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MAY 18, 2004

OFFICE OF THE MAYOR,
IGNACIO DE LA FUENTE, PRESIDENT
AND MEMBERS OF THE CITY COUNCIL
OAKLAND, CALIFORNIA

Attn: Finance and Management Committee

SUBJECT: OFFICE OF PARKS AND RECREATION ADMINISTRATION AUDIT

We have conducted a performance audit of the Office of Parks and Recreation Administration. The City Auditor began audits of the Office of Parks and Recreation (OPR) in August of 2000. We have completed eight audits on the Office of Parks and Recreation. This is the final audit and specifically focuses on implementation of findings and recommendations from prior audits, internal controls presently in place and performance measurement.

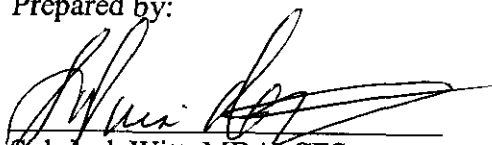
This report sets forth findings and recommendations consistent with the scope of the audit. This audit was conducted in accordance with Generally Accepted Government Auditing Standard issued by the Comptroller General of the United States.

We audited the periods ending June 30, 2000, 2001, 2002 and 2003. The Auditor obtained and reviewed all written policies and procedures developed by the Office of Parks and Recreation. All prior audit reports were reviewed and recommendations were summarized to identify common areas. We tested transactions and made comparisons to internal control deficiencies identified in prior audit reports to ones that have been put in place. We examined OPR's performance measures to determine whether they were linked to its mission and goals, whether goals were achieved, and selected and tested measures to determine accuracy, reliability and relevance.

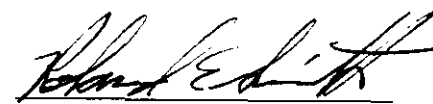
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Finance and Management Committee
Date: June 8, 2004

The City auditor is elected by the citizens of Oakland to serve as an officer in charge of an independent department auditing City government activities. The independence of the City Auditor is established by the City Charter.

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Issued by:


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City Auditor

Fieldwork Completion Date:
October 30, 2003

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PERFORMANCE AUDIT
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EXECUTIVE SUMMARY

The City Auditor began audits of the Office of Parks and Recreation (OPR) in August of 2000. We have completed eight audits on the Office of Parks and Recreation. These audits noted weaknesses in OPR's internal controls in the following major categories: (1) written procedures, (2) revenue handling, (2) cash receipts, (3) check and cash security (4) small equipment security, (5) central reservations' monthly billings and collections reconciliation, and (6) sufficient supporting documentation. This is the final audit and specifically focuses on implementation of findings and recommendations from prior audits and performance measurement.

The findings and recommendations summarized below represent field work performed for the periods ending June 30, 2000, 2001, 2002 and 2003, and are discussed at greater length in the report. Corrective actions taken by the agency, during the course of the audit, are also summarized below.

1. OPR's Cash Collection and Deposit processes have improved since the development of written policies and procedures.
2. Tassafaronga Recreation Center Advisory Council did not meet in accordance with established policies and procedures and does not have the required number of active members.
3. The organization of OPR Administration's safe contents has greatly improved. The safe is divided into compartments and all checks and cash were properly identified.
4. The City's Payment Request does not provide for a description of expenditures. The distribution information required on the payment Request identifies the category of expenditure but does not identify the expenditure itself.
5. International calls totaling \$ 763.31 were made from OPR phones on its June 2000 phone statement. The telephone calls were made to Indonesia and Jamaica and most of them were made in early morning hours before the start of the normal workday.
6. OPR's objectives and performance measures have been inconsistent through the years. Consistency is needed to evaluate performance from year to year.

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7. OPR's performance objectives and performance measures were not directly linked to its goals for fiscal years 2001-03. OPR developed five goals, three performance objectives and eleven performance measures and none of the performance objectives and measures addressed their goals.
8. OPR did not achieve all of its performance measures for recreation programs and they do not provide a good representation of all recreation programs. Performance measures for recreation programs only address one group of users, youth between the ages of 5-13 and one program (after-school).
9. OPR's performance measure information on youth between the ages of 5-13 is inaccurate. The survey form was not designed to collect information specified in the performance measure.

Corrective actions taken

1. OPR has established Cash Collection Procedures and installed a parks and recreation software program called RECWARE which has resolved most of the cash collection deficiencies noted in prior reports.
2. The organization of OPR's safe has greatly improved. Checks and cash are classified and divided into different compartments. No loose checks or other unidentified miscellaneous were found in the safe.
3. OPR is now reviewing monthly phone bills to identify international, out-of-state and any other suspicious phone calls and seeking reimbursement from appropriate employees.
4. OPR has developed a plan to collect the \$12,572 accumulated by employees for calls made on their personal cellular phones. Employees signed a promissory note indicating they will reimburse the City.

Recommendations

1. OPR should continue to deposit its cash receipts in compliance with Administrative Instruction #1022, effective February 1, 2000, entitled Revenue Handling. This Administrative Instruction provides "a consistent system for treating City revenues in order to ensure physical security, security in recording, and maximum income generation."

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2. Tassafaronga's Center Director should recruit members from the community to serve on its Advisory Council and begin to hold the required number of meetings each year.
3. OPR should continue to organize undeposited cash and checks in its safe so that all transactions can be easily identified and traced to a source.
4. The Payment Request form has a "comments" section in the bottom right-hand corner that could be used to describe the expenditure. OPR should insert a brief description of the expenditure in the "comments" box on the Payment Request.
5. OPR should investigate phone calls made to Indonesia and Jamaica to determine who made them and seek reimbursement.
6. OPR should develop consistent performance measures, objectives and activities from period to period so that comparisons can be made to previous years and management can effectively evaluate the agency's performance over time.
7. OPR should develop a means to link its mission, goals, performance objectives and performance measures to ensure performance measures are in harmony with the mission and goals of the agency.
8. OPR should consider revising and/or expanding its performance measures for recreation to include users other than 5-13 year old youth in the after school program. Expanded performance measures would provide a broader representation of recreation programs and possibly help OPR achieve its performance measures.
9. OPR should implement the recommendation made by the Recreation supervisors to change the performance measure relating to participants in the after school program to ages 5-14. The evaluation form used to rate the after school program for the same should also be redesigned to include a category of youth of the same age. This would ensure that information collected in this category is accurate and reliable.

Conclusion

Internal control deficiencies identified in prior audits of the Office of Parks and Recreation were mainly due to a lack of policies and procedures. The Office of Parks and Recreation has developed policies and procedures to address deficiencies noted in prior audits. Additionally, RECWARE, a software package designed specifically for

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parks and recreation programs has been installed to complement and augment their policies and procedures. A test of transactions and observations indicate that OPR's management has made a concerted effort to strengthen their internal control deficiencies.

OPR did not link its performance measures to its mission and goals as recommend in standard practice publications. We recommend that this practice be followed in developing future goals and performance measures. Also OPR did not achieve all of its performance measures and can improve in this area if collection data is changed to reflect data from U.S. Census reports.

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BACKGROUND

The Office of Parks and Recreation operates and maintains a system of parks and community recreational facilities for the purpose of carrying out its mission. The stated primary mission of the Office of Parks and Recreation (OPR) is to:

“provide the children of Oakland with the widest possible variety of high quality recreation and park venues, programs, and activities.”

The following primary goals have been established by OPR:

1. To assure the operational viability and professional integrity of all activities, programs and services carried out under the OPR auspices;
2. To provide proactive and positive direction for all personnel and to monitor the functioning and quality of service delivery of all OPR facilities and venues; and
3. To facilitate and coordinate the operation of those OPR programs and activities that interface with those of other City and non-City agencies.

The Office of Parks and Recreation has responsibility for twenty-five (25) recreation facilities and community centers and seventy (70) parks, seven (7) public swimming pools and the Feather River Camp.

The City Auditor began audits of the Office of Parks and Recreation (OPR) in August of 2000. We have completed the following audits:

1. Poplar Recreation Center
2. Earn Your Bike Program Grant
3. Bushrod Ball Field Grant
4. Friends of Parks and Recreation
5. Garden Center
6. Cellular Phone Usage
7. Rotary Nature Center
8. Tassafaronga Recreation Center

These audits have been presented to the Budget and Finance Committee, Life Enrichment Committee and City Council.

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The City Manager's Office requested that we conduct these audits because of complaints received concerning a lack of oversight and a lack of internal controls in central administration and at the various recreational facilities.

The Oakland Police Department (OPD) was initially involved in this process because of possible fraud. The Grand Jury also got involved to determine the magnitude of management problems. The City Auditor's Office worked in collaboration with both OPD and the Grand Jury in conducting its audits.

Accomplishments: Implementation of findings and recommendations as a result of OPR Audits.

As of result of the various audits performed on the Office of Parks and Recreation, the following internal control deficiencies identified by the by the City Auditor have been and/or are being addressed:

1. Embezzled funds totaling \$8,000, identified by the Auditor, have been returned to OPR after a now ex-employee of OPR's Administration was ordered to make restitution for misuse of City funds as the result of a court order.
2. Embezzled funds totaling \$2,192 have been returned to the OPR after a now ex-employee of the Rotary Nature Center was required to make restitution as the result of a court order.
3. Funds totaling \$12,572 paid by OPR for personal phone calls made on employee's personal cellular phones are being reimbursed by employees. OPR has collected \$2,470 and is in the process of collecting the remaining amount. The City is no longer billed for employees' personal cellular phone bills
4. Funds totaling \$11,100 in unpaid rents and insufficiently funded check payments for Garden Center occupancy are in the process of being collected.
5. The City Auditor identified \$10,311 in cellular phone charges, which exceeded service plan limits for OPR issued phones. As a result OPR is performing a monthly review of City issued cellular phone bills.
6. The City Auditor identified funds totaling \$54,118 in property tax payments on property that should have been exempt. This issue is being reviewed.

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7. A cash shortage of \$5,651 was identified at the Poplar Recreation Center due to inadequate cash handling. OPR's management has developed policies and procedures on the "Handling of OPR collections".
8. Expenditures totaling \$4,223 without supporting documentation were identified at the Poplar Recreation Center. Checking accounts have been transferred to OPR's administrative office.
9. An undercharge of \$2,390 in rental fees at Poplar Recreation Center was identified. Rental fees are now being entered into the OR's new management software program and submitted to OPR Accounting for deposit.
10. The library/observation room has been reopened to the public after two private organizations, which were renting the space without OPR or the Council's approval, were required to vacate the building.

RECWARE Software Installation

The Office of Parks and Recreation installed a new management software program in 2000 called RECWARE. This new software program, designed especially for parks and recreation programs, has a program as well as financial component. The software program performs a variety of functions including enrollment, facility reservations, and payments from customers.

Each OPR operating unit collects fees from the various OPR sites and enters collections into RECWARE. OPR's accounting office has access to information entered at the various sites. A report is generated from the information input by each site and OPR's accounting staff reconciles amounts on the report to amounts submitted by each site for deposit.

OPR Expenditures, Staffing and Organization

OPR's General Fund expenditures increased by \$1,541,843, or 14% over a three year period; between fiscal year ending June 30, 1999 and June 30, 2002. The 14% increase is an average of 3.5% per year. General Fund expenditures for fiscal year ending June 30, 1999 were \$9,400,319 and \$10,942,162 for fiscal year ending June 30, 2002.

The Office of Parks and Recreation began a reorganization plan during the fiscal year ending June 30, 2001. According to the Director of Parks and Recreation, the purpose of

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the reorganization was to provide direct lines of authority to Central Administration to ensure quality programs and accountability in service delivery. Prior to the reorganization OPR was divided into three areas with an area manager responsible for each area. Areas and area managers were eliminated with the reorganization to provide this direct line of authority.

OBJECTIVE, SCOPE AND METHODOLOGY

The objectives of this audit were to determine the following:

1. Whether the Office of Parks and Recreation Administration has developed policies and procedures to correct deficiencies in internal controls identified in prior audits;
2. Whether performance measures are linked to OPR's goals and mission;
3. Whether selected performance measures were achieved; and
4. Whether performance measurement data is accurate, valid and reliable.

The Auditor obtained and reviewed all written policies and procedures developed by the Office of Parks and Recreation. All audit reports were reviewed and recommendations were summarized to identify common areas. We compared internal control deficiencies identified in prior audit reports to ones that have been put in place. In testing for internal controls we selected samples of expenditures, cash collections and deposits and examined all related documents including payment requests, invoices, copies of checks, cashier's receipts and deposit slips.

We tested transactions relating to cash receipts, cash collections, and central reservations identified in the summary of recommendations. We reviewed OPR's performance objectives on how goals were to be achieved for each performance objective. We selected a sample of performance measures for testing and reviewed OPR's process for determining inputs, outputs and outcomes. We also interviewed OPR officials and staff to gain an understanding of procedures and processes.

This audit report identifies the deficiencies noted when we first began audits of the Office of Parks and Recreation and notes what corrective actions have been taken to correct these deficiencies.

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FINDINGS AND RECOMMENDATIONS

Finding #1 - OPR's Cash Collection and Deposit processes have improved since the development of written policies and procedures.

The Office of Parks and Recreation did not have adequate internal controls in its cash collection and deposit process at the beginning of the audit. Cash receipts were not turned in according to the schedule outlined in Administrative Instruction #1022. Checks and cash totaling \$16,347 were held by recreational facilities and Central Administration for between four (4) to thirteen (13) weeks before being transported to OPR Accounting for deposit. This practice resulted in programs not realizing their full income potential.

In prior audits, we recommended that the Office of Parks and Recreation develop written policies and procedures on revenue handling for recreation centers and advisory council members. We also recommended that these policies and procedures comply with the City's Administrative Instruction #1022. This Administrative Instruction provides "a consistent system for treating City revenues in order to ensure physical security, security in recording, and maximum income generation."

OPR has established Cash Collection Procedures and also installed RECWARE, which resolved most of the Cash Collection deficiencies noted in prior reports. On February 5, 2002 OPR issued a Memo to Center Directors on the "Handling of OPR's Collections." These guidelines outlined ways of handling collections in OPR new RECWARE program and emphasized compliance with Administrative Instruction #1022. OPR's guidelines require the following schedule be followed in submitting collections:

\$1,000 in cash or \$20,000 in checks	before 4:30 p.m on the day collected
\$500 or more	within one (1)day of receipt
\$250-\$499	within two (2) days
Less than \$250	within three (3) days of receipt

The memo also outlined procedures for the collection and safekeeping of cash and checks collected at the different recreational facilities. We visited the following facilities and/or OPR components to observe its revenue collection process, small equipment security and test revenue collection procedures:

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Poplar Recreation Center

Since all of Poplar's programs are free except adult basketball, there were no cash receipts for the period we requested, between January and April 2003. There was one transaction for rental of the center which was a deposit made on April 22, 2003. A receipt for this transaction was generated the RECWARE for the customer. Poplar's Center Director inputs all financial and program transactions into RECWARE.

An observation of Poplar's small equipment security was made and it was determined that it is secured by a lock and key with access only by the Center Director.

Tassafaronga Recreation Center

We tested cash collection transactions at the Tassafaronga Recreation Center and observed its use of RECWARE. The center director demonstrated how cash receipts are entered into RECWARE and printed a Cash Receipts Report for the period of June 1, 2002 through July 23, 2002. We traced payments on the Cash Receipts Report to the Receipt Book and to the Account Distribution Report generated by OPR's administrative staff. We also traced Cash Receipts from Tassafaronga to deposits made by OPR's Administrative staff. The cash receipts for this period were deposited on July 23, 2002. All of the Cash collected was accounted for.

An observation of Tassafaronga's small equipment security was made and it was determined that it is secured by a lock and key with access only by the Center Director.

Central Reservations

We selected and tested a sample of payments to OPR's Central Reservations for rental of recreational facilities and parks. We specifically examined cash receipts for the period February 17 through February 21, 2003 and March 10 through March 14, 2003. Central Administration's revenue was submitted to OPR accounting for deposit in accordance with Administrative Instruction #1022.

Recommendations for Finding #1

OPR should continue to deposit its cash receipts in compliance with Administrative Instruction #1022, effective February 1, 2000, entitled Revenue Handling.

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Finding #2 - Tassafaronga's Advisory Council was not meeting in accordance with established policies and procedures and does not have the required number of active members.

According to Tassafaronga's center director, the Advisory Council meets on an as needed basis. However, a review of the Advisory Council's meetings indicates that they are not meeting in accordance with the Manual of Policies and Procedures for Community Recreation Center Advisory Councils which requires a minimum of six (6) Advisory Councils each year and a minimum of five (5) active members. Tassafaronga's Advisory Council met only four (4) times during the past two years and has only two (2) active members.

The Advisory Council's role is to advise, assist and represent the recreation centers on how to best serve the needs of the community. It is important for the Advisory Councils to meet in accordance with established policies and procedures to ensure that the intent of the legislation creating the Councils is being achieved. It is equally important that the Councils are properly staffed to carry out their duties and responsibilities.

Recommendation for Finding #2

Tassafaronga's Center Director should recruit members from the community to serve on its Advisory Council and begin to hold the required number of meetings each year.

Finding #3 - The organization of OPR's Administration safe contents has greatly improved.

When the Auditor began OPR audits in August 2000 we examined the contents of OPR's safe where checks and cash are held until deposited with the City Treasurer. We found two (2) \$15,000 checks made out to the City of Oakland dating back to February 2000, approximately six months from the date of the check. One of the checks had been stamped void. There was no identification as to what the money was for. The Account Clerk later identified the checks as "good faith" checks for construction of Gailbraith Golf Course.

The safe also contained a check in the amount of \$20,000 and another check for \$22,000 from which receipts had been separated. There were other miscellaneous items in the safe such as pagers, cell phones, keys and tickets that had not been identified.

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The safe was examined during this audit and the organization of OPR's safe had greatly improved. An inspection was made of the safe in April 2003. The safe is now divided into the following compartments.

1. RECWARE Transactions which are Deposits which are made to either to (1) the General Fund, (2) the Self Sustaining Fund, or (3) Central Reservations.
2. Miscellaneous which are Non-RECWARE Transactions such as rents and refunds.
3. Petty Cash.

All checks and cash were properly identified. No loose checks or other unidentified miscellaneous items were found in the safe.

Recommendation for Finding #3

OPR should continue to organize undeposited cash and checks in its safe so that all transactions can be easily identified and traced to a source.

Finding #4 - The City's Payment Request does not provide for a description of expenditures.

The City's Payment Request, which is completed in Oracle, is required for payment of all goods and services. This document does not provide for a description of the expenditure. An examination of OPR expenditures for the periods ending June 30, 2000, 2001, 2002 through March 30, 2003 showed that one cannot determine what good or service was purchased unless there is supporting documentation describing the good or service. In some instances the supporting documentation is not sufficient. For example a payment was made to the Oakland Marriott in the amount of \$492.84. The supporting documents consisted of reservation requests and statements from the Oakland Marriott but there was nothing to indicate the nature of the expense. Fortunately, an OPR accounts payable staff person was able to identify the expenditure as one for reservations that were made for candidates for Office of Parks and Recreation Director.

The distribution information required on the Payment Request identifies the category of expenditure but does not identify the expenditure itself. A description of the expenditures is necessary to ensure that they were properly authorized and are legitimate.

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Recommendation for Finding #4

The Payment Request form has a "comments" section in the bottom right-hand corner that could be used to describe the expenditure. OPR should insert a brief description of the expenditure in the "comments" box on the Payment Request.

Finding #5 - International calls totaling \$ 763.31 were made from OPR phones on its June 2000 phone statement.

In examining a sample of OPR expenditures we observed that international telephone calls were charged to OPR's phone statement for the period ending June 23, 2000. These calls were made to Indonesia and Jamaica. The table below summarizes these calls:

OPR Phone Number	Phone Number Called	Place Called	Date of Call	Time of Call	Total Mins. of Call	Amount of Call
238-2199	876-952-7507	Jamaica	5/5/00	1:02 p.m.	8	23.96
	876-918-3321	Jamaica	5/5/00	1:19 p.m.	12	34.06
	876-918-3321	Jamaica	5/12/00	12:49 p.m.	6	18.92
	876-918-3321	Jamaica	5/19/00	1:27 p.m.	9	26.49
	876-918-3321	Jamaica	6/2/00	3:28 p.m.	1	6.30
	876-918-3321	Jamaica	6/2/00	4:49 p.m.	1	6.30
	876-918-3321	Jamaica	6/6/00	12:51 p.m.	1	6.30
Sub-Total						122.33
2388-3208	622-745-1557	Indonesia	5/27/00	6:28 a.m.	1	7.27
	622-745-1557	Indonesia	5/27/00	3:54 p.m.	17	46.49
Sub-Total						53.76
2388-3228	622-745-1557	Indonesia	5/18/00	6:35 a.m.	9	35.26
	622-745-1557	Indonesia	5/19/00	6:25 a.m.	1	7.27
	622-745-1557	Indonesia	5/24/00	6:39 a.m.	1	7.27
	622-745-1557	Indonesia	5/25/00	7:59 a.m.	11	42.25
	622-745-1557	Indonesia	5/26/00	7:42 a.m.	5	21.27
	622-745-1557	Indonesia	5/27/00	7:09 a.m.	1	7.27
	622-745-1557	Indonesia	5/27/00	7:09 a.m.	35	126.21
	622-745-1557	Indonesia	5/29/00	8:44 a.m.	21	77.23
	622-745-1557	Indonesia	6/2/00	8:20 a.m.	6	24.76
	622-745-1557	Indonesia	6/3/00	4:15 p.m.	37	96.74
Sub-Total						445.53
238-3229	622-745-1557	Indonesia	5/17/00	6:13 a.m.	6	24.76
	622-745-1557	Indonesia	5/24/00	3:42 p.m.	21	56.54
	622-745-1557	Indonesia	5/27/00	6:35 a.m.	1	7.27
	622-745-1557	Indonesia	5/29/00	6:40 a.m.	1	7.27
	622-745-1557	Indonesia	6/1/00	5:46 p.m.	12	45.75
Sub-Total						141.59
TOTAL						763.31

Source: OPR Pacific Bell Telephone Bill

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As shown in the table, five (5) calls were made on May 27, 2000 to the same number in Indonesia from three different OPR phone numbers. Most of the calls to Indonesia were made in the early morning hours before the start of the normal workday. These calls appear to be exceptional and do not appear to coincide with the mission and goals of the agency.

Recommendation for Finding #5

OPR should investigate these calls to determine who made them and seek reimbursement.

Corrective Action Taken

OPR is now reviewing monthly phone bills to identify international, out-of-state and any other suspicious phone calls and seeking reimbursement from appropriate employees.

PERFORMANCE MEASUREMENT

Overview of Performance Measurement

Performance measurement is a tool used to determine whether a quality product is being provided at a reasonable cost. Performance measures are derived from the agency's mission, goals and objectives and should be designed to provide management with an indication of whether progress toward desired results are being achieved. Performance measures give an accounting of performance to legislative officials and the public as well as provide managers with information to set policies, develop budgets, and adjust efforts.

According to performance measurement publications, an agency's mission statement is the foundation for performance measurement. The agency's goals should be consistent with the mission statement and be responsive to the public, the customer and the City.

Once an agency's mission has been defined and the goals identified, objectives should be formulated to accomplish the goals and action plans need to be developed to achieve the performance objectives. The next step in the process is the development of performance measures that relate to the goals and objectives.

The table below summarizes the different types of performance measures and a definition and example of each:

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**PERFORMANCE MEASURES
TYPES, DEFINITIONS AND EXAMPLES**

Type of Measure	Definition of Measure	Example of Measure
1. Input	Provides information on labor resources used in providing a particular service.	Personnel, total man-hours worked, total operating expenditures.
2. Output	Provides information on the end- results or the amount of goods and services provided.	Number of participating youth, number of trees planted by park crews.
3. Outcome	Provides information on the quality of the program outputs.	Customer satisfaction with service, average days to process event applications.
4. Efficiency	Provides information on the cost to produce a unit of output	Operating costs per capita, average cost per repair.

Source(s): International City/County Management Association
Performance Measurement in Clark County – A User’s Guide
Price Waterhouse –Performance Measurement – The Key to Accelerating Organizational Improvement

According to performance measurement literature, performance measures should have the following characteristics:

1. Valid, reliable and objective – They should measure what they purport to measure.
2. Reliable – They should be accurate and exhibit little variation due to subjectivity.
3. Understandable - They should be clearly defined.
4. Timely – They should be compiled and distributed promptly enough to be of value to managers and policy makers.

Overview of the City’s Performance Measurement System

According to budget documents, the Mayor and City Council directed that staff develop a performance-based budget system to be implemented on a citywide basis for fiscal year 1996-97. All City departments were scheduled to participate in a performance measurement tracking system. Selected Performance Measures for each department were included in the budget. They were extracted from a list of measures being used by departments as part of their monitoring and evaluation.

City departments were also required to their submit quarterly performance measures to the Budget office to be included in a quarterly performance report for presentation to City Council.

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Based on criteria identified in professional performance measure publications, we evaluated OPR's performance measures as they related to its mission, goals, and objectives

OPR developed a mission statement for the 2001-03 budget cycle.

Prior to the 2001-03 budget cycle OPR did not have a mission statement in the City's adopted budget. In a performance audit of Parks, Recreation and Cultural Services (as it was then called) it was noted that the department was functioning without a mission. It was recommended that the department establish a mission statement. OPR's mission statement as stated in the Fiscal Year 2001-03 adopted policy budget is as follows:

"The mission of the Office of Parks and Recreation (OPR) is to oversee and assure the operational viability and professional integrity of all activities, programs and services carried out under the OPR auspices; to provide proactive and positive direction for all personnel and to monitor the functioning and quality of service delivery of all OPR facilities and venues; and to facilitate and coordinate the operation of those OPR programs and activities that interface with those of other City and non-City agencies."

The mission statement is the first step in the process of establishing meaningful performance measures. It should be a clearly defined statement of the purpose of the department and state what the department is trying to achieve. The mission statement should be in harmony with the goals. Based on our review of OPR's mission statement and goals, the mission statement appears to meet the criteria.

Finding #6 - OPR's objectives and performance measures have been inconsistent through the years.

In fiscal year 1996-97 the Department of Parks, Recreation and Cultural Affairs identified eight (8) performance objectives and 25 "Selected Performance Measures in the City's adopted budget. These performance measures were linked to specific goals.

In the fiscal year 1997-99 budget cycle the number of performances objectives was reduced to seven (7) and the number of performance measures was reduced to 15. In fiscal year 1999-2001 OPR's performance objectives decreased to three (3) and performance measures increased to 19. Performance objectives for fiscal years 2001-2003 remained at three (3) and performance measures decreased from seventeen (17) to

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eleven (11). The table below summarizes the changes in performance objectives and measures from fiscal year 1996-97 through fiscal years 2001-2003:

**Summary Of
OPR's Performance Objectives And Measures
Fiscal Years 1997 Through 2003**

Budget Fiscal Years	Performance Objectives	Performance Measures	Activities
1996-97	8	25	0
1997-99	7	15	7
1999-01	4	17	3
2001-03	3	11	3

Source: City of Oakland Adopted Policy Budgets

The Cultural Services component was eliminated from the Office of Parks and Recreation during the 1999-2001 budget cycle. This accounted for the decrease in performance measures for this period of time.

When performance measures are linked with an agency's missions, goals and performance objectives, it provides for consistency from year to year which is needed to effectively evaluate performance. Consistency allows for managers to make comparisons to previous years and properly plan for the future.

Recommendation for Finding #6

OPR should develop consistent performance measures, objectives and activities from period to period so that comparisons can be made to previous years and management can effectively evaluate the agency's performance over time.

Finding #7 - OPR's performance objectives and performance measures were not directly linked to its goals for fiscal years 2001-03.

The Government Finance Officers Association (GFOA) established a set of recommended practices for performance measurement in 1994. The purpose of these recommended practices was to provide information about effective strategies for state and local government. One of the recommendations was that performance measures be based on program goals and objectives. A performance goal is a broad statement of what is hoped to be achieved. Performance objectives are the desired results to be achieved in order to reach a stated goal. These two components should be interrelated.

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The Office of Parks and Recreation's goals for fiscal years 2001-03 mainly focused on the following:

- (1) automating operations,
- (2) training staff and
- (3) reorganizing programs and activities.

Their performance objectives and performance measures focused specifically on:

- (1) participation in after school programs,
- (2) the cleanliness, health and appearance of parks and public ground and
- (3) maximizing the use of parks and facilities and customer satisfaction.

While OPR has developed measures to link performance objectives, the goals of the agency were not addressed at all. OPR lacked specific measures to assess whether their goals for fiscal years 2001-03 were being achieved.

OPR had three performance objectives during the 2001-03 fiscal year. They were:

1. To provide registered participants in after-school programs for youth (ages 5-13) that are engaging, safe, educational at all community recreation centers during the school year (September-June)
2. To maintain and enhance the cleanliness, health and appearance of parks and public grounds
3. To maximize use of parks and facilities by the citizens of Oakland to ensure customer satisfaction,

These performance objectives are not directly related to OPR's stated goals.

Objectives linked to the agency's goals provide a device for managers to demonstrate their accomplishments as well as identify areas of improvement. As shown in the table below, OPR has developed five goals, three performance objectives and eleven performance measures and none of the performance objectives and measures address the goals:

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Goals	Related Performance Objective/Measure	
	Yes	No
1. To enhance OPR and its service delivery capacities through full automation of all appropriate department operations and services, including development of a first class website.		X
2. To fully train all staff in the use of computers and associated technology in order to assure service delivery and appropriate levels of professionalism.		X
3. To establish computer labs and training programs at OPR facilities for residents in order to assure maximum public access to and use of these facilities.		X
4. To train facility and program advisory councils in the proper functions and methods of organizations, operation, and fiscal accounting for these entities.		X
5. To reorganize citywide OPR activities and programs to bring them under more efficient, effective and responsive administrative management		
Performance Measures	Related Goals	
Objective: To provide registered participants in after-school programs for youth (ages 5-13) that are engaging, safe educational at all community recreation centers during the school year (September-June).	Yes	No
1. Percent of participants rating programs satisfactory or better		X
2. Percent of youth (5-13) in service area participating in recreational programs		X
3. Percent of events held at recreation centers that are co-sponsored		X
Objective: To maintain and enhance the cleanliness, health and appearance of parks and public grounds.		
1. Percent of parks passing monthly inspection		X
2. Percent of users rating general park conditions acceptable or better		X
3. Percent of medians maintained as satisfactory or better level as on inspection		X
4. Percent of trees requiring trimming (per request, where need exists) that are trimmed		X
5. Percent of trees replaced within three months of plan		X
Objective: To maximize use of parks and facilities by the citizens of Oakland and to ensure customer satisfaction.		
1. Percent of site inspections resulting in satisfactory or better rating		
2. Percent of facility complaints responded to within 72 hours		X
3. Percent of facility permits issued resulting in actual held events		X

Source: 2001-03 Adopted Policy Budget

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Recommendation for Finding #7

OPR should develop a means to link its mission, goals, performance objectives and performance measures to ensure performance measures are in harmony with the mission and goals of the agency.

Finding #8 – All of OPR’s performance measures were not achieved and they do not provide a good representation of all recreation programs.

We examined OPR’s selected performance measures for its recreation programs specifically focusing on output items in the second quarter (October-December, 2002). Based on our sample of selected performance measures they were not all achieved. The projected and actual performance measures are summarized below:

<u>Performance Measure</u>	<u>Projected</u>	<u>Percent</u>	<u>Actual</u>	<u>Percent</u>
1. Number of participants rating programs Satisfactory or better	833	90%	906	94%
2. Number/Percent of youth ages 5-13 in service Area participating in recreational programs	12,586	25%	8,922	17%
3. Number of after-school programs held at Recreation centers that were co-sponsored	202	35%	197	34%

The reasons for not achieving performance number 2 above could be attributable to the fact that (1) the enrollment information was generated from RECWARE which did not enroll non-paying participants and (2) the percentages were calculated based on census data which include youth in the 5-14 age range. In both of these instances the actual performance measure would be less.

The output items used to measure the achievement of performance measures included the following:

1. Number of participants rating programs satisfactory or better that is determined through surveys.
2. Number of participants surveyed regarding programs that is determined by counting the number of surveys
3. Number of youth 5-13 in service area participating in recreation programs (after school) that is recorded and maintained in RECWARE.

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4. Number of youth 5-13 in service area that is taken from U.S. Census Reports.
5. Number of after school programs held at recreation centers that were co-sponsored which is done manually from information generated in RECWARE.
6. Number of after school programs held at recreation centers that is generated from RECWARE.

We also observed that OPR's selected program measures for recreation programs do not provide a good representation of performance of all recreation programs. They only address one group of users (youth ages 5-13) and one program (after-school). For instance they do not measure the number and quality of any recreation programs or activities for youth over the age of 13, under the age of 5 or other age groups who participate in recreation programs.

Also, there are also no measures to assess progress in building community partnerships. Building partnerships is essential for improving recreation services. It allows all segments of the community as well as OPR to collaborate on issues, share resources and face challenges together. The measurement of the success of building partnerships can be used as a tool to improve and strengthen recreation program services.

Recommendation for Finding #8

OPR should revise and/or expand its performance measures for recreation to include users other than 5-13 year old youth.

Finding #9- OPR's performance measure information on youth between the ages of 5-13 is inaccurate.

We examined 150 surveys out of a total of 906 and found that the data source used to measure the percent of participants ages 5-13 who rated programs satisfactory or better was inaccurate. The survey form was designed to gather this information from participants in different age groups. The categories of age groups on the survey form were: (1) under 12 years of age (2) ages 12-17, (3) ages 18-21, and (4) ages 21 and over. The survey form did not have a category for the age group of ages 5-13. The related performance measure specifically referenced 5-13 year olds. The information collected in the age categories of under 12 years old and ages 12-17 was used. Inaccurate data does not provide management with reliable and useful information for decision-making purposes.

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Additionally, census data is used to determine the number of youth 5-13 years of age in the service area. Census data tracks youth in the 5-14 age category. This discrepancy is noted in a footnote on the quarterly performance measure report.

OPR's Recreation Supervisors have made a recommendation that the collection data be changed to include ages 5-14 in the performance measure to align with census data.

Recommendation for Finding #9

OPR should implement the recommendation made by the Recreation Supervisors and change the collection data to include the category of age of youth to 5-14. The survey form should be redesigned to reflect this change.

Conclusion

In prior audits of the Office of Parks and Recreation internal control deficiencies were identified due to a lack of policies and procedures. The Office of Parks and Recreation has developed policies and procedures to address deficiencies noted in prior audits. Additionally, RECWARE, a software package designed specifically for parks and recreation programs has been installed to complement and augment their policies and procedures. A test of transactions and observations indicate that OPR's management has made a concerted effort to strengthen their internal control deficiencies.

OPR did not link its performance measures to its mission and goals as recommend in standard practice publications. We recommend that this practice be followed in developing future goals and performance measures. Also, OPR did not achieve all of its performance measures but can improve in this area if collection data is changed to reflect data used from U.S. Census reports.