

# OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE



## FINAL REPORT 2024-AR-0003

### Oceanfront Parks' Admission Cash Handling Audit

**MATTHEW J. LASCELL**  
**INSPECTOR GENERAL**

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## Executive Summary

### What We Did

The Office of Inspector General (OIG) Audit Unit audited the City of Jacksonville's (COJ) Kathryn Abbey Hanna Park and Huguenot Memorial Park. This audit was part of the OIG's 2024 Annual Audit Plan.

The focus was to determine if Kathryn Abbey Hanna Park and Huguenot Memorial Park operations complied with their standard operating procedures. We examined cash reports, credit reports, count sheets, and verification memos for 58 days out of Fiscal Year 2022-2023.

### What We Found

Overall, Huguenot Memorial Park and Kathryn Abbey Hanna Park demonstrated strong adherence to standard operating procedures regarding their admission fee handling.

- Kathryn Abbey Hanna Park had at least one verification memo for cash boxes for every day in the sample period. However, verification memos for one of the three cash boxes that are used in daily operations was missing and therefore unable to be reviewed by the Audit Unit,
- Huguenot Memorial Park demonstrated a 98.25% rate of compliance with standard operating procedures. The Audit Unit found that a single

verification memo line was absent; however, it was determined that the memo sheet was irretrievably damaged due to flooding during Hurricane Nicole (November 2022). This was not a result of procedural negligence or non-compliance.

### What We Recommended

The Audit Unit does not have any recommendations at this time. The current standard operating procedures provide sufficient means of handling admission fees for Huguenot Memorial Park and Kathryn Abbey Hanna Park.

### Management Response

No response from management.

### Acknowledgments

We appreciate the collaborative efforts of Huguenot Memorial Park and Kathryn Abbey Hanna Park staff to complete the audit. We further thank the supervisors for their patience and acknowledgment of these findings.

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## FINAL REPORT

### Purpose

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As part of the Office of Inspector General's (OIG) 2024 Annual Audit Plan, the Audit Unit conducted a performance audit of the City of Jacksonville's (COJ) Kathryn Abbey Hanna and Huguenot Memorial Parks to assess compliance with standard operating procedures for admission fees, focusing on revenue management practices to ensure adherence to established procedures and to identify any areas for improvement.

### Background

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The Parks, Recreation, and Community Services Department (Parks Department), amongst other duties, manages park admission fees and oversees the associated revenue streams. Given the crucial role these fees play in funding the department's operations, strict adherence to Standard Operating Procedures (SOPs) is vital for ensuring fiscal responsibility and operational efficiency.

This audit was initiated to assess the Parks Department's compliance with established SOPs for fee handling, focusing specifically on two parks (Hanna and Huguenot Parks) that account for most of the revenue processed. In addition to evaluating compliance, this audit sought to identify procedural gaps that could hinder optimal revenue generation due to deviations from the current SOPs.

In Fiscal Year 2023, the total revenue from COJ's parks and recreation areas reached \$5,050,637.51. Notably, together Hanna and Huguenot Parks generated \$3,808,329.58, representing 75% of the total admissions revenue from fee-based parks.

This significant concentration of revenue warranted a focused audit of these two parks, as they are central to the Parks Department's financial viability. Furthermore, the audit emphasized compliance with admissions fee procedures, given the high volume and frequency of these transactions. This higher transaction rate inherently increases the potential for errors compared to less frequent transactions, such as those for camping and other reservations. By narrowing the focus, the Audit Unit aimed to identify and address the most critical areas of non-compliance in the Parks Department's revenue management.

## Statement of Objectives, Scope, and Methodology

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This audit was conducted to ensure park operations for Hanna and Huguenot Parks complied with their SOPs. To accomplish this, the Audit Unit established the following objectives:

1. Determine whether Kathryn Abbey Hanna Park is adhering to their standard operating procedures regarding admission fees.
2. Determine whether Huguenot Memorial Park is adhering to their standard operating procedures regarding admission fees.

The scope of this audit was Fiscal Year 2023 and the relevant documents for this timeframe were collected and examined. During the audit, the Audit Unit:

- Interviewed Hanna and Huguenot Park supervisors.
- Reviewed SOPs for Hanna Park (rev. 08/2024) and Huguenot Park (rev. 01/2022).
- Reviewed cash reports, credit reports, count sheets, and verification memos from FY 2022-2023.
- Created sample sizes of 58 days from FY 2022-2023 with a 90% confidence level and a margin of error of +/- 5%

## Statement of Auditing Standards

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This audit adheres to the *International Standards for the Professional Practice of Internal Auditing* as established by the Institute of Internal Auditors. These standards mandate that the OIG plan and conduct audits to gather sufficient, reliable, relevant, and useful information to support the findings and conclusions aligned with the defined audit objectives. Additionally, this audit was carried out following Section 1.203(c) of the City of Jacksonville Charter and Ordinance Code Sections 602.303(a-c).

## Findings and Recommendations

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**Objective 1: Determine whether Kathryn Abbey Hanna Park is adhering to their standard operating procedures regarding admission fees.**

Hanna Park has established daily operational procedures in its SOPs dictating the proper handling of admission fees. Each morning, a staff member and the manager verify that the cash box contains \$100, recording their initials and the date on a

verification memo. At the end of the day, employees print cash count sheets, signing and dating them to confirm who conducted the count. Finally, staff members generate the day's cash and credit reports, which are stored in a file holder within the Reservations office.

Hanna Park demonstrated compliance with all credit reports, cash reports, and count sheets, except for one unaccounted verification memo related to one of the three cash boxes used for admission fees. Nevertheless, the park successfully retained all other verification memos included in the sample. The absence of this particular memo did not significantly affect the overall assessment of compliance with the SOPs.

**Recommendation:** No recommendation at this time.

**Objective 2: Determine whether Huguenot Memorial Park is adhering to their standard operating procedures regarding admission fees**

The SOP for Huguenot Memorial Park outlines cash handling procedures to ensure security and accuracy. Cash counts are done in a secure room, and \$60 is left in the change fund (cash box) for the next day's operations. All cash discrepancies must be reported and verified by a supervisor. At the end of the day, cash is sealed in an envelope and placed in the safe with a verified report. Credit card transactions must be approved and verified. All receipts are stapled to reports for record-keeping and accuracy.

The review of Huguenot Park's cash handling procedures indicated a high level of compliance with the SOPs. Out of 58 days assessed, 57 were fully compliant, yielding a compliance rate of 98.25%. The audit did reveal that the cash box entries from November 1 to 13 were incomplete due to the effects of Hurricane Nicole (November 9 to 11), which caused significant flooding in the office. This water damage compromised the safe and rendered the cash box sign-in sheets irreparably damaged. New sheets were created, and operations resumed on November 13. This natural disaster accounts for the missing records and should not be viewed as a procedural deficiency. Although there was one instance of non-compliance, it is not materially significant given its cause, the overall sample size, and the consistent compliance observed during the rest of the review period.

**Recommendation:** While there were no audit findings for this objective, the Audit Unit observed that several cash-handling documents were destroyed due to flooding. It is recommended that the Parks Department put safeguards in place to protect the documents in case of flooding.

## Conclusion

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The performance audit of Hanna and Huguenot Parks revealed a strong adherence to their respective SOPs for handling admission fees, with only minor items missing from the review. The missing documentation from Huguenot Park was due to damage caused by a natural disaster, while the missing material from Hanna Park was statistically insignificant.

Throughout the audit process, staff from both parks demonstrated excellent cooperation, providing timely access to all necessary records and personnel. Their responsiveness greatly enhanced the thoroughness and accuracy of the Audit Unit's review. This collaborative spirit underscores the Parks Department's commitment to compliance and operational excellence.

The audit found no material deficiencies within the sample size that would indicate systemic issues in the Parks Department's revenue-handling processes for these admission fees. Therefore, no corrective actions are recommended at this time. Overall, the Parks Department's practices in managing admission fees were consistent and reliable, ensuring fiscal responsibility and operational efficiency.