



AGENDA MEMORANDUM
Audit Committee Meeting of July 28, 2022

DATE: July 28, 2022

TO: Gil Hernandez, Audit Committee Chair

FROM: Kimberly L. Houston, Interim City Auditor
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AU17-005 Phase 2A Parks & Recreation – Community Enrichment Fund

CAPTION: Motion to approve AU17-005 Phase 2A Parks & Recreation - Community Enrichment Fund audit report.

PURPOSE: Secondary updates on the AU17-005 Phase 2A Parks & Recreation – Community Enrichment Fee audit.

BACKGROUND: At the request of the Audit Committee Chair, this briefing is being presented for the benefit of interested parties of the general public. This second briefing is additional to one presented to the Council Audit Committee on March 8, 2022. The final report is scheduled to be presented at the September 13, 2022, Audit Committee meeting to allow management sufficient time to formulate responses.

Developers of new subdivisions pay two fees that are used to provide funding for acquisition of new public parks or improvement to existing parks. One fee, the park development fee, has unrestricted use and can be used at the discretion of Parks management. The second fee, Community Enrichment Fee (CEF), is restricted and can only be spent within a specified mileage radius of a new subdivision plus has other special considerations.

In accordance with the 2022 Annual Audit Plan, we conducted an audit of the restricted use fee, CEF, due to risks related to processes deployed to applying Unified Development Code (UDC) guidelines to funding utilization.

The objective of this audit is to determine if sufficient controls are in place over CEF expenditures to ensure they comply with UDC §8.3 Public Open Space. To meet this objective, we examined plat records related to CEF collections, park projects that benefited from CEF, how CEF is calculated and accounted for in the City's financial records plus the management of City park inventory.

During this audit, City management addressed many complexities surrounding the management of CEF through adoption of new policy changes and creation of the new Park Development Fee. These corrective measures were taken in consideration in the planning of this audit.

LIST OF SUPPORTING DOCUMENTS: Presentation – Secondary Update to AU17-005 Phase 2A Parks & Recreation - Community Enrichment Fee Audit.