



# **OFFICE OF INTERNAL AUDIT**

---

## **REPORT TO THE BOARD OF SUPERVISORS**

**Pinal County Parks, Recreation and Fairgrounds**

**Follow-up Review**

**June, 2010**

Lori Stripling, Internal Audit Officer  
Bill D'Elia, Senior Internal Auditor

The Office of Internal Audit has completed a follow-up review of our Audit of Pinal County Parks, Recreation and Fairgrounds, which was finalized in July 2009.

As a result of our review, we found Parks Recreation and Fairgrounds management has completed or made admirable progress in implementing 43 of the 48 recommendations included in our July 2009 audit report.

Significant achievement has occurred in the following areas, pursuant to the audit recommendations:

- Controls over cash, checks, fixed assets and receipt books are improved
- Security for the Fairgrounds office and ticket booths is improved
- A Business Operating Plan has been developed
- Procedures for contracting out events have been improved
- Food and beverage service is now provided by an outside vendor
- Controls over County Fair ticket stock, to assure revenue is recorded, are improved
- Procedures to ensure RV revenues are properly collected have been improved
- Recommended building inspection was performed
- Disposal of hazardous items on the Fairgrounds has been completed

Based on our review, further improvements are needed, as indicated below:

- Although management has developed procedures to reconcile advance Fair sales to cash receipts, the reconciliation was not performed timely. Two months after the close of the County Fair it was still not complete.
- One unnecessary procurement card was eliminated when an employee resigned, but the account was not closed.
- Although Management performed an analysis of continuing the RV business, they did not finalize the business plan and submit it to the board of supervisors for approval.

- Management indicated a physical inventory of pilferable and desirable items had been performed, but documentation of the inventory results could not be located.
- Although an agreement allowing the Security Officer to live at the Fairgrounds has been implemented, any taxable benefit to the officer, resulting from this agreement, has not been determined and reported to the IRS.

The following matrix provides details of management's reported progress and our assessment, based on follow-up audit procedures performed. We would like to thank the Parks, Recreation and Fairgrounds Department for their assistance during our follow-up review.

Lori Stripling  
Pinal County Internal Audit Officer

Page left blank intentionally

**Pinal County Internal Audit  
Fairgrounds Audit Follow-Up  
June 2010**

<b>Audit Recommendation</b>	<b>Concur (Yes or No)</b>	<b>Management's Response and Action Plan</b>	<b>Target Date</b>	<b>Individual(s) Responsible</b>	<b>Internal Audit Assessment</b>
<p>1. <i>The Director of Parks, Recreation and Fairgrounds should determine if an electronic point of sale system, to automatically record all Fairgrounds sales activities, can be economically obtained.</i></p>	<p>Yes</p>	<p>The Fairgrounds currently has 3 cash registers that record all sales. The Director will work with Staff and create a policy that these registers will be used for ALL Parks and Fairgrounds transactions. However, it is understood that the intent of this recommendation is to have a computerized point of sale program, but the Director has been informed that this is costly. The Director will continue to look for avenues to implement a point of sale program at the Fairgrounds with the understanding this will take more time than anticipated.</p>	<p>07/30/2010</p>	<p>Director</p>	<p><b>Complete</b></p> <p><b>A reduction in cash operations, due to contracting out functions, has mitigated the need for a point of sale system.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>2. <i>The Director of Parks, Recreation and Fairgrounds should establish a policy that requires cashiers to obtain a driver's license, or state identification card, from all customers paying by check and requires cashiers to record the license/identification number on the check.</i></p>	Yes	<p>Director is setting up a meeting with the Chief Finance Director for the County to review current County policy and implementation.</p>	07/30/2009	Director	<p><b>Complete</b></p> <p>Identification is now obtained for check paying customers.</p>
<p>3. <i>The Director of Parks, Recreation and Fairgrounds should establish a policy requiring cashiers to endorse all checks immediately upon receipt.</i></p>	Yes	<p>Director is setting up a meeting with the Chief Finance Director for the County to review current County policy and implementation.</p>	07/30/2009	Director	<p><b>Complete</b></p> <p>Checks are endorsed as recommended.</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>4. <i>The Director of Parks, Recreation and Fairgrounds should post a sign, reminding customers to obtain a receipt and providing a phone number to call in the event a receipt is not provided.</i></p>	Yes	<p>Director is setting up a meeting with the Chief Finance Director for the County to review policy and implementation.</p> <p>A sign will be posted in front office reminding customers to obtain a receipt. The sign will provide a number to call in the event a receipt is not provided.</p>	07/30/2009	Director	<p><b>Complete</b></p> <p>A sign was posted as recommended.</p>
<p>5. <i>The Director of Parks, Recreation and Fairgrounds should require receipt books, currently in use, to be secure and accessible only by the accountable cashier.</i></p>	Yes	<p>Director will work with the appropriate staff to see that this is carried out. This procedure will be included into the Parks, Recreation and Fairgrounds' Cash Handling and Accounting Handbook.</p>	07/30/2009	Director/Staff	<p><b>Complete</b></p> <p>Receipt books were properly secured.</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
6. <i>The Director of Parks, Recreation and Fairgrounds should establish a control numbered log for new unissued receipt books. The books should be secured, and accessed, only by staff members that do not have access to cash.</i>	Yes	Director will work with the appropriate staff to see that this is carried out. This procedure will be included into the Parks, Recreation and Fairgrounds' Cash Handling and Accounting Handbook.	07/30/2009	Director/Staff	<b>Complete</b>  Control log was established and maintained by the Director.
7. <i>The Director of Parks, Recreation and Fairgrounds should perform a risk analysis to determine if a security system, or scheduled monitoring, is needed to ensure employee safety.</i>	Yes	A cost risk analysis will be conducted to see if there are any cost effective security measures that can be made. (ie, security personnel, cameras-recorders, panic alarms, etc. added as part of any planning for building upgrades or additions.)	09/1/2009	Director/Staff	<b>Complete</b>  Security was improved via the addition of a camera and addition of locking door and wall enclosure.

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>8. <i>The Director of Parks, Recreation and Fairgrounds should establish a policy requiring every cashier to be accountable for their own cash drawer and receipt book.</i></p>	Yes	<p>Director will work with the appropriate staff to see that this is carried out. This procedure will be included into the Parks, Recreation and Fairgrounds' Cash Handling and Accounting Handbook.</p>	07/30/2009	Director/Staff	<p><b>Complete</b></p> <p>Staff has been reduced to one cashier, so there are no longer multiple cashiers handling cash.</p>
<p>9. <i>The Director of Parks, Recreation and Fairgrounds should ensure responsibilities for cash handling and responsibilities for cash reconciling are delegated to, at least, two different employees.</i></p>	Yes	<p>Director will work with the appropriate staff to see that this is carried out. This procedure will be included into the Parks, Recreation and Fairgrounds' Cash Handling and Accounting Handbook.</p>	07/30/2009	Director	<p><b>Complete</b></p> <p>Proper delegation was made, so that reconciling is performed by the Director.</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>10. <i>The Director of Parks, Recreation and Fairgrounds should establish a policy that requires cash procured during the cashier's shift is placed in a sealed deposit bag at the end of the cashier's shift.</i></p>	Yes	<p>Director will work with the appropriate staff to see that this is carried out. This procedure will be included into the Parks, Recreation and Fairgrounds' Cash Handling and Accounting Handbook. It is noted that the Director has observed this practice being carried out currently by staff at the end of their shifts.</p>	07/30/2009	Director/Staff	<p><b>Complete</b></p> <p>Cash is sealed at the end of each shift.</p>
<p>11. <i>The Director of Parks, Recreation and Fairgrounds should review and initial all voided receipts.</i></p>	Yes	<p>Director will work with the appropriate staff to see that this is carried out. This procedure will be included into the Parks, Recreation and Fairgrounds' Cash Handling and Accounting Handbook.</p>	07/30/2009	Director/Staff	<p><b>Complete</b></p> <p>No unapproved voids were found.</p>
<p>12. <i>The Director of Parks, Recreation and Fairgrounds should be responsible to obtain cash handling training for all employees who handle cash.</i></p>	Yes	<p>Director will initiate discussion with Human Resource Department to identify opportunities available for training employees who handle cash.</p>	09/1/2009	Director/Staff	<p><b>Complete</b></p> <p>Cash handling training was provided.</p>

<b>Audit Recommendation</b>	<b>Concur (Yes or No)</b>	<b>Management's Response and Action Plan</b>	<b>Target Date</b>	<b>Individual(s) Responsible</b>	<b>Internal Audit Assessment</b>
<p><i>13. The Director of Finance should establish a policy requiring that all outstanding change funds are signed out to a responsible person, and should work with Human Resources to ensure all funds are turned in, or reassigned, upon termination of the responsible person's employment with Pinal County.</i></p>	<p>Yes</p>	<p>An updated Petty Cash and Change Fund Policy was submitted to Directors and Elected Officials for comment on 4/23/2009. It is scheduled for Board of Supervisor's Approval on 6/3/2009.</p>	<p>07/30/2009</p>	<p>Victoria Prins and Yiannis Kalaitzidis.</p>	<p><b>Complete</b> <b>Policy established June 2009.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>14. <i>The Director of Parks, Recreation and Fairgrounds should determine what types of events should be provided by the Fairgrounds and develop a comprehensive business operating plan. The plan should include a cost model, to ensure events are properly priced.</i></p>	Yes	<p>Director is currently preparing a draft business/operating plan for the Fairgrounds. This should be available for review by the Administrative Service ACM by July 1, 2009. However, at this time there are many unknowns re: the uses and leases on Fairground property. This plan will be developed with the assumption that as clarity is given on land uses, leases, etc. the plan will be updated.</p> <p>It is noted that the a Strategic Business Plan was developed for this department through the MFR program to assist the Fairgrounds in focusing on a mission and plan for the use of the facilities.</p>	08/30/2009	Director/Staff	<p><b>Complete</b></p> <p><b>A comprehensive business plan was developed.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>15. <i>The Director of Parks, Recreation and Fairgrounds should develop event contracting procedures, to ensure Fairgrounds staff:</i></p> <ul style="list-style-type: none"> <li>a. <i>obtain proper contract and insurance documentation;</i></li> <li>b. <i>consistently collect deposits for events and charge customers in accordance with established prices;</i></li> <li>c. <i>require timely customer payments and comply with stated refund conditions.</i></li> </ul>	Yes	<p>This will be included in the business plan and will also be included in the Accounting and Cash Handling policy and procedure handbook for the PRF Department.</p> <p>The Director has been working with Staff to develop an event scheduling process and checklist. This should be completed by August 2009. The process will include a determination for insurance necessities, collections and deposits practices in concurrence with policy direction.</p>	08/30/2009	Director/Staff	<p><b>Complete</b></p> <p><b>Contracting procedures were adequate.</b></p> <p><b>Insurance and pricing issues were properly addressed.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>16. <i>The Director of Parks, Recreation and Fairgrounds should identify all business revenue streams and seek legal counsel for determination of sales tax applicability. If some business operations are subject to sales tax, the Fairgrounds Department should begin properly collecting and remitting all sales tax due to the State of Arizona.</i></p>	Yes	<p>The Director will work with County legal counsel. Also, the Director will contact the Department of Revenue to determine exactly what revenue streams are subject to sales tax.</p> <p>Once the determination is made on what revenues are taxable, the department Staff will work with Finance to submit proper paperwork and sales tax collections.</p>	08/30/2009	Director/and Legal Counsel	<p><b>Complete</b></p> <p>Legal counsel was obtained. County discontinued service that could have been subject to sales tax.</p>
<p>17. <i>The Director of Parks, Recreation and Fairgrounds should determine if use of an outside vendor for food and beverage concessions is an effective way to provide better service to Fairgrounds patrons.</i></p>	Yes	<p>The Director is currently working with Finance to draw up an RFP to see what the interest is in obtaining a Master Concessionaire Agreement with the Fairgrounds.</p>	<p>RF-7/18/2009 Agreement 09/01/2009</p>	Finance Staff/Director PRF	<p><b>Complete</b></p> <p>Contract awarded to outside vendor.</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>18. <i>Until a decision is made regarding the use of an outside vendor for food and beverage concessions, the Director of Parks, Recreation and Fairgrounds should consider the following changes to current practices:</i></p> <ul style="list-style-type: none"> <li>• <i>Separate the duties of beverage inventory ordering and record keeping from physical custody of the beverage inventory</i></li> <li>• <i>Establish procedures for recording in inventory records the sale of individual poured drinks/shots</i></li> <li>• <i>Request that the Risk Management Department provide a risk assessment of maintaining an alcoholic beverage operation without proper insurance.</i></li> </ul>	Yes	<p>The Director is aware of these issues and has currently taken steps to correct any questions.</p> <p>The Director will work with Risk Management and the Fairgrounds Staff responsible for Bar Sales to establish proper procedures and insurance.</p>	8/01/2009	Director/Staff/ Risk Management	<p><b>Complete</b></p> <p><b>In-house food and beverage operations now discontinued.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
19. <i>The Director of Parks, Recreation and Fairgrounds should issue a request for proposals and seek multiple bids for the carnival ride operation contract well in advance of the 2010 County Fair.</i>	Yes	Director and Fair Manager will work with purchasing department and legal department to structure an appropriate bid and award.	Bid Process finalized by September 30, 2009	Director and Fair Manager	<b>Complete</b>  A request for proposal was issued for the 2010 Fair.
20. <i>The Director of Parks, Recreation and Fairgrounds should secure an effective, signed contract with a Carnival Ride operator at least 3 months prior to the 2010 Fair, to ensure the County's interests are protected.</i>	Yes	Upon Completion of the bid process a county approved contract with the winning vendor will be provided to the vendor. Carnival vendor will be required to return contract and all required documentation within 30 days of receipt of contract.	Contract to be issued within 30 days of bid process	Director and Fair Manager	<b>Complete</b>  A signed contract was obtained well in advance of the Fair.
21. <i>The Director of Parks, Recreation and Fairgrounds should ensure the Fairgrounds staff obtains adequate training in County procurement regulations.</i>	Yes	Director will work with the procurement department to make arrangements for such training. An agreed upon training methodology will be included as a part of a standard operating procedures for fairgrounds personnel.	Ongoing	Director/Staff/ Finance	<b>Complete</b>  Finance provided applicable training.

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>22. <i>The Director of Parks, Recreation and Fairgrounds should ensure Fairgrounds personnel are trained to properly complete receipt documents, for the purpose of ensuring all advance ticket revenue can be reconciled to ticket stock sold.</i></p>	<p>Yes</p>	<p>Director will work with the Finance Department to obtain a training schedule for all staff responsible for handling cash. This will be an ongoing training requirement with updates as available.</p>	<p>Ongoing</p>	<p>Director/Staff/Finance</p>	<p><b>Incomplete</b></p> <p><b>Advance ticket sales were not reconciled. Although procedures had been developed to complete this process, the Fair Manager still had not completed the reconciliation two months after the Fair ended.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>23. <i>The Director of Parks, Recreation and Fairgrounds should provide specially marked ticket stock to the Carnival ride operator, to ensure revenues reported by the operator are verifiable. These tickets should be specifically marked as Pinal County Ride tickets, serially numbered, and comply with other requirements, as coordinated with the 2010 Fair Operator.</i></p>	<p>Yes</p>	<p>These tickets should be purchased through normal procurement procedure and the cost should be deferred to the carnival operator. Such costs should be made a part of the bid requirement.</p> <p>A printing and shipping manifest will be required that indicates the serial range of tickets shipped. An inventory receipt form shall be created and completed by one office staff member and one other county employee verifying the ticket stock on hand matches the printing manifest.</p> <p>Tickets will be issued to the carnival operator on Monday prior to fair opening. Tickets sold shall be audited at time of settlement with the carnival.</p> <p>All remaining stock at end of event to be held in a secure location for audit purpose.</p>	<p>02/01/2010</p>	<p>Director/Fair Manager and Staff</p>	<p><b>Complete</b></p> <p><b>Ticket stock was procured by the County and provided to the ride operator.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>24. <i>The Director of Parks, Recreation and Fairgrounds should discard/destroy the entire stock of generic tickets currently stored at the Fairgrounds and pursue the purchase of specially marked tickets for both the Fiddler Show and County Fair. The face of the tickets should indicate type (adult, child, senior, etc.) and be uniquely marked for Pinal Fairgrounds use. They should be serially numbered and controlled by an individual who does not handle cash.</i></p>	<p>Yes</p>	<p>Current stock will be destroyed and unique tickets will be ordered by the purchasing department following county procurement process. Tickets will be ordered for each show and will also include the year of the event. A printing and shipping manifest will be required that indicates the serial range of tickets shipped. An inventory receipt form shall be created and completed by one office staff member and one other county employee verifying the ticket stock on hand matches the printing manifest. All remaining stock at end of event to be held in a secure location for audit purpose.</p>	<p>Destruction of current stock by 09/01/2009</p> <p>Tickets for each show will be ordered as needed, inventoried, receipted and stored in a secure location.</p>	<p>Director/Fair Manager and Staff</p>	<p><b>Complete</b></p> <p><b>Generic tickets were no longer used for 2010 fair admission; instead, specifically marked tickets were used.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
25. <i>The Director of Parks, Recreation and Fairgrounds should ensure temporary and other staff members that handle cash are not related to personnel accountable for ticket stock or other controlled documentation.</i>	Yes	This will become part of standard operating procedure and training.	Operating procedure to be completed by November 2009	Director/Fair Manager and Staff	<b>Complete</b>  The employee having a conflict of interest no longer works for the County.
26. <i>The Director of Parks, Recreation and Fairgrounds should ensure controlled tickets are kept secured until issued to cashiers and should ensure they are reconciled at the close of the Fair/Fiddler Festival by an individual who does not handle cash at those events.</i>	Yes	Tickets can be controlled prior to issuance to the cashier. However, due to limited staff size all office personnel are authorized to handle cash at the event. Recommend that, to insure accountability, one staff representative verify tickets issued with the cashier and another be responsible for checking that cashier out at the end of the day. Final reconciliation will be completed by a non-cash handler.	Standard operating procedure to be created by November, 2009	Director/Fair Manager and Staff	<b>Complete</b>  Controlled tickets were properly secured and independently reconciled at the close of the Fair.

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>27. <i>The Director of Parks, Recreation and Fairgrounds should develop procedures for ticket cashiers and ticket takers that require:</i></p> <ul style="list-style-type: none"> <li>a. <i>Ticket takers to tear/spoil tickets when taken</i></li> <li>b. <i>Cashiers to lock booth doors when cash is in booths</i></li> <li>c. <i>Ticket takers to constantly monitor gate admissions</i></li> <li>d. <i>Independent observation and monitoring of activities for compliance with these requirements during the function</i></li> </ul>	Yes	<p>Create a Standard Operating Procedure outlining admission ticket control.</p> <ul style="list-style-type: none"> <li>a. Roll tickets should be torn in half and half should be given to the patron.</li> <li>b. Doors should be auto locking and remain closed. The doors should be able to be opened from inside without a key. Gate manager should have a key for access.</li> <li>c. Ticket takers should function so as to keep their attention on traffic through the gate. An adequate number of staffing should be in place to facilitate this procedure.</li> <li>d. Management should conduct random check on front gate operations to insure that policy and procedures are being met.</li> </ul>	Operating procedure to be created by November 2009	Director/Fair Manager and Staff	<p><b>Complete</b></p> <p><b>Booth controls were improved at the 2010 fair. Tickets were torn when used; new locking doors were installed for ticket booths; and the gate was always monitored.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>28. <i>The Director of Parks, Recreation and Fairgrounds should review security provisions, to ensure availability of a secure locked office for counting cash and preparing bank deposits. The Director should also ensure the presence of security personnel at the front gate where cash is handled.</i></p>	Yes	<p>Cash counting personnel will be in a secured (locked) room with counting cash and preparing bank deposits (Director's Office).</p> <p>There should be a member of the security team present at the front gate based on traffic flow. During slow periods of operation it is not cost effective. However security should be provided during high traffic periods and times of greater risk. Director and security liaison should have discretion in providing adequate security.</p>	3/2010	Director/Fair Manager and Staff	<p><b>Complete</b></p> <p><b>Security for the 2010 fair was improved, due to the addition of new walls and locking doors.</b></p>

<b>Audit Recommendation</b>	<b>Concur (Yes or No)</b>	<b>Management's Response and Action Plan</b>	<b>Target Date</b>	<b>Individual(s) Responsible</b>	<b>Internal Audit Assessment</b>
<p>29. <i>The Director of Parks, Recreation and Fairgrounds should develop procedures, and properly train staff, to ensure adequate accounting and receipting of all County Fair revenue. Specifically, the Director should ensure personnel include ticket numbers on customer receipts.</i></p>	<p>Yes</p>	<p>This will become part of the Standard operation procedure and part of future employee training</p>	<p>Operating procedure to be completed by November 2009</p>	<p>Director/Staff/ Finance</p>	<p><b>Complete</b>   <b>Ticket numbers were listed on receipts.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>30. <i>The Director of Parks, Recreation and Fairgrounds should require that serially numbered tickets are controlled and issued by an individual who does not also handle cash receipts. Tickets should be reconciled immediately following the close of the Fair, to ensure all tickets are accounted for and all revenue is recorded.</i></p>	<p>Yes</p>	<p>Tickets can be controlled prior to issuance to the cashier. However, due to limited staff size all office personnel are authorized to handle cash at the event. Recommend that, to insure accountability, one staff representative verify tickets issued with the cashier and another be responsible for checking that cashier out at the end of the day.</p> <p>A staff member, who did not check anyone selling tickets out, will prepare a closing summary to be presented to management at the close of the event. Such report should indicate the starting and ending numbers of tickets and an accounting of cash receipts. A copy of the original manifest should be made a part of the report.</p> <p>Management will verify remaining stock matches the report and that cash receipts were deposited accordingly. Final reconciliation will be completed by a non-cash handler.</p>	<p>1/2010</p>	<p>Director/Fair Manager and Staff</p>	<p><b>Complete</b></p> <p><b>Tickets were controlled and properly reconciled.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>31. <i>The Director of Parks, Recreation and Fairgrounds should ensure Fairgrounds personnel enforce contract terms and require vendors to pay fees in accordance with the signed agreements. The Director should determine if non-complying vendors can be replaced by vendors on a waiting list.</i></p>	Yes	<p>Fair Management will ensure that contract terms are enforced and that vendors pay fees in accordance with signed agreements. The Director will keep a waiting list of vendors who may be contacted to replace non-complying vendors.</p>	3/2010	Director/Fair Manager and Staff	<p><b>Complete</b> Vendor fees were paid timely.</p>
<p>32. <i>The Director of Parks, Recreation and Fairgrounds should provide a profitability analysis of the RV and storage space rental business to the Board of Supervisors and allow them to determine if the County can continue to provide this service.</i></p>	Yes	<p>The Director and Staff have discussed this and there will need to be some further discussion re: equipment and personnel to do the analysis. This may take longer than is anticipated by the intent of this draft audit. However, it needs to be done and so will be looked into in FY 2010.</p>	2011	Director/PFR Staff	<p><b>Partially Complete</b> An analysis of the RV and storage space rental business was adequately completed. However, the plan was not finalized and submitted to the Board of Supervisors for approval.</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>33. <i>If a decision is made to continue this business, the Director of Parks, Recreation and Fairgrounds should develop a business operating plan to:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Explore advertising opportunities;</i></li> <li>▪ <i>Develop pricing for all services;</i></li> <li>▪ <i>Require signed agreements for all RV and storage services that include:</i> <ul style="list-style-type: none"> <li>○ <i>dates and spaces to be occupied</i></li> <li>○ <i>vehicle information</i></li> <li>○ <i>contact information for the owner</i></li> <li>○ <i>advance payment for all services</i></li> </ul> </li> </ul>	Yes	If the decision is made to continue allowing RV use at the Fairgrounds the Director will develop a business operating plan that will incorporate the audit recommendations.	February, 2011	Director/PRF Staff	<p><b>Complete</b></p> <p><b>RV operations were improved to include standard pricing and proper agreements.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
34. <i>The Director of Parks, Recreation and Fairgrounds should close the checking account and make purchases and other expenditures via procurement cards or regular accounts payable checks.</i>	Yes	This has been completed	05/2009	Director	<b>Complete</b>  Checking account was closed.
35. <i>The Director of Parks, Recreation and Fairgrounds should evaluate the need for a petty cash fund.</i>	Yes	This has been completed and it has been determined that due to the remoteness of the PRF Administrative office, petty cash is needed for purchasing stamps, etc. from the local Post Office.	7/2009	Director/PFR Staff	<b>Complete</b>  Evaluation was performed, and it was determined the fund is still needed.
36. <i>If it is determined the petty cash fund is unnecessary, it should be closed and the proceeds turned over to the County Finance Department.</i>	Yes	This has been completed and it has been determined that due to the remoteness of the PRF Administrative office, petty cash is needed for purchasing stamps, etc. from the local Post Office.	07/2009	Director/PFR Staff	<b>Complete</b>  Fund is still required, so account was not closed.

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>37. <i>If it is determined the petty cash fund is necessary to conduct Fairgrounds business, the Fairgrounds Director should ensure:</i></p> <ul style="list-style-type: none"> <li>▪ <i>All transactions are properly supported with appropriate documentation;</i></li> <li>▪ <i>All transactions are approved by a supervisor;</i></li> <li>▪ <i>Reconciliation, and request for reimbursement of funds, is completed in a timely manner.</i></li> <li>▪ <i>Reconciliation, and request for reimbursement of funds, is reviewed and approved by a supervisor</i></li> </ul>	Yes	<p>It has been determined by the Director that due to the remoteness of the Fairgrounds and its distance from major retail stores, a Petty Cash fund is necessary to conduct the daily business of the Fairgrounds administration. The Director will ensure that the suggested recommendations of this audit are met.</p> <ul style="list-style-type: none"> <li>▪ <i>All transactions are properly supported with appropriate documentation;</i></li> <li>▪ <i>All transactions are approved by a supervisor;</i></li> <li>▪ <i>Reconciliation, and request for reimbursement of funds, is completed in a timely manner.</i></li> <li>▪ <i>Reconciliation, and request for reimbursement of funds, is reviewed and approved by a supervisor</i></li> </ul>	07/2009	Director/PFR Staff	<p><b>Complete</b></p> <p><b>Petty cash transactions were supported, approved and submitted timely.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
38. <i>The Director of Parks, Recreation and Fairgrounds should cancel and collect from staff all unnecessary procurement cards.</i>	Yes	The Director agrees and this will occur	Immediately 6/2009	Director/PFR Staff	<b>Incomplete</b>  Although one card was eliminated and the employee resigned, the card was not cancelled.
39. <i>The Director of Parks, Recreation and Fairgrounds should obtain Assistant County Manager approval, as required by policy, for all purchases of food or beverages for County personnel working at Fairgrounds events.</i>	Yes	Currently being done.	06/2009	Director/PFR Staff	<b>Complete</b>  No unauthorized purchases were made.
40. <i>The Director of Parks, Recreation and Fairgrounds should ensure staff submits a required waiver form when using procurement cards for purchases from a non-contracted vendor.</i>	Yes	Currently being done.	06/2009	Director/PFR Staff	<b>Complete</b>  Waiver forms are submitted when required.

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>41. <i>The Director of Parks, Recreation and Fairgrounds should perform a comprehensive physical inventory of fixed assets as soon as possible to ensure the Fixed Asset Inventory listing is complete and accurate. The process should include appropriate documentation of all additions and deletions.</i></p>	Yes	Currently completed	6/2009	Director/PFR Staff	<p><b>Complete</b></p> <p>A properly documented inventory was conducted.</p>
<p>42. <i>The Director of Parks, Recreation and Fairgrounds should determine if other desirable and/or easily pilfered items not appropriate for Fixed Asset classification should be tracked and maintained in a separate Department inventory record.</i></p>	Yes	Currently completed	6/2009	Director/PFR Staff	<p><b>Incomplete</b></p> <p>Management identified items that needed to be tracked, but could not locate the inventory record.</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>43. <i>The Director of Parks, Recreation and Fairgrounds should develop a policy to require the annual inventory of fixed assets is conducted, and appropriate adjustment are made , as required by year-end closing procedures.</i></p>	Yes	Currently completed	6/2009	Director/PFR Staff	<p><b>Complete</b></p> <p><b>A properly documented inventory was conducted.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>44. <i>The Director of Parks, Recreation, and Fairgrounds should seek the advice of legal counsel, and prepare a formal agreement authorizing the Security Officer's on-site residency. The terms of the agreement should include, but not be limited to, a list of responsibilities and benefits for both parties; payroll or other tax implications; terms of occupancy; and approved use of space.</i></p>	Yes	<p>This has been in the works since February 2009</p> <p>An Agreement has been prepared, reviewed by legal staff, HR and submitted to Assistant County Manager for Administrative Services for review and processed for signature. It is expected that this will be finalized with employee and on file by target date of 7/30/2009.</p>	7/30/2009	Director/Staff/ County Attorney	<p><b>Partially Complete</b></p> <p><b>An agreement was secured, but taxable benefits to the officer were not determined and reported to the IRS.</b></p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>45. <i>The Director of Parks, Recreation, and Fairgrounds, in consultation with County Management, the Fair and Parks Advisory Board, and the Board of Supervisors, should develop a charter identifying the roles, responsibilities, and functions of the Fair and Parks Advisory Board. At a minimum, the charter should define the length and maximum number of members' terms, requirements for periodic meetings, methods of documenting activities of the board, and other responsibilities, as required.</i></p>	Yes	<p>This is currently being worked on. The Director is developing a business operating plan for the Parks, Recreation and Fairgrounds Department that will be reviewed in July 2009 with the Assistant County Manager for Administrative Services, Budget personnel and the County Manager. This plan will include a section addressing the need for an active Parks, Recreation and Fairgrounds Advisory Board. The Director will work directly with this Board to develop a charter identifying their roles, responsibilities, and function. At a minimum, the charter will define the length and maximum number of members' terms, requirements for periodic meetings, methods of documenting activities of the board, and other responsibilities, as identified and required.</p>	09/01/2009	Director/BOS/ACM	<p><b>Complete</b></p> <p>Expanded role of the board has been addressed in the long range plan for the Fairgrounds.</p>

<b>Audit Recommendation</b>	<b>Concur (Yes or No)</b>	<b>Management's Response and Action Plan</b>	<b>Target Date</b>	<b>Individual(s) Responsible</b>	<b>Internal Audit Assessment</b>
<p>46. <i>The Director of Parks, Recreation and Fairgrounds should request an immediate inspection by the Building Safety Department, to determine if the building is safe to occupy.</i></p>	<p>Yes</p>	<p>A building inspection will be scheduled with Pinal County Building Safety Inspectors.</p>	<p>09/2009</p>	<p>Director</p>	<p><b>Complete</b>  The Building Safety Dept. assessed the building.</p>
<p>47. <i>Based on the results of that inspection and other factors, such as the need for the facility and the cost to complete, the Board of Supervisors should determine if and how the building should be completed or removed.</i></p>	<p>Yes</p>	<p>The buildings were acquired for additional office spaces and training classrooms. Due to budget constraints in the past few years the completion of this building has been a low county priority. The Director will work with the Assistant County Manager (ACM) for Administrative Service to determine the feasibility of keeping the buildings. Based on the outcome of that determination, the director will implement the direction obtained from the ACM.</p>	<p>12/2009</p>	<p>ACM Administrative Services/Director</p>	<p><b>Complete</b>  Fairgrounds management has made a preliminary decision to have the building demolished.</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible	Internal Audit Assessment
<p>48. <i>The Director of Parks, Recreation, and Fairgrounds should take immediate action to secure this area from the public and proceed to dispose of the contents as soon as possible.</i></p>	<p>Yes</p>	<p>The area in question is the junk yard that sits west of the RV parking area and directly south of the Fairgrounds Storage yard. The Picacho Fire District burned all burnable trash in May 2009. The large steel modular frame was dismantled and piled for scrap metal sale. All abandoned vehicles have been checked for ownership with the Arizona Department of Motor Vehicles and no owners found. Pinal County Public Works and Assistant Finance Chief have been notified of the remaining contents in the "junk yard". Public Works will include the remaining contents in the next public auction sale at the Fairgrounds.</p>	<p>12/2009</p>	<p>Director/Staff/ Public Works.</p>	<p><b>Complete</b>  Items in the salvage area have been disposed of.</p>

