regarding updates on implementation of recommendations and Audit's requests for additional information.</p> <p><i>Audit Services Division Comments:</i> <i>We recognize that Parks/Friends Group has made bona fide efforts toward enhancing the internal control environment of the Friends Group. However, we suggest that the Friends Group review the dollar levels specified in its Conflict of Interest Policy, to be more closely aligned with the size and nature of the Group (see Attachment B, Part II, nos. 4. and 7, of the Groups Bylaws).</i></p>
<p>9. Fully develop and issue the Handbook to include a copy of Chapter 13 and operational guidance specifically for friends groups.</p>	X					X	<p>Auditee: Draft attached. Parks Engagement Manager is in final phase of preparing the handbook. The book needs to be reviewed, edited, and then branded by Parks Marketing Division. Parks anticipates having the final handbook prepared and issued to Friends Groups prior to the end of the year.</p>

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10. The Parks Department assign a County Coordinator for the Friends of Hales Corners Park and Pool.					X		Auditee: Lindsay Frost, Parks Engagement Manager, is the County Coordinator for all Friends Groups.