



Dallas Park & Recreation

Audit of Fair Park Business Partners Oversight Update



Park and Recreation Board

April 20, 2017

Purpose

- Update the Park and Recreation Board on the Park and Recreation Department's (PKR) responses to the Office of the City Auditor's report of Fair Park Business Partners Oversight dated May 13, 2016
 - *Recommendations I and III, addressed to the Office of Cultural Affairs (OCA) only, will not be updated*
- Last update to Board provided on June 2, 2016
- City Auditor's Office will conduct re-audit of Fair Park Business Partners Oversight at a future date

Auditor's Recommendation II

Auditor's Recommendation II	Condition	Management's Response	Stated Implementation Date	Management's Response Status
<p>We recommend the Directors of PKR and OCA develop and implement formal (written, approved, and dated) contract oversight/monitoring policies and procedures</p>	<p>The Department of Park and Recreation (PKR) and the Office of Cultural Affairs (OCA) do not have formal (written, approved, and dated) policies and procedures for contract oversight/monitoring of assigned Fair Park business partners.</p>	<p>PKR and OCA will revise their current contract oversight/monitoring policies and procedures into formal (written, approved, and dated) procedures governing contract oversight and monitoring and these will conform to applicable Administrative Directive 4-05.</p> <p>City's Business Development and Procurement Services is in the final stages of developing a Contract Management Manual for the City of Dallas that will help establish procedures to enable all City employees to efficiently manage contracts and have a clear understanding of their roles and responsibilities.</p>	<p>March 31, 2018</p>	<p>Written procedures related to contract oversight/monitoring have been put into effect and are currently being tested to determine efficiency, reliability, and compliance.</p> <p>Reassignment of job duties will allow the Senior Accountant to manage the contract management process.</p> <p>Senior Accountant position has been advertised and a register of candidates has been received. Anticipate filling the vacant position by May 30, 2017.</p>

Auditor's Recommendation IV

Auditor's Recommendation IV	Condition	Management's Response	Stated Implementation Date	Management's Response Status
<p>We recommend the Directors of PKR and OCA establish procedures to ensure that all key contract requirements are monitored and are in compliance with the contract requirements.</p>	<p>In addition, PKR and OCA did not provide sufficient contract oversight/monitoring for 23 (11-PKR; 12-OCA) key contract sections because they were not identified for oversight/monitoring.</p>	<p>While PKR and OCA have previously diligently worked with partner organizations to monitor and correct compliance issues, PKR and OCA agree with this recommendation and will revise their current contract oversight/monitoring policies and procedures into formal (written, approved, and dated) procedures governing contract oversight and monitoring and these will conform to applicable Administrative Directive 4-05.</p> <p>City's Business Development and Procurement Services is in the final stages of developing a Contract Management Manual for the City of Dallas that will help establish procedures to enable all City employees to efficiently manage contracts and have a clear understanding of their roles and responsibilities.</p>	<p>March 31, 2018</p>	<p>Written procedures related to PKR's sufficient contract oversight/monitoring of 11 key contract sections have been put into effect and are currently being tested to determine efficiency, reliability, and compliance.</p> <p>Reassignment of job duties will allow the Senior Accountant to manage the contract management process.</p> <p>Senior Accountant position has been advertised and a register of candidates has been received. Anticipate filling the vacant position by May 30, 2017.</p>

Auditor's Recommendation V

Auditor's Recommendation V	Condition	Management's Response	Stated Implementation Date	Management's Response Status
<p>We recommend the Director of PKR works with the City Attorney's Office and the State Fair to develop and agree on a contract definition that is sufficiently clear to allow PKR to verify that the State Fair is using all available excess revenues on major maintenance and capital expenditures as required by the contract.</p>	<p>The State Fair of Texas (State Fair) contract does not clearly define "Application of Excess Revenues."</p>	<p>PKR will work with the City Attorney's Office and the State Fair of Texas to clarify the definition of excess revenues in the existing executed contract.</p>	<p>March 31, 2018</p>	<p>PENDING – Staff has been in discussions with the State Fair of Texas and the City Attorney's Office to negotiate a Memorandum of Understanding clarifying the definition of excess revenues.</p>

Auditor's Recommendation VI

Auditor's Recommendation VI	Condition	Management's Response	Stated Implementation Date	Management's Response Status
<p>We recommend the Director of PKR develops and implements written supervisor review procedures and formally approves the procedures.</p>	<p>The PKR's written procedures for PKR's review, allocation, and preparation of the annual utility reimbursement bill sent to the State Fair for utility expenses incurred during the annual State Fair (September 15th to October 31st of each year) does not include supervisor review procedures. In addition, the procedures have not been approved by PKR management.</p>	<p>PKR will develop and implement written supervisor review procedures and formally approve the procedures.</p>	<p>March 31, 2018</p>	<p>Written procedures related to supervisor review of the State Fair of Texas' utility reimbursements have been put into effect and are currently being tested to determine efficiency, reliability, and compliance.</p>

Auditor's Recommendation VII

Auditor's Recommendation VII	Condition	Management's Response	Stated Implementation Date	Management's Response Status
<p>We recommend the Director of PKR cross trains staff to verify the Live Nation Minimum Guaranteed Rental, Percentage Rental, and the Additional Rental calculations to ensure a contingency plan is in place in the event currently assigned personnel leave PKR unexpectedly.</p>	<p>The PKR has not cross trained staff to verify Live Nation Minimum Guaranteed Rental, Percentage Rental, and the Additional Rental calculations. These calculations are used to verify the City and the South Dallas Economic Development Fund received the correct rental payments from Live Nation.</p>	<p>PKR will cross train staff to verify the Live Nation Minimum Guaranteed Rental, Percentage Rental, and the Additional Rental calculations to ensure a contingency plan is in place in the event currently assigned personnel leave PKR unexpectedly.</p>	<p>March 31, 2018</p>	<p>The Assistant Director and Business Manager have been cross trained by the active staffer performing the task.</p> <p>Senior Accountant position has been advertised and a register of candidates has been received. Anticipate filling the vacant position by May 30, 2017.</p>



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