
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of Parks & Recreation Department

Online Reservation Payment System

Project No. AU18-015

January 9, 2019

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Parks & Recreation Department (Parks), specifically the ActiveNet online reservation and payment system. The audit objectives, conclusions, and recommendations follow:

Determine if controls and processes within the ActiveNet reservation and payment system are adequate and properly managed.

The ActiveNet system is working as intended by providing a more efficient and effective way for citizens to access City programs, reserve City facilities, and pay for those services in a secure manner. We determined that the reservation fees charged by the ActiveNet system are accurate and that reservations made online has exceeded reservations made in person. We also determined that the vendor fees being paid by the City to ActiveNet are calculated correctly.

However, there are opportunities to strengthen the controls associated with ActiveNet user access, cash refunds, and modifying or waiving reservation fees.

We recommend that Parks Management:

- Limit elevated privileges within the ActiveNet system based upon least privileges and ensure proper segregation of duties exists. Additionally, Parks management should remove inactive users and perform periodic user access reviews.
- Ensure that all cash refunds have documented management approval. Additionally, limit the ability to process refunds within the ActiveNet system to management personnel.
- Develop a policy for modifying or waiving reservations fees in the ActiveNet system. Additionally, Parks management should limit the number of users who have the ability to modify or waive fees.

Parks & Recreation Management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 7.

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Background

The Parks & Recreation (Parks) Department's mission is to provide exceptional parks, facilities, programs, and services to improve the quality of life for all. Parks offers a wide variety of facilities for citizens to reserve such as community centers, sports fields, gazebos, and pavilions. Reservations can be made in person at the Parks and Recreation Headquarters or online.

Parks utilizes the ActiveNet system, an online reservation system to streamline the reservation and payment process, enhance customer service, and improve reporting capabilities.

Additionally, Center City Development and Operations (CCDO) and the World Heritage Office (WHO) utilize the ActiveNet system to track reservations and payments for their designated sites. Below is a chart summarizing the reservations and payments made for City facilities for March 1, 2017 through March 31, 2018.

City Facility Reservations and Payments (March 1, 2017 - March 31 2018)

	Number of Reservations	Total Payments Received
Parks Facilities – Online	6,577	\$510,407
Parks Facilities – In Person	4,890	\$771,309
CCDO Facilities – In Person	1,094	\$337,956
WHO Facilities – In Person	12	\$5,875
	<u>12,573</u>	<u>\$1,625,547</u>

Source: Data obtained from ActiveNet system

Audit Scope and Methodology

The audit scope period was March 1, 2017 to March 31, 2018.

To establish our test criteria, we reviewed City Administrative Directives, Parks policies and procedures, and the City's contract with ActiveNet. We also interviewed City staff to gain an understanding of the processes for reserving and paying for City parks and facilities, accounting for payments received, and the management of the ActiveNet system.

As part of our testing procedures we examined controls for ensuring the ActiveNet system accurately and securely records reservations and payments for City parks and facilities. We also reviewed the abilities of the user access roles assigned to City staff within the ActiveNet system. Furthermore, we tested the controls around the payment process for adequate segregation of duties, the accuracy and access to edit reservation rates, and the calculation of vendor fees paid to ActiveNet by the City. Finally, we reviewed ActiveNet's compliance with Payment Card Industry Data Security Standards (PCI DSS) and controls over financial reporting.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results and Recommendations

A. ActiveNet User Access

ActiveNet system user access is excessive. Additionally, there is a lack of periodic user access reviews performed for the ActiveNet system.

Currently there are 348 active Parks user accounts in the ActiveNet system. Of the active users, 294 (84%) have elevated privileges that include modifying or waiving reservation fees, canceling a reservation, issuing credits, and authorizing cash refunds. Granting these elevated privileges to the same user groups creates segregation of duties conflicts.

Below is a summary of the capabilities authorized and the user groups who can access them.

Capability	ActiveNet User Groups with Elevated Privileges				
	Administration	Cashier - Membership	Cashier - Registrations	Cashier - Reservations	Lead/ Supervisor
Enter a Reservation	X	X		X	
Waive or Modify Fee	X	X		X	
Take a Payment	X	X	X	X	X
Cancel Reservation	X	X	X	X	
Give a Credit	X	X	X	X	X
Issue a Refund	X	X	X	X	X
# of Users in Group	9	156	73	8	48
Terminated Users		23	7		4

Within these user groups are 34 user accounts of former City employees who no longer require access. Furthermore, there are an additional 6 terminated user accounts without elevated privileges that can still access the system.

Administrative Directive (AD) 7-8D Access Control states that access permissions will use the principle of least privilege. The Department Business System Owner is responsible for ensuring that appropriate access controls have been developed and documented in accordance with this AD. Finally, access to

COSA IT assets must be disabled upon separation of the employee. All COSA Information Systems must be periodically screened for inactive accounts. Authorization and access controls are essential to prevent misuse or abuse of this function which ultimately affects City funds and resources.

The lack of restricting elevated privileges allows for the potential of fraudulent activity or inadvertent actions. Furthermore, the ActiveNet system is accessed online which means users can log in to the system from any electronic device with an internet connection. Because access to the City network is not required, these user accounts can still access the ActiveNet system. Finally, the lack of user access reviews increases the risk of unauthorized users, inappropriate access and unauthorized modification of data.

Recommendation

To ensure compliance with AD 7-8D Access Control, Parks management should limit elevated privileges within the ActiveNet system based upon least privileges to perform job functions and ensure proper segregation of duties. Additionally, Parks management should remove inactive users and perform periodic user access reviews.

B. Cash Refund Approvals

There is a lack of documented management approvals for cash refunds processed by Parks cashiers. From a sample of 15 cash refunds, 6 (40%) had no evidence of management approval.

Refunds are issued to customers for a variety of situations which include bad weather, issues with the park facility readiness and reservation security deposits. Per Parks policies, cash refunds require review and approval by supervisor or manager.

However, cashiers within the ActiveNet system have elevated privileges and are able to issue cash refunds without manager approval.

As a result, the lack of a management's review and approval of cash refunds increases the risk of errors and the opportunity for fraudulent activity.

Recommendation

Parks management should ensure that all cash refunds have documented management approval. Additionally, limit the ability to process refunds within the ActiveNet system to management personnel.

C. Reservation Fees

Parks does not have a documented policy or procedure for Parks personnel to waive or modify reservation fees within the ActiveNet system. For a four month period, auditors identified 154 instances where the reservation fee was waived for Parks facilities that would normally have a charge and no management approval was obtained.

There are occasions where staff will need to reserve facilities without fees such as City events or if a facility needs to be made unavailable to citizens for maintenance or City holidays.

Currently, there is no requirement for obtaining management approval for waiving or modifying reservation fees in the ActiveNet system. Furthermore, 173 Parks users have the ability to modify or waive reservation fees for City facilities.

Without a documented policy for modifying reservation fees, employee actions become inconsistent, increasing the risk of misuse or abuse.

Recommendation

Park management should develop a policy for modifying or waiving reservations fees in the ActiveNet system. Additionally, Parks management should limit the number of users who have the ability to modify or waive fees.

Appendix A – Staff Acknowledgement

Gabe Trevino, CISA, Audit Manager
Sheryl Wardashki, CPA, Auditor in Charge

Appendix B – Management Response



CITY OF SAN ANTONIO

P.O. Box 839966
SAN ANTONIO TEXAS 78283-3966

December 18, 2018

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for Parks & Recreation Department Online
Reservation Payment System

The Parks & Recreation Department has reviewed the audit report and has developed the
Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	ActiveNet User Access To ensure compliance with AD 7-8D Access Control, Parks management should limit elevated privileges within the ActiveNet system based upon least privileges to perform job functions and ensure proper segregation of duties. Additionally, Parks management should remove inactive users and perform periodic user access reviews.	3	Accept	Lyn Kinton, Parks and Recreation Manager	October 25, 2018

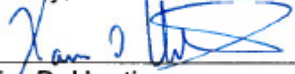
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Action Plan:																																																											
<p>The Parks and Recreation Department, in coordination with ITSD, conducted a thorough review of User Groups along with associated privileges. Testing of user profiles and system functionality was completed on October 25, 2018.</p> <p>The Parks and Recreation Department completed a review of ActiveNet users for its employees and through ITSD removed all inactive users from ActiveNet as well as modify User Groups based on job duty. The protocol ITSD follows to terminate permissions of staff that separate from City employment, change position or change department they work for, now includes termination of ActiveNet access. This is similar for example to the procedure followed policy for SAP user authorization. Additionally, all user rights and privileges associated with entering reservations, waiving or modifying of fees, taking payments, processing reservation cancellations, and issuing refunds or credits, have been updated based on the ActiveNet User Group type. The large number of Cashier roles is to accommodate thirty plus sites in the community where the public can walk-in a reserve a facility.</p> <p>Below is an updated summary of the capabilities authorized and the user groups who can access them:</p> <table border="1"> <thead> <tr> <th colspan="6">ActiveNet User Groups with Elevated Privileges</th> </tr> <tr> <th>Capability</th> <th>Administration</th> <th>Cashier-Membership</th> <th>Cashier-Registrations</th> <th>Cashier-Reservations</th> <th>Lead/Supervisor</th> </tr> </thead> <tbody> <tr> <td>Enter a Reservation</td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>Waive or Modify Fee*</td> <td></td> <td>X</td> <td>X</td> <td>X</td> <td></td> </tr> <tr> <td>Take a Payment</td> <td></td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Cancel Reservation</td> <td></td> <td></td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>Give a Credit**</td> <td></td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td>Issue a Refund**</td> <td></td> <td>X</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td># of Users in Group</td> <td>8</td> <td>121</td> <td>67</td> <td>5</td> <td>41</td> </tr> </tbody> </table> <p>*Policy requires Director's Approval to waive or modify fees not set by ordinance. Approval documentation is required as reference for transactions. Waive or modify fees only applies to the role assigned, for example: Cashiers - Membership can only waive or modify membership fees. A cashier - membership cannot modify or waive fees for reservations or registration.</p> <p>**Policy requires credit and refund requests to be approved by an Assistant Manager and processed by fiscal staff. Fiscal staff will review credit and refund reports monthly to verify transactions.</p>						ActiveNet User Groups with Elevated Privileges						Capability	Administration	Cashier-Membership	Cashier-Registrations	Cashier-Reservations	Lead/Supervisor	Enter a Reservation				X		Waive or Modify Fee*		X	X	X		Take a Payment		X	X	X	X	Cancel Reservation				X		Give a Credit**		X	X	X	X	Issue a Refund**		X	X	X	X	# of Users in Group	8	121	67	5	41
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2	<p>Cash Refund Approvals</p> <p>Parks management should ensure that all cash refunds have documented management approval. Additionally, limit the ability to process refunds within the ActiveNet system to management personnel.</p>	4	Accept	James Ramirez, Department Fiscal Administrator	December 15, 2018
<p><u>Action Plan:</u></p> <p>The department has developed and implemented a new Refund Policy. The Parks and Recreation Department's current policy for refunds is being evaluated and revised based on operational constraints and efficiencies. In many instances based on reservation and registration services being provided at multiple sites and based on staffing levels, a supervisor or manager may not be available to either approve or perform a refund request.</p> <p>The Parks and Recreation Department worked with the Finance Department to revise and develop the policy to ensure fiscal compliance and that procedures were consistent with SAP transaction requirements for refunds. The 6 refunds noted in the audit that did not include notation of management approval, were reviewed and all were verified and the total amount of \$309 was valid. The revised policy and new procedure also address segregation of duties regarding refunds.</p>					


Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
3	<p>Reservation Fees</p> <p>Park management should develop a policy for modifying or waiving reservations fees in the ActiveNet system. Additionally, Parks management should limit the number of users who have the ability to modify or waive fees.</p>	5	Accept	Veronica Moreno, Special Projects Manager	December 15, 2018
<p>Action Plan:</p> <p>The Parks and Recreation Department has developed and implemented a policy and procedure for modifying and waiving reservation fees in the ActiveNet system.</p> <p>While previously no formal policy existed, the department did require a Facility Reservations Form for internal COSA departments to request use of a Parks facility at no fee and it required approval by the Parks Director. The policy also incorporates fee modifications for non-City use, which also previously required the Parks Director's authorization. In addition, an Internal Use Type with a Maintenance category which automatically generates a \$0 fee in the system has been created which will allow for facilities to be blocked or held while work occurs. This request type requires the request come from a management level position.</p> <p>Of the 154 instances noted in the audit, 59 were reserves on facilities to "hold" them in order for departmental maintenance to occur or to block facility availability for reservations due to department services and programs for the public. An additional 22 reservations were associated with City use by other departments that were all documented as approved by the Parks Director. The remaining 49 consisted of community partnerships for events to activate park space and 24 as resolution to customer complaints mainly with sports fields due to weather.</p>					

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,


Xavier D. Urrutia
Director
Parks & Recreation Department

12/19/18
Date


María Villagómez
Assistant City Manager
City Manager's Office

12/19/18
Date