

FOLLOW-UP REPORT

Parks Permitting Program

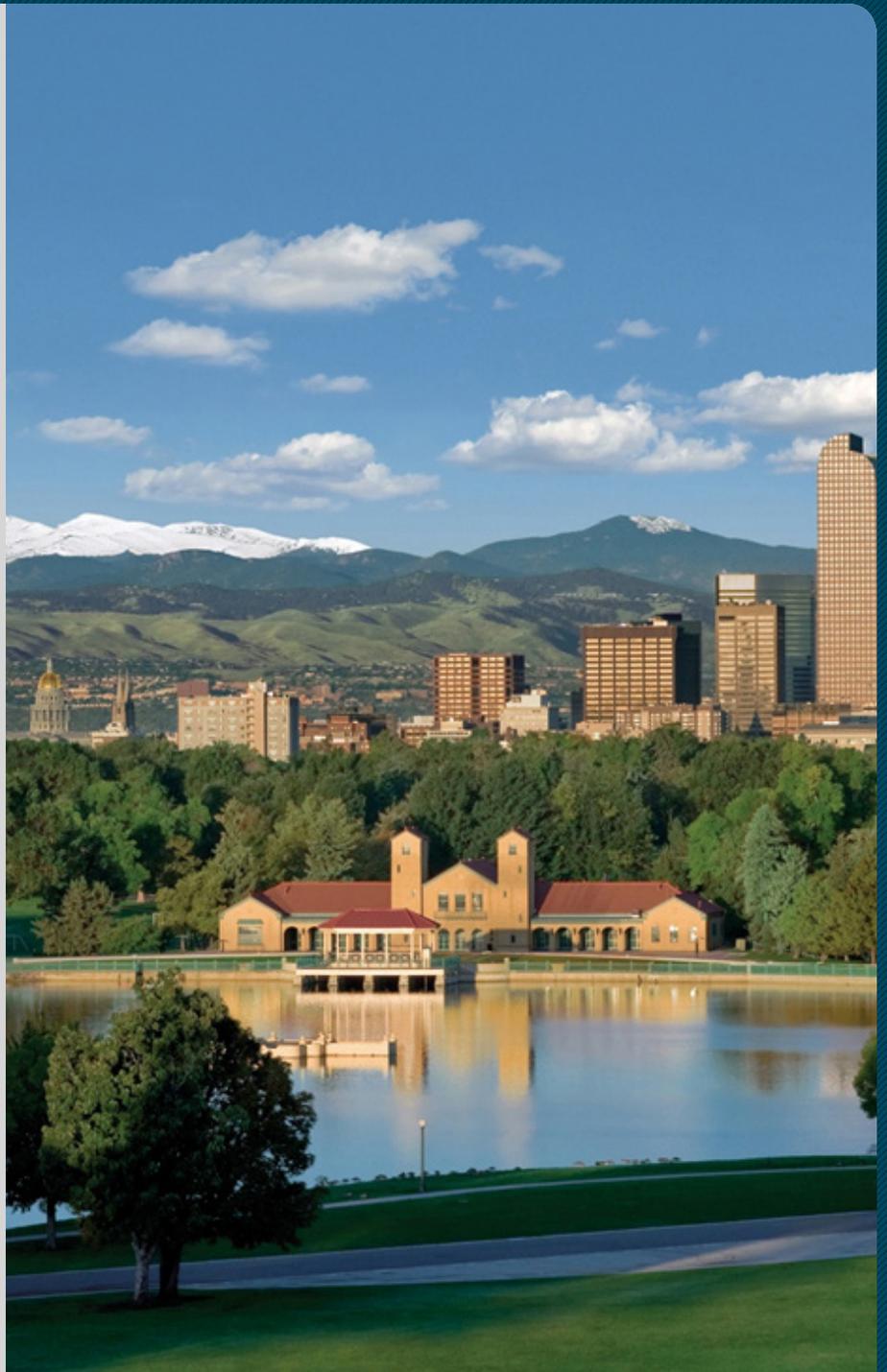
Department of Parks and Recreation

July 2019

**Office of the Auditor
Audit Services Division
City and County of Denver**



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July 11, 2019

AUDITOR'S LETTER

In keeping with generally accepted government auditing standards and Auditor's Office policy, as authorized by city ordinance, the Audit Services Division has a responsibility to monitor and follow up on audit recommendations to ensure audit findings are addressed through appropriate corrective action and to aid us in planning future audits.

In our follow-up effort for the "Parks Permitting Program" audit issued April 20, 2017, we determined the Department of Parks and Recreation has not adequately implemented most of the recommendations made in the audit report. Only two of six recommendations were fully implemented. Therefore, auditors determined the risks associated with the audit team's initial findings have not been fully mitigated. As a result, the Audit Services Division may revisit these risk areas in future audits to ensure appropriate corrective action is taken.

The Highlights page in this report provides background and summary information about the original audit and the completed follow-up effort. Following the highlights page is a detailed implementation status update for each recommendation.

I would like to express our sincere appreciation to the Parks and Recreation personnel who assisted us throughout the audit and the follow-up process. For any questions, please feel free to contact me at 720-913-5000.

Denver Auditor's Office

A handwritten signature in black ink, appearing to read "Timothy M. O'Brien".

Timothy M. O'Brien, CPA
Auditor



Parks Permitting Program

July 2019

Follow-Up Status

The Department of Parks and Recreation has fully implemented only two of the six recommendations made in the April 2017 audit report.

Objective

The objective of the audit was to evaluate how well the Department of Parks and Recreation's Parks Permitting program supports quality customer service, including the accessibility and equity of the process, for residents and others who seek to reserve parks and other facilities in the City and County of Denver.

Background

Parks and Recreation is one of Denver's largest departments, providing a broad range of programs, services, facilities, and amenities to residents and visitors. The Parks Permitting program issues permits to individuals and organizations for picnic sites, athletic fields, tennis courts, assemblies, special events, and revocable food and beverage vending permits. Parks Permitting also facilitates reservations for use of the City's event facilities, such as the City Park Pavilion, Montclair Civic Building, and the Washington Park Boathouse.

REPORT HIGHLIGHTS

Highlights from Original Audit

The audit found that the Parks Permitting program could have done more to understand customer satisfaction, ensure optimal cost recovery, and promote the transparency of parks permitting protocols.

Customer Satisfaction – A central tenet of Parks and Recreation's mission is dedication to customer satisfaction. However, we determined that the Parks Permitting program was not sufficiently collecting and analyzing information about all permit types on a consistent basis to clearly understand how well the program was performing. We also found that the overarching goal of the Parks Permitting program did not reference customer service and did not specify how permit issuance should be executed from the standpoint of the customer. Similarly, the program's performance measures were output oriented—tracking the number of permits issued and the number of hours that athletic fields are used—and did not track whether permits were issued efficiently or if customers were satisfied with their experience. Without seeking to better understand performance from multiple angles, the Parks Permitting program could not adequately assess the effectiveness and efficiency of its processes.

Cost Recovery – From a financial perspective, our audit work provided assurance that Parks and Recreation appeared to have developed the appropriate internal controls to govern fee collection, reducing opportunities for fraud. However, we found that Parks and Recreation had not undertaken a comprehensive review of its parks permitting fees since 2012, nor established time frames for reviewing and adjusting fees to achieve cost recovery. Without assessing the cost recovery of parks permitting fees on a periodic basis, Parks and Recreation was limited in its ability to ensure that parks permitting fees are set at an optimal level to meet Parks and Recreation's cost recovery goals.

Policies and Procedures – Finally, our audit looked at the transparency and accuracy surrounding the protocols that the public must follow to obtain park and recreation permits. Although the Permit Administrator had made several improvements in recent years to remedy some of the confusion experienced by permit seekers when navigating the department's park permitting rules and regulations, two further initiatives—the implementation of a comprehensive athletic policy and the alignment of Parks Permitting policies with City code—still needed to be finalized.

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RECOMMENDATION — STATUS OF IMPLEMENTATION

FINDING – The Parks Permitting Program Can Do More to Understand Customer Satisfaction, Ensure Optimal Cost Recovery, and Promote Transparency

Recommendation

- 1.1 **Program Goal** – The Executive Director of the Department of Parks and Recreation should revise the Parks Permitting program goal to make it outcome-oriented and, consistent with the Department's mission, to reflect a commitment to customer satisfaction and quality service delivery.

Status: Implemented (Original target date for completion: September 30, 2017)

Agency Action

In 2017, Parks and Recreation revised and expanded its Parks Permitting program goals to reflect the department's commitment to customer service. This is consistent with the department's mission as outlined in the city's "Game Plan for a Healthy City," which was adopted by the Denver City Council in May 2019.

In addition to establishing new goals for improving the documentation and communication of permitting processes and staff development, Parks and Recreation set a goal to "improve customer service for internal and external customers." This will allow the department to assess how well the program fulfills the needs of residents and visitors who reserve and use the City's services, facilities, and amenities.

Recommendation

- 1.2 **Performance Measures** – The Executive Director of the Department of Parks and Recreation should develop a suite of balanced performance measures that will allow Parks and Recreation to monitor data trends and assess programmatic performance against targets linked to organizational goals and objectives.

Status: Not Implemented (Original target date for completion: September 30, 2017)

Agency Action

Though Parks and Recreation revised and expanded its program goals, officials acknowledge that the department has not developed a suite of balanced performance measures that would allow Parks and Recreation to monitor data trends and assess program performance against targets linked to organizational goals and objectives, as recommended. Parks and Recreation officials said the department plans to develop a way to monitor data trends after the adoption of the 2019 Game Plan.

Recommendation

- 1.3 **Customer Satisfaction** – The Executive Director of the Department of Parks and Recreation should strengthen its evaluation of customer satisfaction by systematically collecting and analyzing information about the quality of all Parks Permitting program services and facilities from the user perspective and regularly use this information to improve program operations and the customer experience.

Status: Partially Implemented (Original target date for completion: December 31, 2017)

Agency Action

In 2017, Parks and Recreation expanded its efforts to collect customer satisfaction information through customer service surveys—which are distributed with all permits issued through the Parks Permitting program. However, the department does not analyze information about all permit types on a consistent basis to clearly understand how well the program is performing.

For example, Parks and Recreation officials provided auditors documented analysis of survey results for picnic and event facilities surveys—representing two of the 11 permit types identified in the original audit. The department provided analysis of event facilities surveys for 2017 and 2018, but officials provided analysis of picnic survey results for only 2016.

Officials said Parks Permitting program staff review on a quarterly basis the survey results they do receive, and they adjust program operations to improve the customer experience as needed.

Recommendation

- 1.4 **Cost Recovery** – The Executive Director of the Department of Parks and Recreation should create and adhere to a policy that defines periodic time frames for conducting cost recovery analysis to determine whether fees collected are meeting the cost recovery goals established in the Resource Allocation and Priorities Plan.

Status: Not Implemented (Original target date for completion: December 31, 2018)

Agency Action

In its response to our original recommendation, Parks and Recreation agreed a cost recovery analysis should be performed on a regular basis but disagreed this should be a formal policy. Consistent with that position, the department has not created a policy that defines periodic time frames for conducting cost recovery analyses to determine whether fees collected are meeting the cost recovery goals established in the Resource Allocation and Priorities Plan.

Further, we found that Parks and Recreation has not done a comprehensive review of its parks permitting fees since 2012—as discussed in the original audit report. However, the department has

completed a cost recovery analysis of several of its fees, including those related to golf, picnic sites, recreational facility rental, campground, forestry, and certain athletic permits.

Recommendation

- 1.5 **Policies and Procedures** – The Executive Director of the Department of Parks and Recreation should ensure the timely completion and implementation of the comprehensive athletic policy to provide accurate and transparent information about the permitting process for these facilities and amenities available to the public.

Status: Implemented (Original target date for completion: December 31, 2017)

Agency Action

Effective December 21, 2018, Parks and Recreation adopted its “Athletic Field/Court/Tournament Permit Policy.” This policy, among other things, provides comprehensive information about the permitting process for these facilities and amenities available to the public.

Recommendation

- 1.6 **Policies and Procedures (Alignment with Applicable Laws)** – The Executive Director of the Department of Parks and Recreation should evaluate current and future Parks Permitting policies and procedures to ensure the timely alignment of program policies and procedures with the Denver Revised Municipal Code and other applicable laws.

Status: Not Implemented (Original target date for completion: July 31, 2017)

Agency Action

With the adoption of the “Athletic Field/Court/Tournament Permit Policy,” Parks and Recreation has initiated, but not yet completed, its evaluation of Parks Permitting policies and procedures to ensure the timely alignment of program policies and procedures with City ordinance and other applicable laws. However, officials said the department will continue to coordinate with the City Attorney’s Office to finalize needed revisions and propose ordinance changes to the Denver City Council.

CONCLUSION

Though the Department of Parks and Recreation has implemented two of the six recommendations made in the "Parks Permitting Program" audit report, the four others have yet to be acted upon or fully implemented. Despite the department's efforts, auditors determined risks associated with the audit team's initial findings have not been fully mitigated. For example, without using performance metrics to monitor trends and assess program performance, Parks and Recreation cannot evaluate the effectiveness and efficiency of its parks permitting process. As a result, the Audit Services Division may revisit these risk areas in future audits to ensure appropriate corrective action is taken.

On behalf of the citizens of the City and County of Denver, we would like to thank Parks and Recreation staff and leadership for their cooperation during our follow-up effort and for their dedicated public service.

Office of the Auditor

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