



Item: AF: I-4

## AUDIT AND FINANCE COMMITTEE

Tuesday, March 15, 2016

**SUBJECT: REVIEW OF AUDITS: FAU 15/16-2, AUDIT OF CAMPUS RECREATION - MEMBERSHIPS FOR THE PERIOD JULY 1 THROUGH SEPTEMBER 30, 2015.**

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### PROPOSED COMMITTEE ACTION

Information Only.

### BACKGROUND INFORMATION

Primary objectives of this audit were to determine whether:

- Applications for recreation and fitness center memberships were supported by appropriate documentation and payment of requisite membership fees;
- Membership cancellations and fee refunds were processed in accordance with campus recreation department policies and procedures; and,
- Effective controls were in place to restrict use of campus recreation facilities to bona fide registered FAU students, current members and their approved guests, and properly account for collected revenues.

Four recommendations were made to address our findings.

### IMPLEMENTATION PLAN/DATE

Management has agreed to implement all recommendations by February 15, 2016.

### FISCAL IMPLICATIONS

Not applicable.

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**Supporting Documentation:** Audit Report FAU 15/16-2

**Presented by:** Mr. Morley Barnett, Inspector General

**Phone:** 561-297-3682

Report No. FAU 15/16-2  
Report Issue Date: January 29, 2016

FLORIDA ATLANTIC  
UNIVERSITY™

*Office of Inspector General*

Audit Report: *Campus Recreation - Memberships*  
For July through September 2015

Use of Report

We are employed by Florida Atlantic University. This report is intended solely for the internal use of the State University System and is not intended to be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

**REPORT ON THE AUDIT OF  
CAMPUS RECREATION - MEMBERSHIPS**

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
LETTER OF TRANSMITTAL .....	iii
EXECUTIVE SUMMARY .....	iv
SCOPE AND OBJECTIVES .....	1
BACKGROUND .....	2
COMMENTS AND RECOMMENDATIONS .....	3
CONCLUSION .....	13





MEMORANDUM

TO: Dr. John Kelly  
President

FROM: Morley Barnett   
Inspector General

DATE: January 29, 2016

SUBJ: AUDIT OF CAMPUS RECREATION - MEMBERSHIPS

In accordance with the University's Internal Audit Plan for fiscal year 2015/16, we have conducted an audit of memberships of the Boca Raton and Davie campus recreation and fitness centers for the period July through September 2015. The report contained herein presents our scope and objectives and provides comments and conclusions resulting from procedures performed.

We have made four recommendations to address our findings. We concur with the responses of the auditees which have been incorporated into the report. In accordance with our established procedures, follow-up will be performed subsequent to the issuance of this report to determine effective implementation of our recommendations by management.

Please call me if you have any questions.

cc: University Provost  
Vice Presidents  
Auditees  
FAU BOT Audit and Finance Committee  
Inspector General, Florida Board of Governors  
Florida Auditor General

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## Executive Summary

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In accordance with the University's Internal Audit Plan for fiscal year 2015/16, we have conducted an audit of memberships of the Boca Raton and Davie campus recreation and fitness centers for the period July through September 2015.

The primary objectives of this audit were to determine whether:

- FAU community members applying for recreation and fitness center memberships were required to submit a properly completed membership application; provide proof of appropriate membership classification; and, pay the requisite membership fee, as conditions of membership;
- Membership cancellations and fee refunds were processed in accordance with campus recreation department policies and procedures;
- Effective access controls were in place to restrict the use of campus recreation and fitness centers to current members and their approved guests, bona fide registered FAU students, and other authorized individuals; and,
- Adequate procedures were in place to record, safeguard, deposit, and reconcile all membership and guest pass fee monies collected by the campus recreation department.

Audit procedures included, but were not limited to, a review of written operating policies and procedures, inquiries of departmental employees, an evaluation of key internal controls, compliance testing of manual/computerized records for samples of membership/guest applications, and reviews of samples of money collection records for membership/guest pass fees.

Based on the results of the tests performed, it is our opinion that the audited operations of the Boca Raton and Davie campus recreation departments were being conducted in general compliance with applicable laws, rules, regulations, policies and procedures, and sound business practices. However, we did identify opportunities for improvement in the general areas of:

- Membership/guest pass application documentation;
- Accountability for money collections; and,
- Security of personnel and monetary assets.

The details of all findings, as well as suggestions for corrective action, can be found in the Comments and Recommendations section of this report.



January 29, 2016

Dr. John Kelly  
President  
Florida Atlantic University  
Boca Raton, Florida

Dear President Kelly:

SCOPE AND OBJECTIVES

In accordance with the University's Internal Audit Plan for fiscal year 2015/16, we have conducted an audit of memberships of the Boca Raton and Davie campus recreation and fitness centers for the period July through September 2015.

The primary objectives of this audit were to determine whether:

- FAU community members applying for recreation and fitness center memberships were required to submit a properly completed membership application; provide proof of appropriate membership classification; and, pay the requisite membership fee, as conditions of membership;
- Membership cancellations and fee refunds were processed in accordance with campus recreation department policies and procedures;
- Effective access controls were in place to restrict the use of campus recreation and fitness centers to current members and their approved guests, bona fide registered FAU students, and other authorized individuals; and,
- Adequate procedures were in place to record, safeguard, deposit, and reconcile all membership and guest pass fee monies collected by the campus recreation department.

Audit procedures included, but were not limited to, a review of written operating policies and procedures, inquiries of departmental employees, an evaluation of key internal controls, compliance testing of manual/computerized records for samples of memberships/guest passes, and reviews of samples of money collection records for membership/guest pass fees.

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Our assessment of compliance with applicable laws, rules and regulations, and established policies and procedures, was based on reviews of pertinent supporting documentation for judgmentally selected samples of memberships/guest passes and monetary transactions. Populations, sample sizes, and selection methods were determined based on our evaluation of internal controls, our assessment of audit risk, the availability of pertinent university records, and other factors including auditor judgement.

We conducted our audit in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

## BACKGROUND

The Boca Raton and Davie campus recreation departments are components of the Campus Life unit of the Division of Student Affairs, and share the common mission of enhancing the social and physical quality of life for the FAU community while adhering to the values of excellence, progress, development, inclusivity, and professionalism. The primary recreation facilities owned and operated by the departments are the Boca Raton campus recreation and fitness center, and the Davie wellness center, respectively. In addition, Boca Raton campus recreation is responsible for managing the use of certain external facilities including the Challenge Course, outdoor basketball and tennis courts, and the Climbing Center.

Campus recreation facilities, services, and programs are available to all FAU students during the semester for which they are registered. Facility access is granted ten days before the first day of class each semester, and continues until the day before classes begin the following semester. Students qualify for access by paying the requisite activity and service (A&S) fees as part of their tuition each semester. Boca Raton campus recreation generates revenue from membership/guest pass fees, locker rentals, facility rentals, challenge course fees, fitness classes, and other services. In addition to membership/guest pass fees, Davie campus recreation earns revenue from fitness assessments, wellness and certification classes, and other services. As currently organized, both the Boca Raton Campus Recreation Director, and Broward Campus Life Director (responsible for Davie campus recreation), report to the Student Affairs Division's Executive Director of Campus Life.

The primary computer information system currently used by the Boca Raton & Davie campus recreation departments to manage most aspects of their daily operations is the RecTrac system. Prior to 9/1/15, Davie campus recreation used the HealthCalc2000 (non-financial) system as its primary health/fitness assessment and member management system, and the TouchNet Marketplace system for financial processing of membership/guest (and certain other) fee revenues. Effective 9/1/15, Davie campus recreation implemented the use of the RecTrac system to replace the HealthCalc system and supplement its use of TouchNet Marketplace. The RecTrac software consists of multiple integrated modules designed to support all aspects of recreation management and is currently used to process membership/guest pass fee credit card payments and refunds for both departments, as well as credit card payments for certain other services/products offered by Boca Raton campus recreation.

According to management, the Boca Raton and Davie campus recreation departments generated net revenues of approximately \$40K & \$1K respectively from membership/guest pass fees during the audit period. During the course of the audit, Boca Raton campus recreation was staffed by eleven full-time employees and over 200 student part-time employees, while Davie campus recreation was staffed by

one full-time employee, three non-student part-time employees, and nine student part-time employees. As of 9/30/15, the Boca Raton and Davie campus recreation centers had 943 and 9 (non-student) members respectively.

## COMMENTS AND RECOMMENDATIONS

### **Current Findings and Recommendations**

#### Money Collections Control Weaknesses – Boca Raton Campus Recreation & Davie Campus Recreation

##### Boca Raton Campus Recreation

Boca Raton campus recreation receives payments for membership and guest pass fees via credit card lump sum or monthly installment payments, and employee payroll deductions processed on the first payday of the month. The payment method and source are documented on the member's original membership application. A daily RecTrac *Cash Journal* is generated for all payments of membership and guest pass fees processed on the system. At the end of each shift, a RecTrac *Cash Balancing Worksheet* is generated for each user who processed money transactions. General ledger entries to record membership and guest pass fees collected via the RecTrac system are posted weekly to Workday Finance. On a monthly basis, the monies collected on RecTrac are reconciled to Workday Finance by two campus recreation employees. Any credit card refunds are processed by campus recreation on the RecTrac system.

We performed compliance testing of the money collection records for all membership and guest pass fees paid by credit card and employee payroll deductions for a sample of five business days during the audit period judgmentally selected from the daily RecTrac *Cash Journals*. Our sampled receipts totaled \$21,938 of net membership/guest pass fees, and the number of processed credit card payments in the sample totaled 77 (*Excluding credit card installment billings / payroll deductions*). The testwork resulted in the following exceptions:

- For 54 of 77 (70%) credit card payments tested, a RecTrac *Cash Balancing Worksheet* was not completed by the applicable user who processed the credit card payment;
- For 27 of 77 (35%) credit card payments tested, the RecTrac *Cash Balancing Worksheet* completed by the applicable user for credit card payments processed did not indicate evidence of review (signature/date) by a recreation center supervisor; and,
- Various payroll deduction adjustments made by recreation center personnel to account for reconciling differences between monthly payroll deductions made for employee membership fees during July and August 2015 - as noted in the RecTrac system versus the corresponding employee monthly payroll deductions as shown on the *Payroll Gym Register* reports received from the Payroll Department - had not been documented.

##### Davie Campus Recreation

Davie campus recreation receives payments for membership and guest pass fees via credit card.



Currently, the department does not have memberships paid for via credit card installment billing or employee payroll deduction, although the RecTrac system does have the capability to offer these payment options. The department currently offers semester and annual memberships that are prepaid by credit card. Prior to 9/1/15, Davie campus recreation used the TouchNet Marketplace system to process credit card payments for membership/guest pass fees. Effective 9/1/15, the department began using the RecTrac system to process membership/guest pass fee payments.

We performed detailed compliance testing of the money collection records for all membership and guest pass fees paid by credit card for all business days during our audit period as selected from the daily *TouchNet Marketplace Product Detail Reports* (prior to 9/1/15) and the *RecTrac Cash Journals* (effective 9/1/15). Our sampled receipts totaled \$1,112.50 (\$465.00 processed by TouchNet Marketplace, and \$647.50 processed by RecTrac) which represented all of the membership/guest pass fees collected during the audit period. The number of credit card payments (items) processed totaled 18, of which nine items were processed via TouchNet Marketplace, and nine items were processed by the RecTrac system. The testwork resulted in the following exceptions:

- For 9 of 9 (100%) RecTrac credit card payments tested, a *RecTrac Cash Balancing Worksheet* was not completed by the applicable user who processed the credit card payment;
- For 9 of 9 (100%) TouchNet Marketplace credit card payments tested, the *TouchNet Marketplace Product Detail Report* (credit card settlement report) was not signed/initialed by the wellness center employee who processed the payment; and, did not evidence review (signature/date) by a supervisor;
- A journal entry to post the \$647.50 in total RecTrac receipts processed during September 2015 to Workday Finance had not been made as of 11/12/15. Subsequent to bringing the issue to management's attention, we reviewed documented evidence of posting of the appropriate Workday Finance entries on 11/13/15; and,
- Periodic independent documented reconciliations of the money collection records (*TouchNet Marketplace Product Detail Reports / RecTrac Daily Cash Journals*) for the wellness center to the appropriate Workday Finance account activity reports to verify the timely and accurate posting of the funds, were not being performed.

#### Recommendation No. 1

To mitigate the risk of loss, theft, or misappropriation of funds, we recommend management ensure the following:

- *RecTrac Cash Balancing Worksheets* are completed on a daily basis by all Boca Raton & Davie campus recreation personnel (applicable users) who process membership/guest pass fees paid by credit card. In addition, all *Cash Balancing Worksheets* should be signed/dated by the employee who processes the credit card payments, and evidence supervisory review (via signature/date on the worksheets) of all credit card receipts processed by the applicable user (*Boca Raton & Davie Campus Recreation*);

- An appropriate monthly reconciliation worksheet is prepared detailing the *description, amount, how cleared, and date cleared* for all payroll deduction adjustments made by Boca Raton campus recreation personnel to account for reconciling differences between monthly payroll deductions made for employee membership fees as noted in the RecTrac system (*RecTrac Cash Journal / Installment Billing Log*) versus the corresponding employee monthly payroll deductions as shown in the *Payroll Gym Register* reports received from the Payroll Department. Also, the reconciliation form used should be signed and dated by the reconciler and reviewing supervisor (*Boca Raton Campus Recreation*);
- Performance and documentation of periodic (monthly) independent reconciliations of the money collection records (*RecTrac Daily Cash Journals*) to the appropriate Workday Finance account activity reports to verify the timely and accurate posting of funds collected and related sales taxes payable. The reconciliations should be performed and documented (signature/initials and date) by a Davie campus recreation employee who is independent of the handling and processing of membership/guest pass fees. To facilitate compliance, the documented reconciliations should evidence (signature/initials and date) the review of a supervisor (*Davie Campus Recreation*); and,
- All membership/guest pass fees, including sales taxes assessed and collected, are accurately and timely recorded in the appropriate Workday Finance accounts (*Davie Campus Recreation*).

The aforementioned recommended measures should be incorporated into the applicable department's written policies and procedures.

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### **Management's Response – Boca Raton Campus Recreation**

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#### **Action Plan:**

The aforementioned recommended measures have been incorporated into the Campus Recreation Operations Manual. The Facility Supervisor prints out Cash Balancing Worksheets that includes all purchases made at the Rec Desk during their shift. Membership staff print out their own Cash Balancing Worksheets. The Cash Balancing Worksheets are then deposited in the safe to be reviewed by the Fiscal Assistant and the Associate Director of Facility Operations. Campus Recreation will also be self-auditing several times per month to ensure all processes are being followed and forms are properly completed.

#### **Implementation Date:**

February 15, 2016.

#### **Responsible Auditee:**

Laura Johnson, Director of Campus Recreation.

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## **Management's Response – Davie Campus Recreation**

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### **Action Plan:**

The journal entry to record the \$647.50 in total RecTrac receipts processed during September to Workday was posted. RecTrac Cash Balancing Worksheets will be completed on a daily basis.

Davie student staff will process in-person and over-the-phone credit card transactions for all membership services. Davie will also accept payroll deduction and installment billing for memberships. All receipts will be signed or denoted if they were over-the-phone payments. At the end of each shift, staff will run a cash journal to reconcile transactions. The cash journal and signed receipts will be dropped in the safe at the end of their shift.

Daily, the Coordinator for Campus Life will review the transactions from the previous day(s). During the review they will be looking for Cash Journals and Cash Balancing Worksheets from each shift, receipts with signatures, and any cancelation forms.

Weekly, the Coordinator for Campus Life will initiate the journal entry. As part of this process the Coordinator for Campus Life will fill out the "RecTrac" section of the reconciliation Excel Workbook located on SharePoint. The Coordinator for Campus Life will copy and paste information from Workday into predefined cells. On a monthly basis there will be an approval and review of the deposit into Workday by the Associate Director for Campus Life and the Director for Campus Recreation. On a monthly basis, the Associate Director for Campus Life will print out the signature log found in the Excel Workbook on SharePoint. The Associate Director for Campus Life will sign it and have the Director for Campus Recreation sign it while reviewing the dollar amount loaded into Workday. The signature log will be filed along with the month's credit card files in the filing cabinets in the Administrative Office.

### **Implementation Date:**

February 15, 2016.

### **Responsible Auditee:**

Laura Johnson, Director of Campus Recreation.

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### **Membership/Guest Pass Application Documentation & Processing Deficiencies – Boca Raton Campus Recreation & Davie Campus Recreation**

All membership applicants are required to submit a properly completed and signed *Florida Atlantic University Department of Campus Recreation Membership Application* form, informed consent agreement, installment billing agreement (*monthly membership fees to be charged to the member's credit card on file*), and physical activity readiness questionnaire (PAR-Q), as a condition of acceptance. Also, for faculty/staff who apply for annual memberships and elect to pay for it via payroll

deduction, a completed and signed payroll deduction authorization (*part of the membership application*) is required. Guest applicants are required to complete and sign the *Florida Atlantic University Department of Recreation Guest Pass Form*.

All member/guest pass applicants are required to provide appropriate documentation to support their membership type/guest pass request, as applicable. In addition, all applicants are required to pay the appropriate (initial) membership/guest pass fee in order for their applications to be accepted. Florida state sales tax is required to be assessed and collected on all membership/guest pass fees.

*Boca Raton Campus Recreation*

Compliance testing of a judgmentally selected sample of 20 memberships and 20 guest passes processed during the audit period resulted in the following exceptions:

- For 6 of 40 memberships/guest passes selected for review, the application form could not be located by the department;
- For 6 of 34 (available) membership/guest pass applications tested, the employee who processed the application did not sign/initial the application to indicate they had actually processed the application;
- For 5 of 40 memberships/guest passes selected for review, evidence of eligibility for the assigned membership type was not on file for the applicant;
- One instance where the *Informed Consent Agreement* was not signed/dated by the applicant;
- One instance where the *Installment Billing Agreement* for the member could not be located;
- For 4 of 34 (available) membership/guest pass applications tested, the member's emergency contact information was not noted or incomplete on the application form;
- One instance where the member did not qualify for the actual type of membership purchased. Management has indicated its intent to cancel the membership;
- One instance where the member's name, address, phone number, and email address were not noted on the application form;
- For 3 of 34 (available) membership/guest pass applications selected for review, the *Informed Consent Agreement* was not in the applicant's file;
- For 4 of 20 guest passes reviewed, the employee who processed the *Guest Pass Form* did not sign/initial the *Guest Pass Form* in the *Office Use Only* section of the form to indicate they had confirmed the sponsoring member's status; and,
- One instance where the employee who processed the application did not adequately review the member's records *before* accepting the member's annual renewal payment which would have

revealed the member's annual membership (*9-month faculty*) had already been paid in full (Membership had previously been set-up on a monthly payroll deduction basis). Management has indicated its intent to refund the overpayment to the faculty member.

#### Davie Campus Recreation

Compliance testing of all memberships and guest passes processed during our audit period - a total of 17 memberships and one guest pass – resulted in the following exceptions:

- The *Guest Pass Form* for the one guest pass processed by the department could not be located;
- For 4 of 17 membership applications tested, the employee who processed the application did not sign/initial the application to indicate they had actually processed the application;
- Two instances where the member's emergency contact information was not noted or incomplete on the membership application form;
- For 16 of 18 memberships/guest pass(es) tested, the required 6% Florida sales tax was not assessed and collected on the sale of the membership/guest pass;
- For 17 of 17 membership applications reviewed, documentation to support the membership type (*i.e. Alumni, Faculty/Staff, Community Member, etc.*) was not in the applicant's file;
- Five instances where the student applicant initially submitted a properly completed (student) application form, but the applicant's status later changed to a different membership type (*i.e., Alumni*); despite the change, the Davie Wellness Center did not request a new application to support the applicant's changed membership status and need to pay a fee; and,
- One instance where the applicant indicated "Yes" to one of the health questions on their PAR-Q (*Physical Activity Readiness Questionnaire*) form, but the required medical release form was not obtained from the applicant's physician.

#### Recommendation No. 2

We recommend management ensure all membership and guest pass applications are properly completed, processed, and retained on file. To facilitate improvement, management should ensure:

- All required membership application agreements are completed and signed by the applicant (*Boca Raton Campus Recreation*);
- The applicant's complete emergency contact information is noted on the application form, and documentation supporting the applicant's membership type/guest pass request is obtained and retained on file (*Boca Raton & Davie Campus Recreation*);

- The initials of the employee who processed and confirmed the member's status (where applicable), as well as the processing date, are documented on the membership and guest pass application forms (*Boca Raton & Davie Campus Recreation*);
- Whenever a current member's status changes (e.g., *Student to Alumni*), a new membership application is completed by the member to properly reflect their changed status and revised monthly membership fees, as applicable (*Davie Campus Recreation*); and,
- The required amount of Florida sales tax is assessed and collected on all membership and guest pass fees (*Davie Campus Recreation*).

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### **Management's Response – Boca Raton Campus Recreation**

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#### **Action Plan:**

Campus Recreation has implemented a procedure to require management review of all membership and guest pass applications to ensure that each application is processed properly and retained on file. All required membership application agreements (i.e. Informed Consent and Installment Billing agreements, etc.) will be completed and signed by the applicant. The applicant's complete address, contact (phone #, email address), and emergency contact information will be properly noted on the application forms; including obtaining documentation supporting the applicants' membership type / guest pass requests. Documentation supporting the type of membership (i.e. Alumni, Faculty and Staff/Retiree, Student Household Adult, Community Member, etc.) will be retained on file. In addition, a computer will be set up in the membership office for patrons to fill out the forms to eliminate the manual process of completing forms. Documentation supporting the type of membership will now be printed out, signed by the member, and kept on file. The forms will require the employee's initials as well as the processing date so we can follow up on any application that is handed in. Campus Recreation will also be self-auditing several times per month to ensure all processes are being followed and forms are properly completed.

Campus Recreation is also researching Recreation Management software that will help streamline all processes in our area, including providing patrons electronic submission of membership and guest pass applications.

#### **Implementation Date:**

February 15, 2016.

#### **Responsible Auditee:**

Laura Johnson, Director of Campus Recreation.

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## **Management's Response – Davie Campus Recreation**

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### **Action Plan:**

Campus Recreation has implemented a procedure to require management review of all membership and guest pass applications to ensure that each application is processed and properly retained on file. Management also verifies that Florida Sales Tax is collected via the Reconciliation Procedure for RecTrac and Workday. In addition, a computer will be set up in the membership office for patrons to fill out the forms to eliminate the manual process of completing forms. Documentation supporting the type of membership will now be printed out, signed by the member, and kept on file. All required membership application agreements (i.e., PAR-Q – Physical Activity Readiness Questionnaire, etc.) will be completed and signed by the applicant. The applicant's complete emergency contact information will be noted on their respective application forms; including obtaining documentation supporting the applicant's membership type/guest pass request. The forms will require the employee's initials as well as the processing date so we can follow up on any application that is handed in. This documentation includes supporting the applicant's membership type (i.e. Alumni, Faculty and Staff/Retiree, Student Household Adult, Community Member, etc.). Whenever, a current member's status changes (e.g. Student to Alumni), a new membership application will be completed by the member to properly reflect their changed status and revised monthly membership fees, as applicable. Campus Recreation will also be self-auditing several times per month to ensure all processes are being followed and forms are properly completed.

### **Implementation Date:**

February 15, 2016.

### **Responsible Auditee:**

Laura Johnson, Director of Campus Recreation.

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### **Lack of Written Security Procedures – Boca Raton Campus Recreation & Davie Campus Recreation**

Based on discussions with applicable management, we noted that neither Boca Raton campus recreation nor Davie campus recreation had written security procedures addressing issues such as the actions to be taken by departmental employees in the event of a robbery or other security incident, and end-of-day steps to secure the fitness/wellness center and its assets.

### **Recommendation No. 3**

In order to promote greater security awareness, and improve the protection of personnel, monetary, and information assets of the departments, we recommend appropriate security procedures be developed and communicated to all Boca Raton & Davie campus recreation employees. We further recommend the security procedures be reviewed with all departmental personnel on at least a semiannual basis. To facilitate compliance, a security meeting log or

other appropriate record (e.g., meeting agenda, minutes, or attendee sign-in sheet) documenting details of the security meetings, such as the dates convened, topics discussed, and names of attendees, should be maintained.

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### **Management's Response – Boca Raton Campus Recreation**

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**Action Plan:**

Written security procedures will be incorporated into the Campus Recreation Student Manual for the training of new professional and student staff. These security procedures will also be added as an addendum to our Operations Manual. The security procedures address issues such as the actions to be taken by departmental employees in the event of a robbery or other security incident, and end-of-day steps to secure the fitness center and its assets. The security procedures will also be reviewed twice a year, at the beginning of each semester, with the student staff as well as in professional staff and risk management meetings. A security meeting log or other appropriate record (e.g. meeting agenda, minutes, or attendee sign-in sheet) documenting details of the security meetings, such as the dates convened, topics discussed, and names of attendees will also be maintained.

**Implementation Date:**

February 15, 2016.

**Responsible Auditee:**

Laura Johnson, Director of Campus Recreation.

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### **Management's Response – Davie Campus Recreation**

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**Action Plan:**

Written security procedures will be incorporated into the New Student Employee Handbook. These written security procedures address issues such as the actions to be taken by departmental employees in the event of a robbery or other security incident, and end-of-day steps to secure the fitness center and its assets. The procedures will also be reviewed twice a year, at the beginning of each semester, with the student staff as well as in professional staff meetings and risk management meetings. A security meeting log or other appropriate record (e.g. meeting agenda, minutes, or attendee sign-in sheet) documenting details of the security meetings, such as the dates convened, topics discussed, and names of attendees will also be maintained.

**Implementation Date:**

February 15, 2016.



**Responsible Auditee:**

Laura Johnson, Director of Campus Recreation.

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**Incomplete Employee Key/Code/Combination Control Logs – Boca Raton Campus Recreation**

Employee key/code/combination control logs are important in terms of recording the keys/codes/combinations assigned to employees to allow them access to the entrance doors to the recreation center and/or critical areas within the center such as money asset storage areas or areas where customer records are stored. In addition, these logs serve to document the return of specific keys because of transfer, suspension, termination, or other reasons, as well as the dates on which combinations/codes assigned to ex-employees are changed.

We noted that the department utilized an electronic key management system – *KeyWatcher* - to store, record, and control the issuance of keys to specific areas, facilities, and equipment within and outside the recreation center to student employees. Our review of this system indicated that it was adequate and effective for its intended purpose. However, our review of the available (manual) key control logs – *Key Receipt Slips* – maintained for the professional (full-time) employees of the department indicated they were incomplete records given that employees did not sign and date the logs to acknowledge receipt of their assigned keys. In addition, the logs did not reflect the assignment of the code for the department’s safe – where money assets are temporarily stored – to the three employees with authorized access, and the code for the aforementioned safe was not being changed whenever employees with knowledge of it had their employment terminated.

**Recommendation No. 4**

We recommend complete key/code/combination control logs be maintained for each professional (full-time) employee with assigned access to the entrance doors to the Boca Raton campus recreation and fitness center, its departmental safe, and other critical areas within the facility. The logs should be signed/initialed and dated by the employees to acknowledge receipt of assigned keys/codes/combinations. Whenever an employee is required to turn-in his/her assigned keys, the logs should be signed/initialed and dated by the designated custodian who accepts the keys from the employee. In addition, the logs should indicate the dates on which combinations/codes assigned to ex-employees are changed, as applicable.

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**Management’s Response – Boca Raton Campus Recreation**

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**Action Plan:**

We implemented key/code/combination logs for each professional (full-time) employee with assigned access to the entrance doors to Boca Raton Campus Recreation and Fitness Center, its departmental safe, and/or critical areas with the facility. The logs are required to be signed/initialed and dated by the employees to acknowledge receipt of assigned keys/codes/combinations. These logs are signed/initialed and dated by the designated custodian who accepts the keys from the employee

whenever an employee is required to turn-in his/her assigned keys. In addition, the logs indicate the dates on which combinations/codes assigned to ex-employees are changed.

**Implementation Date:**

February 15, 2016.

**Responsible Auditee:**

Laura Johnson, Director of Campus Recreation.

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**Prior Audit Recommendations**

Our examination generally includes a follow-up on findings and recommendations of prior internal audits, where the subjects of such findings are applicable to the scope of the current audit being performed.

Within the past three fiscal years, our office has not conducted any audits related to campus recreation. Accordingly, a follow-up on prior audit findings is not applicable.

**CONCLUSION**

Based on the results of the tests performed, it is our opinion that the audited operations of the Boca Raton and Davie campus recreation departments were being conducted in general compliance with applicable laws, rules, regulations, policies and procedures, and sound business practices. Notwithstanding this assessment, we have made several recommendations to improve internal controls which we believe are cost-beneficial to implement, and will help to streamline operations amongst both departments.

We wish to thank the staff and management of the Boca Raton and Davie campus recreation departments for their kind cooperation and assistance which contributed to the successful completion of this audit.



Morley Barnett, CPA, CFE  
Inspector General

Audit Performed By: Mike Hewett, CIA, CBA, CFSA, CGAP  
Ben Robbins, CPA