



City and County of San Francisco
Recreation and Park Department

McLaren Lodge in Golden Gate Park

501 Sanyan Street, San Francisco, CA 94117

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May 1, 2008

Mr. Harvey M. Rose
Board of Supervisors' Budget Analyst
1390 Market Street, Suite 1025
San Francisco, CA 94102

Dear Mr. Rose:

Attached please find the Recreation and Park Department's formal response to your management audit of the department's cash handling policies and procedures. My staff and I have reviewed your findings and recommendations and have responded to each recommendation specifically in the attached document.

Thank you for your review and analysis of this important area of the Recreation and Park Department's operations. This audit has identified a number of issues for the department to review and take action on. In several cases, the department has already corrected items raised by the audit in the 2008 – 2009 budget it submitted to the Mayor's Office in February. We are committed to continual improvement of our cash handling practices and will use your recommendations as a guide in this work.

In closing, I would like to acknowledge the thoroughness and professionalism of your auditor, Stan Jones. Mr. Jones was a pleasure to work with.

Sincerely,

A handwritten signature in black ink, appearing to read 'Yomi Agunbiade', written over a circular stamp.

Yomi Agunbiade
General Manager

cc: Katharine Petrucione
Dennis Kern
Margot Shaub



Mayor Gavin Newsom
General Manager Yomi Agunbiade

1. Status of Cash Handling Recommendations

The Recreation and Park General Manager should:

- 1.1 Provide the Board of Supervisors with a schedule for implementing the remaining cash handling recommendations from the 2006 audit that are currently not implemented or partially implemented and are planned to be implemented.

RPD Response: Agree.

The Board of Supervisors should:

- 1.2 Schedule a FY 2008-2009 mid-year review of the Recreation and Park Department's progress on implementing the recommendations of this cash handling audit report.

2. Unauthorized Recreational Fees

The Recreation and Park General Manager should:

- 2.1 In accordance with the stated intent, develop and submit to the Board of Supervisors a fee structure and proposed ordinance for currently unauthorized recreational fee activities and then terminate all recreational activities that do not have an approved fee structure.

RPD Response: Agree. The department has proposed these changes in the '08 – '09 budget it submitted to the Mayor's Office.

- 2.2 Request appropriation authority in the FY 2008-2009 Budget for the gifts, grants and other funds received throughout the year from the Parks Trust for "S.F. Recreation & Park Dept. Programs."

RPD Response: Partially agree. The department agrees that the gifts that it receives from Parks Trust should be approved by the Board of Supervisors. Including such gifts in the budget is impossible due to the unpredictable nature of the gifts. RPD proposes to bring accept and expend resolutions to the Board in order to meet the requirement that gifts over \$10,000 receive Board approval.

- 2.3 Request expenditure authority in the FY 2008-2009 Budget for the materials and supplies, consultant and contractor costs and other costs incurred from operating the currently unauthorized recreational activities.

RPD Response: Agree. The department has proposed these changes in the '08 – '09 budget it submitted to the Mayor's Office.

- 2.4 Direct the Director of Administration and Finance to ensure that approved payment requests to the Parks Trust are for goods or services that benefit program activities.

RPD Response: Agree.

- 2.5 Direct the Director of Administration and Finance to ensure that the requirements of Chapter 12B of the Administrative Code, *Nondiscrimination in Contracts*, are complied with.

RPD Response: Agree.

3. Cash Handling Practices

The Recreation and Park General Manager should:

- 3.1 Direct the Director of Administration and Finance to enforce the protocol requiring at least two employees present at all cash counts.

RPD Response: Agree.

- 3.2 Direct the Director of Administration and Finance to develop detailed policies and procedures covering the operations of the Revenue Unit.

RPD Response: Agree.

- 3.3 Reduce staffing to the minimum level required to effectively perform the cash collection and visitor admission function at the Japanese Tea Garden.

RPD Response: Disagree. Current staffing allows the department to provide security in the Tea Garden and maintain appropriate internal controls in the ticket booth, while allowing for a relief factor. Given these needs, the department does not believe that staffing at the Tea Garden should be reduced.

- 3.4 If feasible, schedule armored transport cash pick-ups for late in the afternoon, so that lesser sums of cash will be stored overnight in the Admissions booth.

RPD Response: Agree. Department will review the feasibility of armored transport cash pickups in the late afternoon from the Tea Garden.

- 3.5 Ensure that the Recreation and Park Department develops or procures an incident reporting system and that the system is used to analyze trends and assist in controlling exposure to incidents.

RPD Response: Disagree. The limited number of incidents that RPD has experienced does not warrant expenditure of resources to create such a system.

- 3.6 In accordance with the Controller's 1993 Audit of the Japanese Tea Garden, direct the Director of Administration and Finance to "improve its procedures for recording and reporting free admissions."

RPD Response: Agree. Although free hours represent only 4.8 percent of the Tea Garden's open hours, RPD will attempt to develop a system to track free admissions to the garden.

4 Aquatics Program Issues

The Recreation and Park General Manager should:

- 4.1 Develop a clear policy and fees regarding swim teams and the use of our pools by outside entities, including schools swim teams and other organizations.

RPD Response: Agree.

- 4.2 Emphasize the importance of keeping posted pool hours as an important part of customer service, especially given that three of nine pools are currently closed for renovations.

RPD Response: Agree.

5. Permits and Reservations

The Director of Operations should:

- 5.1 Update the Cash Handling Policy to incorporate the following improvements cited in this audit report section:

- 5.1.1 All Units should have clear procedures in regards to security of cash throughout the day as well as at night when cash should be properly locked up.

RPD Response: Agree. The department's cash handling policy already addresses this issue. Department will train Permits and Reservations staff accordingly.

- 5.1.2 The security of cash transport from the Pioneer Log Cabin to the Revenue Unit at McLaren Lodge should be strengthened..

RPD Response: Agree. RPD will procure lockable cash bags for transporting cash. The staff transporting the cash will not have access to the key for the bag.

- 5.1.3 The Manager of the Permits and Reservations Unit should verify and approve proposed internal controls developed for each unit.

RPD Response: Agree.

- 5.1.4 The Manager of the Permits and Reservations Unit should verify that each employee has (a) received a copy of the Department's Cash Handling Policy, and (b) been properly trained on cash handling protocol within the Unit.

RPD Response: Agree.

- 5.2 Implement the CLASS system in the Picnics and Special Events Division to eliminate manual data entry and mitigate the opportunities for human error.

RPD Response: Agree.

- 5.3 As recommended in the 2006 Recreation and Park Department Audit Report, hire a manager to implement the CLASS system and oversee all operations within the Permits and Reservations Unit and wherever the CLASS system is used within the Recreation and Park Department.

RPD Response: Completed. Department hired Class manager in February 2008.

- 5.4 Direct the current Supervisor of the Permits and Reservations Unit to develop formal protocols requiring (a) daily reconciliation of revenue activities in both divisions, (b) weekly reconciliation of revenue activities before deposits are made, and (c) at least two employees present during transportation of cash from the Pioneer Log Cabin to the Revenue Unit.

RPD Response: Agree.

The Director of Administration and Finance should:

- 5.5 Develop a formal policy or set of procedures regarding the reconciliation of revenues once they are received by the Revenue Unit, to ensure that the Permits and Reservations Unit has reported their revenues accurately.

RPD Response: Agree. The department currently reconciles all revenues that come into the Revenue Unit. Staff are currently memorializing the reconciliation procedures.

6. Concession Audits

The Recreation and Park General Manager should:

- 6.1 On an expedited basis, act to implement provisions of a Stow Lake lease that enables the Department to collect revenues based on economic realities and not on the unrealistic provisions of a holdover lease.

RPD Response: Agree. Department issued an RFP for management of the Stow Lake concession (as well as the Carrousel concession) in March 2008. Responses to the RFP are due on May 16, 2008. Based on responses to the RFP, the department will choose a concessionaire and negotiate a new lease.

- 6.2 As resources permit, on a priority basis, allocate additional staffing to the authorized Property Management positions.

RPD Response: Agree. Department is currently recruiting for the vacant positions.

- 6.3 As resources permit, task the appropriate primary staff director to develop and oversee a concession audit program that is based on the relative risks of the managed concessions and request that the Controller execute that concession audit program.

RPD Response: Agree.