



Performance Audit:

Why We Did This Audit

We undertook this audit because a City Council member expressed concern about inconsistent fees charged at the city's recreation centers. We reviewed city code and the department's policies and procedures to determine when fees were last set and to assess processes for setting, collecting, and recording fees.

What We Recommended

To improve the fee-setting process the Commissioner of Parks and Recreation should:

- work with Finance to review the 25 trust fund project numbers, remove unused accounts, and match project numbers to program areas
- develop cost recovery goals for specific programs where appropriate
- develop a policy that requires fees to be reviewed every two to three years

To ensure consistent application of fees, the commissioner should:

- document procedures for waiving fees
- retain customers' financial hardship application supporting documents for 2 years

To strengthen cash handling controls, the commission should:

- encourage guests to use self-service sign-up, pay for services using electronic payment options, and allow guests to register themselves at the facilities

For more information regarding this report, please use the "contact" link on our website at www.atlaudit.org

Parks and Recreation Fees

What We Found

The Department of Parks and Recreation manages 409 city parks and recreation facilities, which provide amenities for residents and nonresidents. Customer fees for amenities are outlined in Section 110-3 of city code. The department's shared goal with City Council is to focus on the accessibility of services more than generating revenues. We reviewed four peer cities' parks and recreation fees and found that the city's fees are generally comparable.

While best practices recommend parks and recreation agencies establish program cost-recovery goals, which can range from 0% to 125%, the city's financial system is not currently set up to capture program level expense data. Detailed cost data is needed to identify where costs can be recovered. Overall, fee revenue covered 8% of the department's total expenses in fiscal years 2016 through 2020.

The department does not have a documented process to review or update its customer fees. We reviewed ordinances amending Section 110-3 of city code and found most fees haven't changed in over ten years and no fees have been modified since 2016. Best practices recommend reviewing fees every two to three years.

City code authorizes the Parks and Recreation Commissioner to waive fees, but the department has no written procedures for how and when waivers will be provided or documented. The department offers youth residents reduced fees for afterschool and athletics programs based on financial hardship. About one-third of students enrolled in the 2018-2019 afterschool program paid reduced fees. The department was unable to provide supporting documents for 10 of our random sample of 22 participants and not all applications included the required supporting documents.

While the department follows several best practices for handling payments, collection of cash-equivalent payments at recreation facilities poses risk. The department could strengthen its cash handling procedures by ensuring key duties are segregated.

Management Responses to Audit Recommendations

Summary of Management Responses

Recommendation #1: We recommend that the Commissioner of Parks and Recreation work with Finance to review the 25 trust fund project numbers, remove unused accounts, and match project numbers to program areas.

Response & Proposed Action: Work with Finance to reconcile various trust fund projects and match project numbers to program areas where feasible and appropriate. **Agree**

Timeframe: April 2022

Recommendation #2: We recommend that the Commissioner of Parks and Recreation develop cost recovery goals for specific programs where appropriate.

Response & Proposed Action: Establish a list of appropriate programs to determine cost recovery goals. Cost recovery goals as recommended in the audit may be between 0%-105% or more depending on the program. **Agree**

Timeframe: April 2022

Recommendation #3: We recommend that the Commissioner of Parks and Recreation work with Finance to determine a procedure to tie expenses from the general fund to program areas with identified cost recovery goals.

Response & Proposed Action: Work with Finance to determine a procedure to tie expenses from the general fund to program areas and cost recovery goals as appropriate. **Agree**

Timeframe: April 2022

Recommendation #4: We recommend that the Commissioner of Parks and Recreation develop a policy that requires fees to be reviewed every two to three years.

Response & Proposed Action: Develop a department practice to review fees every two to three years. **Agree**

Timeframe: April 2022

Recommendation #5:	We recommend that the Commissioner of Parks and Recreation document procedures for waiving fees to ensure compliance with city code and consistency when issuing fee waivers.	
Response & Proposed Action:	Establish a procedure to ensure fee waiver compliance with city code.	Agree
Timeframe:	December 2021	
Recommendation #6:	We recommend that the Commissioner of Parks and Recreation work with the Mayor's office staff to compile a list of nominations for the Parks Council for City Council consideration to assist the department.	
Response & Proposed Action:	Review Section 110-2 of the Code of Ordinances and work with the Mayor's Office to consider organization of the Parks Council.	Partially Agree
Timeframe:	June 2022	
Recommendation #7:	We recommend that the Commissioner of Parks and Recreation ensure staff follow departmental policies and procedures to develop a system to organize iPARCS data and retain customers' financial hardship application supporting documents for 2 years according to Georgia code LG-23-002.	
Response & Proposed Action:	Develop a process to organize data from available data base systems to determine best methods to retain customers' financial hardship application supporting documents for two years according to Georgia code LG-23-002.	Agree
Timeframe:	June 2022	
Recommendation #8:	We recommend that the Commissioner of Parks and Recreation encourage guests to use iPARCS, GolfNow, and Kourts self-service sign-up, pay for programs/services using electronic payment options and allow guests to register themselves at the facilities. If the department continues to accept checks and money orders, we recommend that it discontinue allowing the same employee to both accept cash and prepare the deposit.	
Response & Proposed Action:	Continue to encourage customers to use iPARCS, GolfNow and Kourts self-service platforms. Review and further develop procedural recommendations regarding acceptance and depositing of checks and money orders.	Agree
Timeframe:	June 2022	
Recommendation #9:	We recommend that the Commissioner of Parks and Recreation install security cameras at the front desk of parks and recreation facilities to further reduce the risks associated with cash handling.	
Response & Proposed Action:	Contingent upon budget and feasibility, assess installation of security cameras at all point-of-sale locations.	Agree
Timeframe:	June 2022	