

Internal Audit Risk Assessment Program Whatcom County Parks and Recreation Risk Identification

December 16, 2009



Whatcom County Auditor's Office

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Internal Audit Division

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About the Risk Assessment

Objective

The objective of this risk assessment is to identify significant areas of risk to County operations within the Parks and Recreation Department for later comparison to other County-wide risks for the purpose of considering where to best use audit resources.

Scope

The assessment will identify all major operations of the Whatcom County Parks and Recreation Department and significant inherent risks to those operations.

This should not be construed to be a comprehensive assessment since Internal Audit Division resources are limited. This assessment does not evaluate established management controls used to mitigate these inherent risks.

Methodology

This assessment was performed as follows:

- By meeting with management in a series of short interviews to discuss the operations and perceived inherent risks.
- Reviewing the Whatcom County Parks and Recreation Department's website.
- Reviewing applicable sections of the Whatcom County 2009-2010 Final Budget report.

Results of the Assessment

Parks

Park properties are maintained and operated throughout the county for the public's use. Park properties range from playgrounds to camping grounds to lakeside beaches and more. Some parks also offer rentals of equipment, such as canoes or paddle boats.

Areas of risks to this program may include, but are not limited to the following:

- Cash handling
- Maintenance scheduling
- Property maintenance and monitoring

Recreational Programs

The Department manages a diverse set of programs offered through out the year at multiple locations. These include programs such as arts and crafts, cultural events, interpretive programs, and recreational classes.

Areas of risks to this program may include, but are not limited to the following:

- Cash handling
- Billing and collection
- Class/event coordination

Senior Centers

Eight senior centers are located throughout the county. The Department maintains the facilities and provides a few programs via third-party vendors. Most of the programs, such as meals and wellness programs are provided by another government agency, the Whatcom County Council on Aging via third-party vendors.

Employees may be involved in facilities setup for various programs, carpooling for seniors and limited programs sponsored by the Department.

Areas of risks to this program may include, but are not limited to the following:

- Facilities ADA compliance
- Cash handling
- Adequacy of employee and volunteer background checks for working with elderly people

Rental Facilities

There are three major rental type facilities:

- Facilities for Meetings, Programs and Events
- Group Picnic Areas
- Camping and Cabins

Areas of risks to this program may include, but are not limited to the following:

- Billing and collection
- Cash handling
- Property damage caused by users or vandals

Trails

More than fifty miles of trails are maintained throughout the county. The Department performs preventative maintenance on a seasonal basis and repairs as needed.

No significant risks have been identified.

Tennant Lake Interpretive Center

This facility was jointly managed under a cooperative arrangement with the Washington Department of Fish and Wildlife but is now operated solely by the County.

Areas of risks to this program may include, but are not limited to the following:

- Property maintenance

Plantation Rifle Range

The rifle range provides a controlled area for the public to discharge firearms. Training classes are also scheduled throughout the year. Cash handling is done on site. Firearms are available for rent while targets and ammunition are available for sale.

Areas of risks to this program may include, but are not limited to the following:

- Cash handling
- Inventory control

Future Use Properties

Properties currently held for future use as park land are often rented out as residential housing or leased for other land use purposes.

Areas of risks to this program may include, but are not limited to the following:

- Billing, collections, and cash handling
- Property damage caused by tenants

Grants

The Department occasionally receives state grants primarily managed through the Recreation Conservation Office (RCO). Reporting uses the State's online PRISM program for the application and tracking of grants. State grants are typically through the State's Department of Ecology or Fish and Wildlife.

Areas of risks to this program may include, but are not limited to the following:

- Grant administration and compliance issues.

General Administration

- The Department has developed a Comprehensive Parks, Recreation and Open Space Plan, dated April 2008 and a 6-year Parks Capital Improvements and Projects Work Plan. Areas of Risks: The plans may not be used, maintained and updated, or monitored adequately by relevant management.
- The Department has internal policies and procedures. The general purpose policies and procedures are known, by management, to be out-dated. Areas of Risk: Policies and procedures may not be useful and hidden risks may exist.
- Funding sources include the REET I and REET II Funds and the Conservation Futures Fund and in some years the Parks Improvement Fund. Areas of Risk: Compliance with established use of funding.
- The Department's website is an integral tool for operations, including online reservations and acceptance of credit cards, each done via a third-party vendor. Areas of Risks: Usability of the website may not be optimal; Payment Card Industry compliance.
- Personnel are geographically spread through out the county and tasks and jobs vary significantly. Areas of Risks: Limited supervision and significant changes in job requirements may lead to inefficiencies or other issues.
- The Department accounts for numerous and geographically diverse revenue streams. QuickBooks is used for balancing the checkbook accounts. Areas of Risks: Timeliness and monitoring of revenue streams may be inefficient or less effective than optimal; business application risks.
- The Department maintains artifacts and keeps an inventory of the artifacts in a specialty application called Past Perfect. Areas of Risks: Inventory control; business application risks.

**WHATCOM COUNTY
PARKS & RECREATION**

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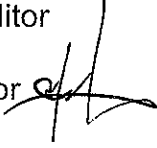


MICHAEL G. McFARLANE
Director

ROBERT J. BUNNETT
Recreation & Senior Services Manager

LYNNE GIVLER
Parks Operations Manager

MEMORANDUM

TO: Fred Williams, Internal Auditor
FROM: Michael McFarlane, Director 
RE: Parks & Recreation Dept. Internal Audit Risk Assessment
DATE: January 22, 2010

I have reviewed the final Internal Audit Risk Assessment Program for the Parks and Recreation Department and concur that the assessment identifies the major risk areas within the Department.

Thank you.

ABOUT WHATCOM COUNTY'S INTERNAL AUDIT SYSTEM



The internal audit system was established on July 1, 1994 by a 1993 Whatcom County charter amendment. The county auditor has the authority and responsibility for the management of the internal audit system. As an independently elected official, the county auditor has the organizational status and objectivity necessary to maintain the independence required to schedule, perform, and report audit activities.

The key purpose of the internal audit function is to promote accountability. As an independent appraisal function, internal auditing provides public officials, legislators and citizens with information regarding the operation and management of county government.

The internal audit system is chartered to perform operational and financial audits of all programs, services and accounts that come under the budget authority of the county. Our audits are designed to comply with applicable professional standards. Results of the audits are published in individual audit reports, and are made available to the public.

Comments or questions about the internal audit system can be directed to:

Shirley Forslof, County Auditor	(360) 676-6740 ext. 56744
Debbie Adelstein, Chief Deputy Auditor	(360) 676-6740 ext. 50065
Fred Williams, Internal Auditor	(360) 676-6740 ext. 50049

Copies of audit reports may be obtained in the following manner:

Request a copy in writing to:
Whatcom County Auditor's Office
311 Grand Avenue, Suite 103, Bellingham, WA 98225

Request a copy by telephone (360) 676-6740, or fax (360) 738-4556.