



JACKSONVILLE CITY COUNCIL

**TRUE COMMISSION
AUDIT COMMITTEE MEETING MINUTES
October 10, 2012
3:00p.m.**

**City Council Conference Room A
Suite 425, City Hall
117 W. Duval Street**

Attendance: Committee Members Marcella Lowe (Chair), Patti Anania, Alex Marrero, Diane Brown, Leroy Kelly and Tom Martin

Also: Jeff Clements – Council Research Division

The meeting was called to order at 3:02 p.m. by Chairwoman Lowe, who turned the meeting over to Commissioner Brown to lead the discussion of Council Auditor's Audit #721 – Oceanfront Parks Revenues.

Commissioner Brown stated that she is developing an audit finding tracking spreadsheet that she will share with the Council Auditor's Office as a potential tool for their use. The group discussed the audit's parameters and findings in some detail, working primarily from Commissioner Brown's list of issues and concerns.

The committee was particularly concerned about the failure to properly secure credit card information and had several questions about who is the City's credit card processing company and whether that company has standards and requirements that the City must meet as part of its credit card processing contract. Many credit card processors require a certification process, and users who fail to follow all the requirements are subject to fines and additional charges.

The committee discussed the security procedures for cash handling, counting and reporting, and had concerns about managerial oversight of the cash handling and accounting process. It appeared that more training, both of front line personnel and their managers, was warranted in the areas of cash handling policies and procedures, register tape reconciliations, and error reporting and remediation. The committee was of the opinion that the Council Auditor's Office should not wait for the usual 12-18 months to perform a follow-up on this audit. The practices appeared to be lax enough and the opportunities for misappropriation of funds so readily available as to make a much quicker follow-up (perhaps 6 months) advisable to ensure that corrective measures are being taken promptly.

The committee was concerned about the quality and sufficiency of management personnel in the parks' operations. It was not apparent from the audit if full-time managers were present in the park offices at all times and actively supervising and double-checking the cash counting and register tape reconciliations, cash deposits, seasonal pass sales, etc., and the committee was concerned that that part-time or seasonal employees might be performing these tasks in the absence of full-time managers. Lax record keeping, missing register tapes, failure to document transfer of passes from one park to another, failure to properly

administer concessions contracts and other practices seemed to indicate an overall weakness of management. The committee felt that more rigorous training and supervision of employees by managers and progressive discipline for violation of standard operating policies and procedures was indicated.

The committee noted that oversight of this department is the responsibility of the Mayor and his administration. There used to be an Inspector General that did operational reviews of the administrative departments (as a counterpart to the Council Auditor's more financially-based audits), but that office was abolished last year and appears not to have been replaced. How does the administration review departmental operations and compliance with applicable ordinances and policies?

Commissioner Brown will compile a document of the committee's questions and concerns and will have it distributed to the committee for their review.

There being no further business, the meeting was adjourned at 4:22 p.m.

Jeff Clements, Chief
Council Research Division
630-1405

Posted 10.11.12
5:00 p.m.