

**Jewel J. Newman Community Center
Summer Program Audit
July 2014**



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July 8, 2014

MEMORANDUM

TO: William Daniel, Audit Committee Chairman
Casey Cashio, Audit Committee Member
Marsha Hanlon, Audit Committee Member
Chandler Loupe, Audit Committee Member

FROM: Carol Marcantel
Auditing Manager

SUBJECT: JEWEL J. NEWMAN COMMUNITY CENTER SUMMER PROGRAM AUDIT

Enclosed is our report of the Jewel J. Newman Community Center Summer Program Audit. This audit was conducted in accordance with the 2014 annual work program. This report presents all audit issues and the corresponding recommendations. The Community Center's response to the report is included in Chapter Three.

The Internal Auditing Division will conduct a follow-up review regarding implementation of corrective action. The results of the follow-up review will be reported to the Audit Committee.

We would like to thank the Jewel J. Newman Community Center staff for their cooperation and assistance during the audit.

Carol Marcantel
Auditing Manager

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CHAPTER ONE - AUDIT ISSUES

MISSING RECORDS

The Jewel J. Newman Community Center (Community Center) did not have records related to the 2012 and 2013 summer programs. The following records were missing:

Participant Forms

- Camp applications
- Receipts for participant payments
- Field trip approval forms
- Medical release forms
- Waiver of liability forms

Summer Camp Forms

- Daily attendance records
- Calendar of events

Financial Forms

- Payment vouchers, purchase orders, and invoices
- Cash Receipt Deposit Slips
- Time sheets for summer camp employees

The Community Service Center Manager and Assistant to the Manager during the 2012 and 2013 summer camps are no longer employed with the City-Parish. The records were missing when current staff started.

Recommendation:

Community Center staff will maintain all records for a period of three years.

SUMMER PROGRAM REVENUES

Free Attendance

In 2012 and 2013, approximately 23 participants attended the summer program for free. Attendance logs attached to food payment vouchers showed participant names that could not be traced to fees on cash receipt deposit slips.

Community Center staff stated that one of the 23 participants is the former Manager's grandson. No payments could be found for him in 2012 or 2013. A second grandson was shown as a volunteer for both years.

Allowing participants to attend free of charge is a potential violation of the Louisiana Constitution, Article VII §14 which prohibits a political subdivision from donating funds or

things of value to any person. The Section does not prevent the use of public funds for programs of social welfare and support of the needy; however, there is no Community Center documentation to determine if a needs analysis was conducted. A blank application for the 2013 Summer Camp does not show that this type of information was to be collected.

Partial Payments

Twenty-two participants did not fully pay the summer program fees. The 2013 application stated that the registration fee was \$75 and camp fees were \$300 for a total cost of \$375 payable by money order.¹ In 2013, fourteen parents or guardians did not pay the registration fees. Other parents or guardians paid total fees of \$25, \$40, or \$50.

The lack of receipts and applications made it difficult to reconcile camper payments. Names were inconsistently spelled and parent or guardians' names did not necessarily match the participants' names. Additionally, it was impossible to tell if participants did not attend the entire program and were allowed to pay proportionate fees. Some of the issues noted from the lack of records include the following:

- Two full payments and four partial payments could not be matched to participants in 2012.
- Four full payments and seven partial payments could not be matched to participants in 2013.
- Thirteen participants paid \$40 in addition to their full registration and program fees during 2013.
- Community Center staff deposited \$1,685 in summer camp revenues after the program ending date in 2013.

Based upon the number of participants, total revenues for the two years should have been \$30,750. Only \$24,585 was deposited in the Community Center's summer camp revenue account. The current Community Center staff was unable to explain the difference of \$6,165.

Recommendations:

The Community Center staff will collect full payment of summer program fees before participants attend camp.

The Community Center staff will maintain all financial and summer camp records for a period of three years.

The Community Center staff will comply with City revenue and cash handling policies particularly the issuance of receipts for payments.

The Community Center Manager will ensure that staff complies with the City deposit policy of daily deposits or when \$100 is accumulated.

¹ The camper fees appeared to be the same for 2012. There were twenty-two payments deposited for \$375.

RAFFLE

In 2013, the Community Center reportedly held an unpermitted raffle for a \$100 gas card. No raffle proceeds were found to be deposited in the Community Center’s revenue accounts. Based on the amount of ticket card stock purchased, up to \$880 could have been collected. Additionally, there was no record of a gas card purchase.

Charitable Gaming Ordinance 14100, Section 9:458 addresses the raffle exemption for gaming organizations other than churches or school. The Community Center did not meet specific requirements of this section such as filing an application for a license and imprinting all raffle tickets with division approval.

Recommendations:

This issue will be referred to law enforcement for investigation.

Community Center staff will not conduct any further fundraising raffles.

EXPENSES

Excessive Purchases

The Community Center staff purchased excessive numbers of T-shirts, duffel bags, etc. when compared to the total number of campers (see chart below). The total excessive cost was \$1,585.

2012 – 39 Participants		
Quantity Purchased	Description	Excessive Cost
92	White summer camp T-shirts	\$326
52	Tri-pocket sport duffel bags	\$177
65	Lunch bags	\$260
100	Neck wallet/badge holders	\$107
		\$870
2013 – 43 Participants		
52	Sapphire T-shirts	\$55
65	Leisure duffels	\$318
63	Black bags	\$200
100	Foldable sport bottles	\$142
		\$715
Total Excessive Cost		\$1,585

Recommendation:

The Community Center staff will limit quantities to the number of participants who have registered and fully paid.

Split Purchases

Community Center staff split purchases to avoid exceeding the \$500 limit. Purchases under \$500 can be made on payment voucher without documenting any quotes. In 2012, three purchases were made from the same vendor for T-shirts and lunch bags. All three invoices were dated 5/22/2012 and had consecutive invoice numbers but were paid on three separate payment vouchers. The total cost of the three purchases was \$819.

Purchases were split a second time using a second vendor. Two invoices for duffel bags and neck wallets were dated 6/11/2012. The total cost of the two purchases was \$531.

Recommendation:

Current Community Center staff will be given copies of the Purchasing Manual and instructed on specific purchasing rules.

Local Bus Transportation

The Community Center utilized bus services for local transportation without a proposal, contract or proof of insurance from the vendor. This vendor received total payments of \$1,730 in 2012 and \$950 in 2013. The individual invoices were less than \$500 and were paid by payment vouchers.

The Purchasing Manual states that a purchase order is generally required for all professional services contracts over \$1,000. Small contracts under \$1,000 may be handled with a formal contract or a payment voucher issued based the vendor's proposal. It also states that appropriate insurance is required for all services contracts. Auto insurance is required if motor vehicles are utilized in the work.

Recommendations:

The Community Center staff will obtain proposals for bus transportation services under \$1,000 and execute contracts for services over \$1,000.

Proof of insurance must be obtained in all circumstances prior to any transportation of participants.

SUMMER PROGRAM STAFFING**Inadequate Supervision**

In 2012, the Community Center lacked adequate adult supervision for the 39 participants in the summer camp. The Community Center did not hire additional staff for the summer program; therefore, the only employees available were the three full-time Community Center employees who had other duties. Payroll records show that one of the three full-time employees was on leave for approximately six weeks during the summer camp period. Records were not available to confirm the number or qualifications of volunteers that may have worked the camp.

In 2013, the Community Center hired five summer employees to work as camp counselors. However, three of the employees were under the age of sixteen.

The American Camp Association standards call for eighty percent of staff used to meet supervision ratios must be at least eighteen. Additionally, all staff should be at least sixteen years old and two years older than the minors with whom they are working.

Recommendation:

The Community Center staff will hire an appropriate number of qualified adult staff to provide recommended levels of supervision in the summer camp program.

Background Checks

Based on the lack of records, we could not confirm that the Community Center staff conducted background checks on volunteers or summer camp employees before they were hired. According to the American Camp Association's *State by State Information for Camps – Regulations and Other Info*, criminal background checks are not required in Louisiana. However, the American Camp standards require a criminal background check, two references, and a personal interview for all new staff. Annually, they require a voluntary disclosure statement and check of the National Sex Offender Public Website for all staff who have access to campers.

The Human Resources Department staff confirmed that they do not perform background checks on minors. Human Resources records indicate that some Community Center summer employees were minors at the time of employment.

Recommendation:

The Community Center staff and Human Resources Department staff will perform background checks on all volunteers and employees involved with the summer camp program. Minors will be required to obtain permission from their parent/guardian for the background check.

EXIT CONFERENCE

We held an exit conference on Thursday, June 5, 2014 with the following persons in attendance:

- Chauna Banks-Daniel, Councilwoman District II
- Carol Marcantel, Auditing Manager
- Devin Fernandez, Senior Auditor.

The contents of the report were fully discussed. The councilwoman concurred with the findings and agreed to implement the recommendations. Chapter Three includes Councilwoman Banks-Daniel's response.

CHAPTER TWO - BACKGROUND, OBJECTIVES, SCOPE AND METHODOLOGY

BACKGROUND

For the last five years, the Metropolitan Council has approved a summer camp program for kids at the Jewel J. Newman Community Center. This program was developed to enhance the academic and cultural abilities of the community's youth. The 2013 program lasted seven weeks and parents or guardians were required to pay a \$75 registration fee and \$300 camp fees for a total cost of \$375.

Campers participated in activities such as arts and crafts, pizza parties, swimming and bowling. The summer program included field trips to Celebration Station, the Aquarium of the Americas, and the IMAX theatre.

OBJECTIVES

The Jewel J. Newman Community Center Summer Program audit was approved by the Audit Committee as part of the Internal Auditing Division's 2014 audit plan. The objectives of this audit were to determine if revenues were received, recorded, and deposited for all summer camp participants and to verify summer camp expenditures were valid.

SCOPE AND METHODOLOGY

The audit was limited to the following:

1. Verifying summer program fees were collected from all campers in 2012 and 2013;
2. Verifying a sample of 2012 and 2013 program expenses were reasonable;
3. Reviewing procedures to determine if proper controls are in place to ensure the accurate and timely collection, recording, and depositing of revenues;
4. Determine if summer program revenues sufficiently cover the cost of summer program expenses; and
5. Determine if summer programs provided proper staffing levels and background checks.

CHAPTER THREE – AUDITEE RESPONSE

MEMORANDUM

TO: Carol Marcantel
Auditing Manager

FROM: Chauna Banks-Daniel
Metropolitan Council Member, District 2

DATE: July 7, 2014

SUBJECT: Jewel J. Newman Community Center Summer Camp Audit

Thank you for the opportunity to respond to the *Jewel J. Newman Community Center Summer Camp Audit*. The Community Center staff and I concur with the audit recommendations. We have corrected many of the issues as detailed below:

Missing Records

- Beginning with the 2014 Jewel J. Newman Community Center Summer Camp, all records pertaining to camp applications, summer camp forms, and financial receipts will be kept on file for a period of 3 years.

Summer Program Revenues

- Beginning with the 2014 Jewel J. Newman Summer Camp, all camp registrants are required to pay in full for camp program participation.
- Beginning with the 2014 Jewel J. Newman Summer Camp, all financial record keeping is in compliance with City of Baton Rouge, Parish of East Baton Rouge revenue and cash handling policies.
- Beginning with the 2014 Jewel J. Newman Summer Camp, payees are issued a receipt upon payment, and deposits are made in a timely manner in accordance with City of Baton Rouge, Parish of East Baton Rouge policies.

Raffle

- No fundraising activities were held on behalf of the 2014 Jewel J. Newman Community Center Summer Camp. If fundraising activities are planned in the future, Community Center staff will do so with the approval of the City of Baton Rouge, Parish of East Baton Rouge Finance Department.

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Carol Marcantel
July 7, 2014

Expenses

- The 2014 Jewel J. Newman Community Center Summer Camp placed t-shirt orders based on the number of actual staff, volunteers, and camp participants.
- A copy of the City of Baton Rouge, Parish of East Baton Rouge Purchasing Manual has been distributed to JJNCC staff responsible for purchasing.
- During the 2014 JJNCC Summer Camp community center staff executed a professional service contract with a transportation vendor who has also provided documentation such a proof of insurance to the City of Baton Rouge, Parish of East Baton Rouge Purchasing Office.

Summer Program Staffing

- The 2014 JJNCC Summer Camp currently operates with a 1:10 adult/student ratio.
- The 2014 JJNCC Summer Camp staff is supplemented with student workers from the Jewel J. Newman Community Center and Big Buddy Level Up Program.
- All summer camp employees were hired on the recommendation of employers that require background checks.

I believe that with the changes the center staff has made in preparation for the 2014 camp and continue to implement, will significantly improve the Jewel J. Newman Community Center's management of financial matters.