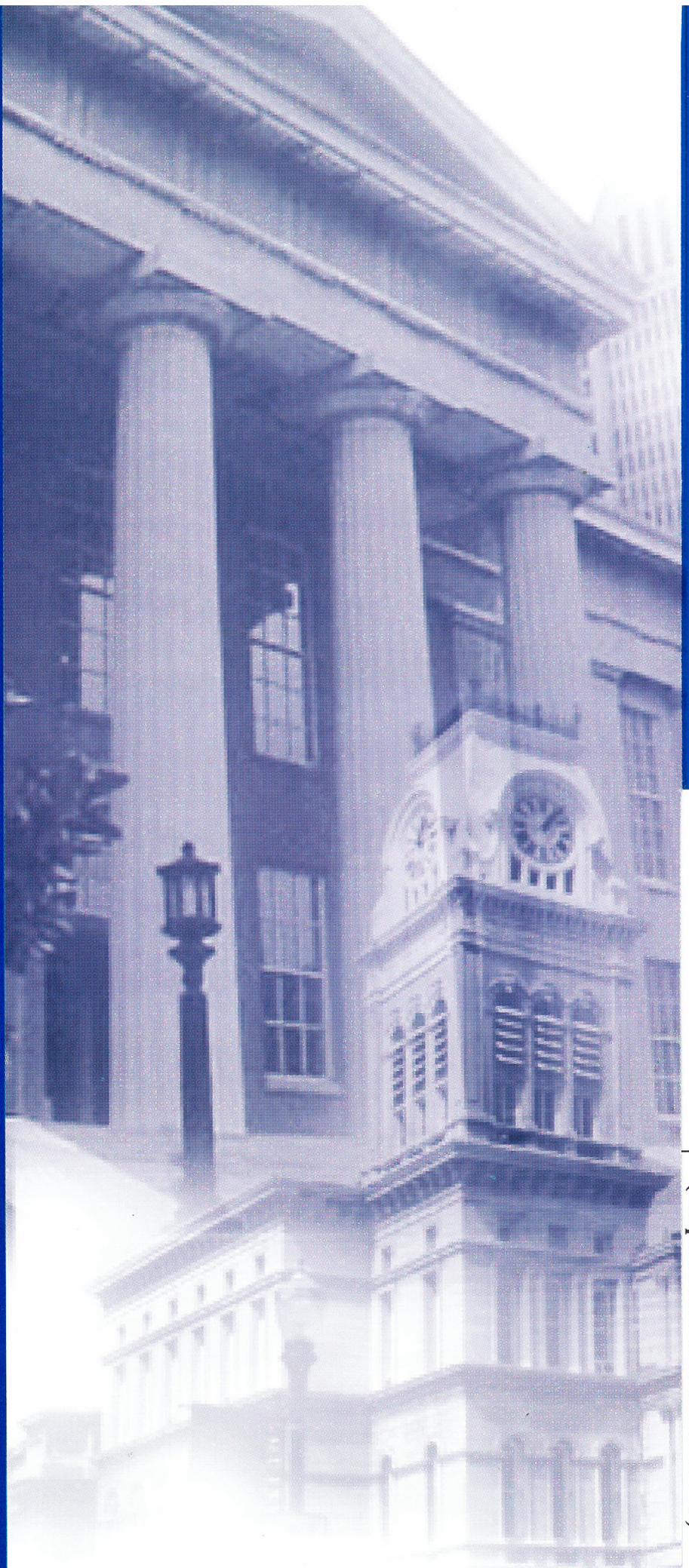




Greg Fischer  
Mayor

Louisville Metro Council

The Office of Internal Audit provides independent, objective assurance and consulting services that adds value to and improves Louisville Metro Government.



# Office of Internal Audit

Louisville Metro Government

Cash Management Policy  
Parks and Recreation  
(Amphitheatre and Rental Office)

# Audit Report

## Louisville Metro Government

### Cash Management Policy Parks and Recreation (Amphitheatre and Rental Office)

May 2016

Office of Internal Audit



Louisville Metro Government

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Cash Management Policy  
Parks and Recreation  
(Amphitheatre and Rental Office)

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## Executive Summary

PROJECT TITLE	
<b>Louisville Metro Government – Cash Management Policy – (Parks and Recreation Amphitheatre and Rental Office)</b>	
OBJECTIVE AND SCOPE	
<p>The objective was to perform a review of the Louisville Metro Government Cash Management Policy, which is owned by the Office of Management and Budget (OMB). The primary focus of the review was an assessment of compliance with the Louisville Metro Government Cash Management Policy at the department level and within the OMB – Cash Management Division. This included how activity was processed, recorded, and monitored. Departmental policies, procedures and records related to the Louisville Metro Government Cash Management Policy were reviewed. The objective was to obtain assurance that the risks are adequately mitigated through internal controls in the process.</p> <p>This was a compliance review based on policies and procedures for the operational and fiscal administration of the Louisville Metro Government Cash Management Policy. Cashiering functions within five Louisville Metro Government (LMG) departments were selected for review. The Parks and Recreation Amphitheatre and Rental Office was judgmentally selected for review. The review includes activity during the second quarter of fiscal year 2015 through the first quarter of fiscal year 2016 (October 1, 2014 through September 30, 2015). The details of the scope and methodology of the review are addressed in the Observations and Recommendations section of this report.</p>	
INTERNAL CONTROL ASSESSMENT	SECTION
<b>Inadequate</b>	<b>Parks and Recreation Amphitheatre and Rental Office</b>
RESULTS	
<p>Opportunities exist for improving the internal control structure for the Parks and Recreation Amphitheatre and Rental Office cashiering activity. Examples include the following.</p> <ul style="list-style-type: none"> <li>• <b>General Administration.</b> There were issues noted regarding the general administration of cashiering activity. <ul style="list-style-type: none"> <li>➤ The Parks and Recreation policies and procedures have not been revised since 2012.</li> </ul> </li> <li>• <b>Monitoring and Reconciliation.</b> There were issues noted regarding monitoring and reconciliation of cashiering activity. <ul style="list-style-type: none"> <li>➤ There was an instance in which the funds collected from daily sales did not agree with the funds deposited into the bank.</li> <li>➤ There is not a process in place to track the removal and return of the cash bank to/from the safe, such as a log.</li> </ul> </li> <li>• <b>Transaction Processing.</b> There were issues noted regarding processing transactions related to cashiering activity. <ul style="list-style-type: none"> <li>➤ There were instances in which it could not be determined if the refund was made to the credit card used in the originating transaction.</li> </ul> </li> </ul>	



OFFICE OF INTERNAL AUDIT  
LOUISVILLE, KENTUCKY

GREG FISCHER  
MAYOR

MAY R. PORTER, CHIEF AUDIT EXECUTIVE

DAVID YATES  
PRESIDENT METRO COUNCIL

### **Transmittal Letter**

May 27, 2016

The Honorable Greg Fischer  
Mayor of Louisville Metro  
Louisville Metro Hall  
Louisville, KY 40202

**Subject: Audit of the Louisville Metro Government Cash Management Policy  
(Parks and Recreation Amphitheatre and Rental Office)**

#### **Introduction**

An audit of the Louisville Metro Government Cash Management Policy, which is owned by the Office of Management and Budget (OMB), was performed. The primary focus of the review was an assessment of compliance with the Louisville Metro Government Cash Management Policy at the department level and within the OMB – Cash Management Division. This included how activity was processed, recorded, and monitored. Department policies, procedures and records related to the Louisville Metro Government Cash Management Policy were reviewed. The objective was to obtain assurance that the risks are adequately mitigated through internal controls in the process.

The audit was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

As a part of the audit, the internal control structure was evaluated. The objective of internal control is to provide reasonable, but not absolute, assurance regarding the achievement of objectives in the following categories:

- Achievement of business objectives and goals
- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Safeguarding of assets

There are inherent limitations in any system of internal control. Errors may result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personnel factors. Some controls may be circumvented by collusion. Similarly, management may circumvent control procedures by administrative oversight.

### Scope

A thorough understanding of the Parks and Recreation Amphitheatre and Rental Office cashiering activity was obtained in order to evaluate the internal control structure. This was achieved through interviews of key personnel and examination of supporting documentation. This included obtaining an understanding of the policies and procedures for processing, recording, monitoring, reconciling, and reporting of activity. Testing of activity was also performed to determine the effectiveness of the controls.

The Parks and Recreation Amphitheatre and Rental Office was judgmentally selected for review. The review included activity during the second quarter of fiscal year 2015 through the first quarter of fiscal year 2016 (October 1, 2014 through September 30, 2015). The details of the scope and methodology of the review will be addressed in the Observations and Recommendations section of this report. The examination would not identify all weaknesses because it was based on selective review of data.

### Opinion

It is our opinion that the internal control structure for the Louisville Metro Government Cash Management Policy, specific to Parks and Recreation Amphitheatre and Rental Office is inadequate. The internal control rating is on page 6 of this report. The rating quantifies our opinion regarding the internal controls and identifies areas requiring corrective action. Opportunities to strengthen the internal control structure were noted. Examples include the following.

- **General Administration.** There were issues noted regarding the general administration of cashiering activity.
  - The Parks and Recreation policies and procedures have not been revised since 2012.
- **Monitoring and Reconciliation.** There were issues noted regarding monitoring and reconciliation of cashiering activity.
  - There was an instance in which the funds collected from daily sales did not agree with the funds deposited into the bank.
  - There is not a process in place to track the removal and return of the cash bank to/from the safe, such as a log.
- **Transaction Processing.** There were issues noted regarding processing of transactions related to cashiering activity.
  - There were instances in which it could not be determined if the refund was made to the credit card used in the originating transaction.

**Corrective Action Plan**

Representatives from Parks and Recreation have reviewed the results and are committed to addressing the issues noted. Corrective action plans are included in this report in the Observations and Recommendation section. We will continue to work with Parks and Recreation to ensure the actions taken are effective to address the issues noted.

Sincerely,

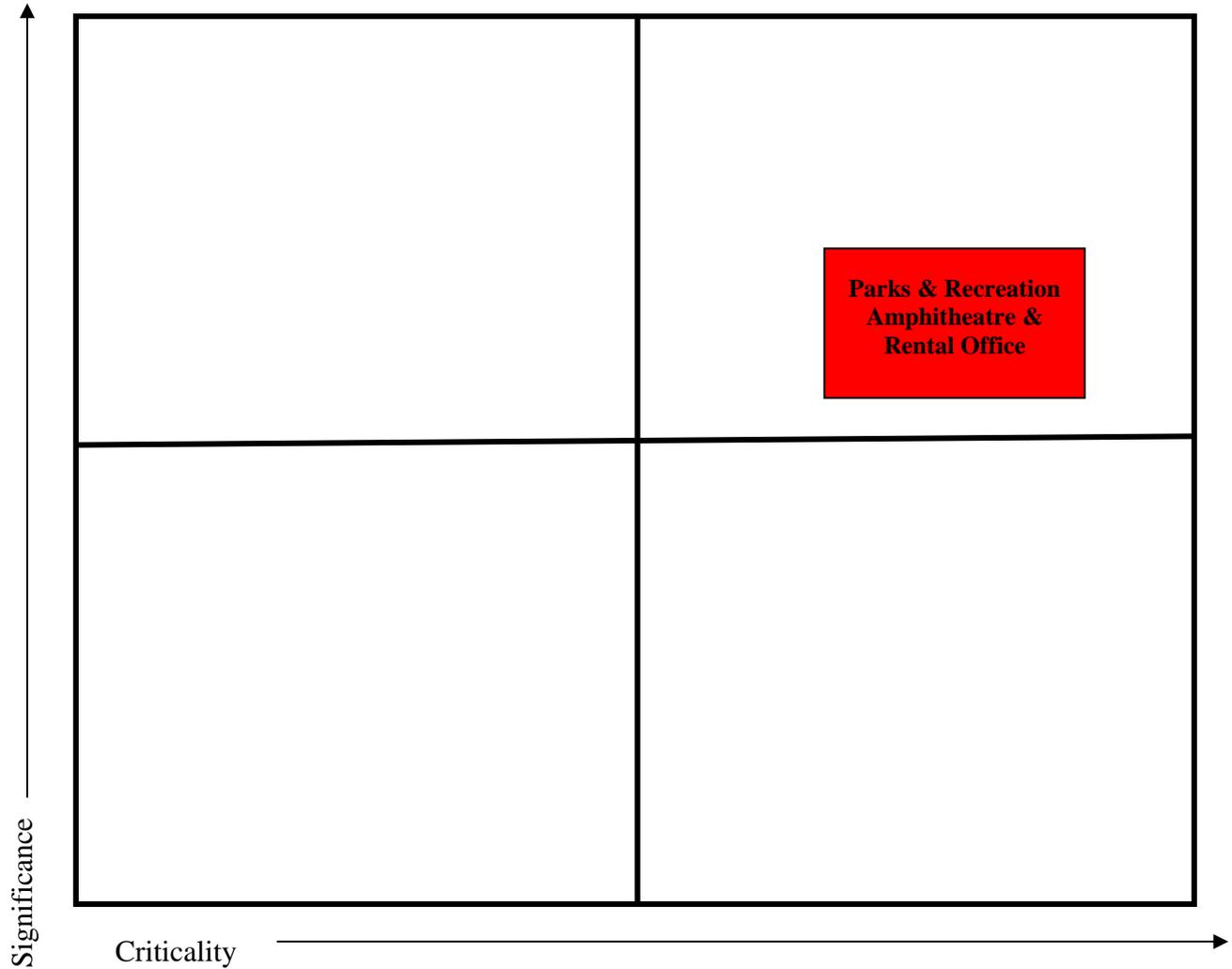


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May R. Porter, CIA  
Chief Audit Executive

cc: Louisville Metro Council Government Accountability and Ethics Committee  
Chief Financial Officer  
Director of Parks and Recreation  
Louisville Metro External Auditors  
Louisville Metro Council President

**Internal Control Rating**



<u>Legend</u>			
<b><i>Criteria Issues</i></b>	<b>Satisfactory</b> Not likely to impact operations.	<b>Needs Improvement</b> Impact on operations likely contained.	<b>Inadequate</b> Impact on operations likely widespread or compounding.
<b><i>Controls</i></b>	Effective.	Opportunity exists to improve effectiveness.	Do not exist or are not reliable.
<b><i>Policy Compliance</i></b>	Non-compliance issues are minor.	Non-compliance issues may be systemic.	Non-compliance issues are pervasive, significant, or have severe consequences.
<b><i>Image</i></b>	No, or low, level of risk.	Potential for damage.	Severe risk of damage.
<b><i>Corrective Action</i></b>	May be necessary.	Prompt.	Immediate.

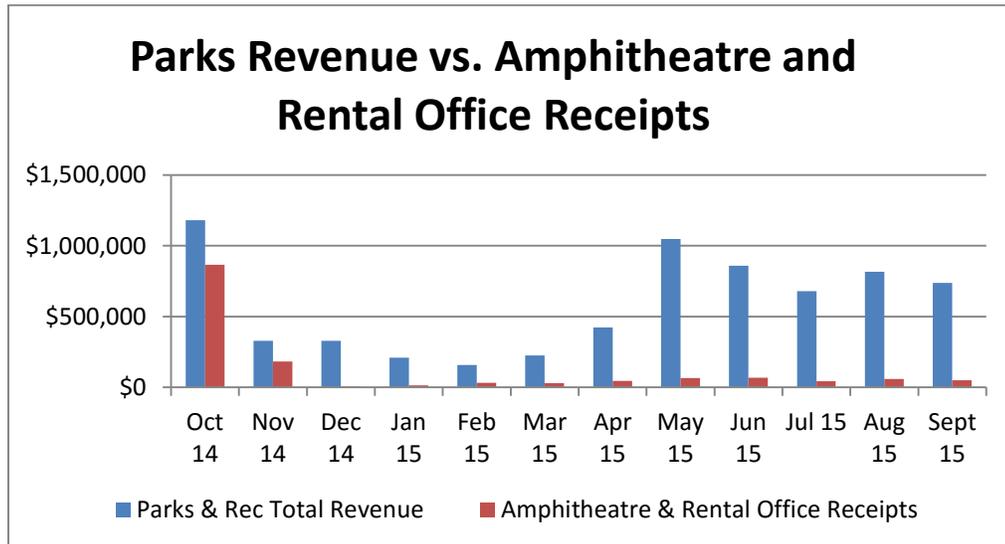
**Background**

The Iroquois Amphitheatre, which is located at Iroquois Park, hosts a variety of performing arts and cultural programs. Tickets for the events held at the Amphitheatre are sold through a third-party vendor, TicketFly, both online and on-site in the Amphitheatre admissions office. In addition to the operational and fiscal administration of event ticketing, the Amphitheatre admissions office also administers activity related to event parking and concessions.

The Parks and Recreation Rental Office, which is also located in Iroquois Park, is responsible for the operational and fiscal administration of rental and permitting activity for all 120 parks. The facilities available for rent include four indoor lodges, four modern conference facilities, over 60 outdoor picnic shelters, and over 295 multi-use sport fields. There are also over a dozen community centers that are available for family picnics, employee appreciation days, weddings, reunions, conferences, field trips, and more.

During the second quarter of fiscal year 2015 through the first quarter of fiscal year 2016 (October 1, 2014 through September 30, 2015) the Amphitheatre and Rental Office activities generated operating revenues of approximately \$1,462,000. Approximately, 72% of the revenue generated during the review period was collected during October and November, as a result of the Jack O’ Lantern Spectacular event. During October and November, 69% of all Parks and Recreation revenue was attributed to the Amphitheatre. A comparison of Park and Recreation’s revenue with the Parks and Recreation Amphitheatre and Rental Office revenue during the review period are graphically depicted below at Graph 1: Park Revenue vs. Amphitheatre and Rental Office Revenue Oct 2014 – Sept 2015.

**Graph 1: Park Revenue vs. Amphitheatre and Rental Office Revenue Oct 2014 - Sept 2015**



This audit is the result of a review of department-level compliance, which was requested by the Office of Management and Budget.

## **Summary of Audit Results**

### **I. Current Audit Results**

See Observations and Recommendations section of this report.

### **II. Prior Audit Issues**

The Office of Internal Audit has not performed any previous reviews of Parks and Recreation Amphitheatre and Rental Office cashiering activity.

### **III. Statement of Auditing Standards**

The audit was performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States and with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

### **IV. Statement of Internal Control**

An understanding of the internal control structure was obtained in order to support the final opinion.

### **V. Statement of Irregularities, Illegal Acts, and Other Noncompliance**

The review did not disclose any instances of irregularities, any indications of illegal acts, and nothing was detected during the review that would indicate evidence of such. Any significant instances of noncompliance with laws and regulations are reported in the Observations and Recommendations section of this report.

### **VI. Views of Responsible Officials / Action Plan**

A draft report was issued to Parks and Recreation and the Office of Management and Budget on April 8, 2016. An exit conference was held at the OMB Conference room 609 W Jefferson St., Louisville, KY on April 26, 2016. Attending were Seve Ghose, Michael Hallett, and Marty Storch representing Parks and Recreation, Angela Dunn, Monica Harmon, and Jade Babb representing OMB, Mayria Porter and Glen Reed representing Internal Audit. Final audit results were discussed.

The views of Parks and Recreation officials were received on May 10, 2016 and are included as corrective action plans in the Observations and Recommendations section of the report. The plans indicate a commitment to addressing the issues noted.

LMCO §30.36(B) requires Louisville Metro Agencies to respond to draft audit reports in a timely manner. It specifically states that

*“The response must be forwarded to the Office of Internal Audit within 15 days of the exit conference, or no longer than 30 days of receipt of the draft report.”*

The Parks and Recreation response was provided within this required timeframe.

## Observations and Recommendations

### Scope and Methodology

A review of the Louisville Metro Government Cash Management Policy, which is owned by the Office of Management and Budget (OMB), was performed. The primary focus of the review was an assessment of compliance with the Louisville Metro Government Cash Management Policy at the department level and within the OMB – Cash Management Division. The Parks and Recreation Amphitheatre and Rental Office were judgmentally selected for review. The operating policies, procedures and records specific to cashiering activity were reviewed. The primary focus was the operational and fiscal administration of the activity. This included how activity was processed, recorded, and monitored. The objective was to obtain assurance that the risks are adequately mitigated through internal controls in the process.

The Parks and Recreation Amphitheatre and Rental Office cashiering activity was tested using a sampling approach. Testing was performed on a sample of transactions related to processing payments and reconciliations occurring during the review period, the second quarter of fiscal year 2015 through the first quarter of fiscal year 2016 (October 1, 2014 through September 30, 2015). Samples, consisting of a total of ten transaction dates were selected for testing accuracy, completeness, and timeliness.

The examination would not reveal all non-compliance issues because it was based on selective review of data.

### Observations

Issues were noted with the Parks and Recreation Amphitheatre Rental Office cashiering activity. As a result, the effectiveness of the internal control structure is inadequate. Areas in which there are opportunities to strengthen the controls include the following.

- 1) General Administration
- 2) Monitoring and Reconciliation
- 3) Transaction Processing

Details of these begin on the following page.

## **1) General Administration**

- **Policies and Procedures.** Documented policies and procedures to guide Parks and Recreation personnel in the day-to-day administration of cashiering activity have not been revised since 2012. As a result, the policies and procedures do not reflect the current practices. This increases the risk of non-compliance with intended policies and procedures and can lead to inconsistencies and inefficiencies with activity processing. An example includes the following:
  - A current practice of the Parks Rental Office is to allow companies and select individuals to use rental facilities, with the option of paying for the service at the time that the reservation is made or at a later date. The policies and procedures have not been updated to reflect that this is an acceptable practice. As the policies and procedures state, “No service is to be provided if a participant has not fully paid for service or goods.”
- **Safeguarding of Assets.** Some issues were noted regarding the internal controls relative to safeguarding funds. Safeguarding of assets is the responsibility of all employees. By nature, cash receipts are prone to theft or misappropriation. Accordingly, it is important to have effective internal controls in place to safeguard these assets.
  - Access to funds within the cash drawer is not properly restricted, because the key to the cash drawer remains in the lock throughout the work day. Unrestricted access increases the risk of misappropriation of funds.
  - System reports and corresponding reconciliations are not consistently transported directly to the OMB - Cash Management Division by authorized personnel. This increases the risk that the reports could be altered or misplaced. Further, there is an increased risk of a data breach, as the reports may contain sensitive and protected, confidential data (i.e. account information).
  - The combination to the safe is not changed periodically. The combination to the safe was last changed in 2013.

## **Recommendations**

Appropriate personnel should consider the following recommendations concerning the Parks and Recreation Amphitheatre and Rental Office.

- ✓ Revise the Parks and Recreation Cash Management Policy to ensure the policy reflects the most current guidelines for processing cashiering activity. The policy should be reviewed at least annually. The policy should serve as a cohesive and comprehensive tool to guide Parks and Recreation staff in processing cashiering activity. Additional considerations for ensuring the policy promotes consistent compliance and understanding include the following:
  - The policy should be distributed to each applicable agency and made accessible to applicable personnel.
  - The policy should be evaluated by the OMB Cash Management Division to ensure it properly aligns with the Louisville Metro Government Cash Management Policy.

- Personnel should receive training regarding the policy.
- Management should monitor the cashing activity to ensure the policy is applied appropriately.
- ✓ Funds within the cash drawer should only be accessible when a transaction is processed using the cash register. The key should be properly safeguarded and maintained in a secure location.
- ✓ System reports and corresponding reconciliations should be delivered directly to Cash Management, by the authorized personnel. An alternative delivery method includes electronic transmittal by way of a shared drive, SharePoint, or email.
- ✓ Limit safe access to supervisory and authorized personnel only. Combinations or keys to safes should be restricted to the custodian of the cash and designated back-up personnel. Combinations or locks should be changed as necessary, and whenever a person with the combination or key is reassigned or terminated. Management should consider the need to require safe access under dual control.

### **Parks and Recreation Corrective Action Plan**

Parks and Recreation concurs with and will implement the recommendations related to general administration. In addition Parks and Recreation stated the following:

Meeting was held with OMB representatives which resulted in updated policies and procedures which were implemented by the Iroquois Amphitheater/Reservation Offices staff.

Key to cash drawer is now kept separately in a desk drawer so that it cannot be accessed by unauthorized persons.

Bee Line Courier is now used for delivering financial paperwork and deposits to OMB.

Safe combination is now changed on a quarterly basis and if there is a change in personnel. In addition security cameras have been implemented in the IA/Reservation Office hallway and ticket office.

## **2) Monitoring and Reconciliation**

- **Daily Cashiering Activity.** Cashiering activity is recorded and documented by way of automated receipts and reports from the Parks Rental Office's reservation system and the Amphitheatre's ticketing system. Manually created reports and receipts are used for parking and concessions. There were issues regarding the accuracy and completeness of cashiering activity. Specifics include the following:
  - There was one of ten instances in which the funds collected from daily sales did not agree with the funds deposited into the bank. The cause of the difference, in the amount of \$2,470, could not be determined.
  - There were three of ten instances in which the funds collected from daily sales did not agree with the sales per the applicable cashiering reports. The discrepancies were identified on the reconciliations. However, they should also be researched and resolved. It cannot be determined if any research and/or a resolution took place as there is no documentation noted.
  - There was one instance in which there was a discrepancy related to the credit card transactions reported and deposited by the third-party ticketing vendor. The discrepancy was not identified during the reconciliation process.
- **Monitoring and Reconciliation.** There were issues regarding recording, monitoring, and reconciling transaction activity, which diminished accountability over funds. Specifics include the following.
  - There were nine of ten instances in which the reconciliation performed at the end of each cashier's shift was not properly documented. As a result, the reconciliation could not be relied upon as a tool to ensure the funds at the end of the shift agreed to the transactions processed by the cashier during his/her shift.
    - In seven of ten instances there was no evidence (i.e. register tape, manual notation) that a count of funds had been performed.
    - In two of ten instances the manual notation of the count of funds was unreliable due to mathematical errors.
  - Cashiering activity is not consistently reconciled in the presence of the cashier and the supervisor or a designee at the end of a shift. This increases the risk of misappropriation of funds and diminishes accountability.
    - There were seven of ten instances in which the cashier did not sign-off on the end of shift reconciliation.
  - There were four of ten instances in which the daily reconciliation was not signed by the preparer and reviewer. Both signatures are necessary to establish accountability and document that both parties agree that receipts from the Amphitheatre and the Rental Office are accurately and completely included on the reconciliation.
  - A single individual records cash, reconciles cash, prepares cash reports, and deposits cash. When possible these functions should be performed by different employees as it provides proper segregation of duties.

- There is not a process in place to track the removal and return of the cash bank to/from the safe, such as a log. This weakens accountability, as it is difficult to link discrepancies to a specific individual.
- **Activity Recording.** The reconciliation and the corresponding reports are submitted to Cash Management so that related journal entries can be prepared. The quantity of reports and the manual nature of many of the reports used in the daily reconciliation process increase the risk of error and reduce transparency. It is difficult to ensure that all revenue from the Amphitheatre and the Rental Office is accurately and completely included in the daily reconciliation.
  - There were six of ten instances in which the primary documentation used to facilitate the creation of journal entries did not agree to the corresponding manual reports included in the supporting documentation.
    - In four of ten instances the discrepancies were the result of the erroneous omission of the Amphitheatre ticket receipts in the manual report.
    - In one of ten instances the discrepancy was the result of the erroneous omission of parking receipts in the manual report.
    - In one of ten instances the cause of the discrepancy could not be determined.

### **Recommendation**

Appropriate personnel should consider the following recommendations concerning the Parks and Recreation Amphitheatre and Rental Office.

- ✓ In performing the reconciliation of cashing activity, applicable personnel should consider the following:
  - The sales receipts should agree to net sales per the cash registering system report. Any differences between the sales receipts and the applicable reports should be investigated and resolved.
  - Discrepancies, including outages should be formally tracked to identify trends. In the event outages are attributable to a specific individual, a progressive corrective action policy should be implemented.
- ✓ The credit card receipts processed and received from the third-party ticketing vendor should be reconciled to the applicable transaction detail to ensure the accuracy and completeness of the funds received. The reconciliation should include the following:
  - Identification, research, and resolution of discrepancies.
  - Evidence of preparation and review by way of the signature of the preparer and reviewer and the date of each.
- ✓ In addition to counting funds in the presence of a second party (dual control), an automated method of counting funds should be used such as an adding machine or an Excel template. In both instances, documentation regarding the amount counted can be printed and maintained. Further, use of such a tool would reduce the risk of error.
- ✓ The reconciliation should be completed under dual control at the completion of the cashing shift. Additionally, the reconciliation should contain signatures of both people, indicating agreement from both parties involved in reconciling the funds.

- The cashier should be present during the reconciliation process. However, if this is not feasible, the cashier and a supervisor (or designee) should count the funds collected and document their agreement of the amount collected.
- ✓ The daily reconciliation should be subject to review by a second person to establish accountability and to document that both parties agree that receipts from each revenue stream are accurately and completely included on the reconciliation. The preparation and review should be evidenced by way of the signature and date.
- ✓ Alter employee roles and procedures so that a single individual is not responsible for the receipt, recording, deposit, and reconciliation of activity. In cases where complete segregation is not feasible (e.g., staff size constraints), appropriate compensating controls should be practiced (e.g., supervisory review, monitoring).
- ✓ Verification of the starting bank should be completed by the cashier in the presence of a supervisor or a second cashiering employee. The documentation should contain both signatures indicating agreement from both parties involved in the exchange of funds.
- ✓ In performing the daily reconciliation the Parks and Recreation Amphitheatre and Rental Office revenues the following should be considered:
  - Standard operating procedures should be developed to promote consistency in reconciling and reporting revenues.
  - The quantity of manual reports used in the reconciling process should be minimized. Alternative includes the following:
    - Use an Excel template in consolidating, documenting, and reporting the revenue streams and the corresponding account coding.
    - Use a courier service to transport the receipts and corresponding documentation to the Cash Management Division for each revenue stream. This would eliminate the need for Parks and Recreation staff to manually consolidate all revenue streams into one or more manual reports.
  - Partner with Cash Management to determine the documentation required to reconcile revenue activity to the bank and to record corresponding journal entries.
  - Ensure all applicable staff receives training on applying the standard operating procedures.

**Parks and Recreation Corrective Action Plan**

Parks and Recreation concurs with and will implement the recommendations related to monitoring and reconciliation. In addition Parks and Recreation stated the following:

All applicable personnel have been given instructions to reconcile the amount of receipts/reports with the amount of cash/receipts in drawer and to investigate and make notations in regards to any discrepancies. Management to address any pattern of continuing issues.

Employees have been instructed to compare and contrast financial reports with daily paperwork and make notation of any shortages/overages along with notation and signature of person(s) with whom the error originated.

Spread sheet has been created which has a checks and balance area to make certain that funds taken in match the various systems in which the money was entered to assure that the daily funds balance. Amounts are totaled with a calculator.

Due to the nature of the venue of Iroquois Amphitheater/Reservation Office there is not always 2 people in the office but all monies are checked by at least 1 person and then the next person available reviews the totals and signs off on paperwork.

All employees are aware that two signatures must be in place after reviewing the financial paperwork before it is transmitted to OMB.

Daily financial paperwork has been broken down by month so that employees are alternating monthly responsibility of the Cashiering Funds.

Due to the nature of the venue two people are not always available to count out the cash but do so when feasible. Otherwise, on dates in which we need a cash drawer, at least one person counts and signs off on the total and then does the same at the end of the day.

Standardized operating procedures have been put into place and gone over with all applicable employees. Due to the nature of business and the reservation/ticketing software used, various reports must be used in order to show a true and accurate representation of funds received. However, Daily Cash Balance Sheet has been discussed with OMB and a condensed, user friendly format has been developed. Bee Line Courier is now used to deliver funds and financial paperwork to OMB.

### **3) Transaction Processing**

- **Transaction Processing.** Some issues were noted regarding the internal controls relative to transaction processing. Transaction processing includes activities involving processing individual transactions within the cashiering system, including monitoring and reporting the transactions. Accordingly, it is important to have effective internal controls in place to deter misappropriation of assets, establish accountability, and to ensure the integrity of reporting and transactions.
  - There were three of five instances in which it could not be determined that the refund was made to the credit card used in the originating transaction. The Payment Card Industry (PCI) Data Security Standard and Louisville Metro Government Cash Management Policy require that refunds be made to the credit card of the originating transaction.
  - During special events, patrons must pay a fee to park at the Amphitheatre. However, there is not a process in place to ensure that all vehicles that park in the designated areas pay the required fee. Further, the absence of such a process limits the ability to determine the accuracy and completeness of parking fees collected.
  - Multiple employees share a single cash drawer. When this occurs, custody of cash register receipts is exchanged without a documented independent verification of the amount. This weakens accountability since it is not possible to attribute any discrepancies to a single individual.

### **Recommendations**

Appropriate personnel should consider the following recommendations concerning Parks and Recreation Amphitheatre and Rental Office.

- ✓ When processing a refund to a customer credit card, the customer should be required to produce his/his original receipt, which will include the last four digits of the credit card. The refund should only be given on the credit card with the same last four digits, to ensure the refund is applied to the same credit card on which the initial purchase was made. A copy of both the original credit card receipt and the refund credit card receipt should be attached to the refund documentation.
- ✓ In an effort to track the quantity of vehicles parking in designated areas during special events and ensure required fees are paid, the following controls should be further considered for implementation:
  - Identify designated parking areas for special events. Ensure awareness of the requirement to pay for parking in the area by posting signs in designated areas.
  - Upon receipt of payment, a copy of the documentation of paid parking documentation (i.e. receipt, temporary parking permit, etc.) should be given to the patron and a record of payment (i.e. receipt) should be maintained by the cashier.
  - Each vehicle parked in a designated area should be required to visibly display documentation of paid parking (i.e. receipt, temporary parking permit, etc.).
  - At the end of the cashier's shift reconciliation should be performed using the record of payment to ensure that the funds collected agree to the quantity of vehicles that parked in designated areas during the event.

- ✓ The cashier should be assigned a cash drawer for their use only. The funds should be secured and access restricted to the individual to which the drawer is assigned. Ideally, the cash register reporting system would provide activity reports for each individual. If individual cash drawer accountability is not feasible (e.g., staff size or technology constraints), additional accountability procedures (e.g., supervisory use of intermittent activity reporting to support change in custody of register funds) should be implemented.

### **Parks and Recreation Corrective Action Plan**

Parks and Recreation concurs with but will not implement the recommendation related to transaction processing regarding credit cards. Parks and Recreation will take the following alternative corrective action:

Rentals are sometimes made 364 days in advance and therefore the customer does not always have a copy of their receipt so this is not feasible for the venue. However, staff has now been instructed to keep copies of credit card receipts with the rental number and last name of the customer so that we can reference this information to ensure that the credit card being credited is the credit card used for the initial payment.

Parks and Recreation concurs with and will implement the recommendations related to transaction processing regarding parking fees. In addition Parks and Recreation stated the following:

Tickets are now torn with a copy going to the customer and one going to the office so that the amount of tickets sold can be reconciled with the amount of money collected.

Parks and Recreation concurs with but will not implement the recommendation regarding multiple cashiers sharing a single cash drawer. Parks and Recreation will take the following alternative corrective action:

Due to only one cash drawer and credit card machine Iroquois Amphitheater/Reservation Office will still be sharing a cash drawer among workers for the daily financials. However, on larger scale events, each cashier will have their own cash drawer and will be held accountable for their balances at the end of the night. During the daytime, key to the cash drawer is held in a separate area to prevent the drawer from being opened by unauthorized persons.



The purpose of this survey is to solicit your opinion concerning the quality of the **Louisville Metro Government – Cash Management Policy – (Parks and Recreation Amphitheatre and Rental Office) Audit Report**. Please feel free to expand on any areas that you wish to clarify in the comment area at the end. Please return the completed survey electronically to [IAUDITIMB@Louisvilleky.gov](mailto:IAUDITIMB@Louisvilleky.gov) or to ATTN: Internal Audit 609 W. Jefferson St Louisville, KY 40202. We sincerely appreciate your feedback. The survey can also be completed online at the following link: <https://louisvilleky.wufoo.com/forms/audit-report-satisfaction-survey/>

### **Survey**

1. The audit report thoroughly explained the scope, objectives, and timing of the audit.  
  
 Strongly Agree  
 Agree  
 Neither Agree or Disagree  
 Disagree  
 Strongly Disagree
  
2. The audit report reflects knowledge of the departmental/governmental policies related to the area or process being audited.  
  
 Strongly Agree  
 Agree  
 Neither Agree or Disagree  
 Disagree  
 Strongly Disagree
  
3. The audit report is accurate and clearly communicated the audit results.  
  
 Strongly Agree  
 Agree  
 Neither Agree or Disagree  
 Disagree  
 Strongly Disagree
  
4. The audit recommendations were constructive, relevant, and actionable.  
  
 Strongly Agree  
 Agree  
 Neither Agree or Disagree  
 Disagree  
 Strongly Disagree
  
5. **\*\*Was there anything about the audit report that you especially liked?**

6. \*\*Was there anything about the audit report that you especially disliked?

Office of Internal Audit

Phone: 502.574.3291

[www.louisvilleky.gov/InternalAudit/](http://www.louisvilleky.gov/InternalAudit/)