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Office of the County Auditor

Shelly A. Banks, C.P.A.

Cook County Auditor

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April 17, 2017

The Honorable Toni Preckwinkle, President
And Board of Cook County Commissioners
118 N. Clark Street, Room 537
Chicago, Illinois 60602

Dear President Preckwinkle and Board of Commissioners:

We have conducted the Aquatic Centers Pool Revenue Audit of the Forest Preserve District (FPD) of Cook County. We conducted our audit in accordance with the Cook County Auditor Ordinance.

The scope and objectives of our audit were designed to evaluate the effectiveness of the internal controls that are in place to ensure proper collection, recording, and safeguarding of pool revenue. Our objectives were also designed to determine if the Aquatic Centers are operating in accordance with the established policies, procedures and guidelines of the FPD and the Swim Chicago Southland Professional Services Agreement.

Please refer to the following audit report for the results of our audit. The audit report contains seven recommendations to be implemented by the FPD with the assistance of the County Auditor. The [Executive Summary](#) provides an overview of the audit with the main recommendation areas.

We express our appreciation for the assistance that the Aquatic Center and FPD staff extended to Mr. Damon Howell during the course of our audit. We have discussed the control improvements with FPD management and would be pleased to discuss further or to assist with any additional implementations.

Respectfully Submitted,

Shelly A. Banks, C.P.A.
Cook County Auditor

cc: Arnold Randall, Superintendent FPDCC
Stephen Hughes, Chief Financial Officer FPDCC
Timothy Hicks, Comptroller FPDCC
Cynthia Moreno, Director Conservation & Experiential Programming



COOK COUNTY GOVERNMENT
OFFICE OF THE COUNTY AUDITOR

Aquatic Center Pool Revenue of the Forest Preserve District of Cook County

Internal Audit Report

Report Date: April 2017

Issued By:
Shelly Banks, County Auditor

Audit Conducted By:
Damon Howell, Field Auditor V

EXECUTIVE SUMMARY

The Office of the County Auditor (OCA) has completed an audit of the Aquatic Center Pool Revenue of the Forest Preserve District (FPD) of Cook County. We have reviewed revenue collection and cash handling procedures, facility maintenance, pool safety procedures as well as the Swim Chicago Southland Professional Services Agreement (Services Agreement).

The scope and objectives of our audit were designed to evaluate the effectiveness of the internal controls that are in place to ensure proper collection, recording, and safeguarding of pool revenue. Our objectives were also designed to determine if the Aquatic Centers are operating in accordance with the established policies, procedures and guidelines of the FPD and the Services Agreement. We conducted this audit in accordance with Generally Accepted Government Auditing Standards, which require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our recommendations.

We presented the recommendations to the FPD management and will provide any additional assistance to strengthen the internal controls over key processes. Please refer to the [Recommendations Section](#) for detail regarding recommendations, corrective action plans and estimated completion dates.

BACKGROUND

The Department of Conservation & Experiential Programming is a department within the FPD and has the responsibility to oversee operations and maintenance of the Aquatic Centers.

The core mission of the Department of Conservation & Experiential Programming is to provide support for the FPD's mission by connecting people to nature through educational and outdoor recreation activities through collaborative efforts.

The Department of Conservation & Experiential Programming (CEP) is comprised of several functional areas that include: Outdoor Recreation, Education, Special Events, and Community Outreach and Engagement. The Department's primary goal is to attract resident participation in various programs and activities.

The Aquatic Centers offer residents and visitors an opportunity to swim, play or relax at the three locations (Cermak, Green Lake, Whealan). In addition to recreation swim activities, all three Aquatic Centers offer CELTS Swim School Programs Classes for all ages. Each Aquatic Center also has concession stands and seating areas available for patron convenience.

In Spring of 2016, FPD entered into a Professional Services Agreement with Swim Chicago Southland to assume managerial responsibilities for the daily operations of all three Aquatic Centers. The Professional Services Agreement term is 03/22/2016-03/21/2019, with two (2), one (1) year extension options. Swim Chicago Southland has been in business for over 10 years serving aquatic centers throughout the Chicago Metropolitan area. Swim Chicago Southland is experienced in all aspects of aquatic facility management which includes: lifeguard staffing, aquatic center management and aquatic programming and aquatic risk management services.

AUDIT SCOPE AND OBJECTIVES

The scope and objectives of our audit were designed to evaluate the effectiveness of the internal controls that are in place to ensure proper collection, recording, and safeguarding of pool revenue. Our objectives were also designed to determine if the Aquatic Centers are operating in accordance with the established policies, procedures and guidelines of the FPD and the Professional Services Agreement (Services Agreement).

Our objectives included determining if:

- Written policies and procedures are in place governing all Aquatic Center operations including admission procedures, pool safety concessions, and facility maintenance
- Aquatic Centers are fully operational and properly maintained per the Services Agreement
- Daily cash receipts are properly recorded, verified and deposited
- Management fees and vendor invoices are paid in accordance with the Services Agreement
- Contract deliverables are provided per the Services Agreement
- Aquatic Center staff has appropriate and current certifications per the Services Agreement

In order to reach a conclusion on our objectives, we performed the following procedures regarding the FPD Pool Revenue:

- Reviewed current Services Agreement
- Performed walk-throughs of Aquatic Centers to document controls and operating procedures
- Tested paid management and vendor invoices for completeness and accuracy
- Tested safety audit activity to verify daily completion
- Tested daily revenue to verify accurately recorded, safeguarded and properly approved
- Reviewed staff certifications to verify up-to-date in accordance with Services Agreement

RECOMMENDATIONS

Recommendation #1:

Documentation was not provided to support Swim Chicago Southland's compliance with the FPD Code for minority and women business participation (MBE/WBE) requiring that FPD establish contract specific goals for each contract. Swim Chicago Southland is not listed in the B2G System, which is used to track contractor compliance with MBE/WBE participation.

Per the Professional Services Agreement Section III D., it is the responsibility of awardee to work with FPD to develop and incorporate minority and women owned business participation. Per Aquatic Center Management, Coach Eve Learn To Swim, LLC (d.b.a. Swim Chicago Southland) is a wholly owned and operated by Coach Eve Welch, however at the time of our review, certification as a Women Minority Owned Business (WMOB) had not been completed.

We recommend that FPD management establish a plan with Swim Chicago Southland to ensure compliance with the FPD Code for MBE/WBE participation. In addition, we recommend that FPD add Swim Chicago Southland as a contractor in B2G for MBE/WBE participation reporting.

Corrective Action Plan:

This contract was not required to have MBE/WBE participation goals due to the limited subcontracting opportunities as established by FPD's Contract Compliance Administrator. This analysis concluded that the majority of the expenditures incurred by the vendor are for personnel costs, which include pool managers, lifeguards and support personnel and, as a result MBE/WBE goals would be difficult to achieve.

In an effort for inclusiveness and diversity of hiring under this contract, the vendor has committed to advertise employment opportunities with various non-profit and community based organizations. The vendor is encouraged to establish a policy to interview a minimum of two qualified minority candidates for each available employment opportunity before making a hire.

It should be noted that Swim Chicago is in the process of applying for MBE/WBE certification through the County.

Estimated Completion Date: Ongoing

Recommendation #2:

The daily revenue collected at the FPD Aquatic Centers could not be properly tested to verify the receipted daily revenue to courier pickups.

Per our observation and discussions with Aquatic Center Management, the Aquatic Centers Point of Sale system (POS) has experienced periodic temporary service interruptions throughout the aquatic season. When a POS system failure occurs, all sales from admissions and concessions must be recorded manually. During a service interruption, credit sales are suspended and only cash transactions are allowed. When POS service is restored, cashiers are to enter all manual transactions into the system. Depending on the time of day and length of the service interruption, staff may not be able to enter all transactions during the appropriate period, which causes gaps in the POS revenue reports data and an inaccurate reflection of the revenue collected during a certain period.

The POS system failures create a control deficiency, which can lead to a potential loss of revenue. In addition, it creates a customer disservice when only cash transactions can be accepted.

We recommend that FPD management assess the causes and severity of the POS system failures, i.e. vendor system issues, outdated system, system connections, length of time system is down, number and dollar amount of manual transactions due to system failures. From the assessment, FPD management should determine a corrective action plan to address the control deficiency prior to the FY'17 pool season. A reliable POS system is important to ensuring strong controls over the revenue collection process.

Corrective Action Plan:

For the 2017 pool openings, the aquatics manager will deploy a new POS system and backbone network to support the POS. The new system will be installed by May 1st for training and ready for production by the first day of pool operations. Swim Chicago will train Finance and CEP staff on the new system and address any reporting needs prior to go-live. FPD personnel will be granted access to the POS System to run and review reports.

Estimated Completion Date: May 1, 2017

Recommendation #3:

The Aquatic Facility Operations Manual has sections that are incomplete or have not been updated. The Services Agreement Section 2. F. Facility Operations states that the Aquatic Facility Operations Manual

is vital to the operations; therefore, it is important that the manual is complete and reflects all aspects of the operations.

The incomplete sections of the Aquatic Facility Operations Manual include: Daily Procedures, Guest Services & Policies, Concession Stand Operations, Building & Grounds, Physical Plant Operations and Programming.

We recommend that FPD management require the Aquatic Center Management to submit a completed Aquatic Facility Operations Manual prior to the FY'17 pool season.

Corrective Action Plan:

The Operations Manual for 2016 was created and posted but was labeled for Whealan and not updated for the other two facilities. The Manual will be updated to cover all three facilities and made available on the Partner Portal, which is accessible to authorized FPD personnel and pool staff. FPD management will review and approve the manual prior to opening day.

Estimated Completion Date: May 15, 2017

Recommendation #4:

Per our review of the Daily Safety Audit Schedule, daily safety audit checks are generally performed once a day per facility by supervisors as required by the Services Agreement and outlined in the Operations Manual. The safety checks included accessible emergency exits, proper air temperature, proper lighting, toilet, shower and dressing room cleanliness, etc.

From our review, there were multiple days at more than one Aquatic Center where there was no indication that the daily safety checks were performed.

Due to the importance of safety checks, we recommend that the FPD management establish a periodic review process of the daily safety audit checks to verify that Aquatic Center personnel is conducting and signing off on the daily safety audit checks.

Corrective Action Plan:

Daily safety audits are required to be completed at the start of each shift by the head lifeguard and the center manager. All managers and head lifeguards will be trained on the importance of this document at the beginning of the season with periodic checks for retention of this knowledge throughout the season.

Completed safety audit reports will automatically be sent to area manager for review. Swim Chicago will also establish an alert notification to be sent when reports are not completed on time (approximately every 12 hours). FPD management will also review safety audit reports weekly. Finally, completed safety audits have been added as an aquatic center KPI to emphasize its importance in pool operations.

Estimated Completion Date: May 28, 2017

Recommendation #5:

Per our review of completed training for assigned food service staff, applicable management staff has satisfactorily completed food safety training for the current period. Per our discussion with the Aquatic Center Management, non-management staff received an alternate training class for food handling. The alternate training class did not provide staff members with certificates of completion. The Services Agreement requires that all servers are trained in the safe handling of food.

We recommend that the FPD management require the Aquatic Center Management to obtain verification of completed food handling training for all applicable staff members as outlined in the Services Agreement.

Corrective Action Plan:

All Aquatic Center managers have the required Food Service Managers Certification as required by Illinois State Health code. All concession stand staff will have the Food Handler Basic Safety course offered thru Online service EfoodhandlersIllinois. Staff will be required to complete the class when on-boarded and not be able to start work until training is completed. The course is 30 minutes self-paced with assessment at the end, and meets the ANSI and State of Illinois requirements.

Estimated Completion Date: May 28, 2017

Recommendation #6:

The Annual Marketing Plan was not provided during the audit. As per the Services Agreement Section III. F. Marketing, Aquatic Center Management will work with the FPD to create an Annual Marketing Plan.

We recommend that FPD management work with the Aquatic Center Management to create an annual marketing plan as outlined in the Services Agreement.

Corrective Action Plan:

Annual marketing for 2017 began in January, but has not been presented in a formal document. We have focused on social media which has resulted in pre-opening membership sales. Swim Chicago staff are finalizing the in-park marketing plan and will present it to FPD management for approval and publication. The annual plan will be presented to FPD management for review and approval.

Estimated Completion Date: May 1, 2017

Recommendation #7:

The Aquatic Center monthly reports did not include documentation on the Aquatic Center patrons' satisfaction surveys. As per the Services Agreement, Aquatic Center Management should regularly capture and report data related to customer satisfaction including surveys, complaints and safety issues.

We recommend that FPD management require the Aquatic Center Management to create reports that track and analyze data collected from patron input such as surveys and complaints. In addition, FPD Management should require the Aquatic Center Management to compile and submit any customer satisfaction data from the prior pool season to be used in assessing any opportunities for improvements prior to the FY'17 pool season.

Corrective Action Plan:

Swim Chicago has both survey and issue tracking forms in place and available on-line for patrons to complete. The reports are shown in real time on the FPD Partner Portal for review and archiving. For the satisfaction survey, they will again use the Net Promoter Score (NPS) for 2017, and will add a "Drop us a note" feature. Additionally, all forms of social media are monitored for references to FPD aquatic centers, and any comments are reviewed by management with action taken if necessary. This practice will continue in 2017 with biweekly summary reports submitted to SCS senior staff and FPD management. FPD management will also review the reports with Swim Chicago during their weekly meetings.

Estimated Completion Date: May 28, 2017