



Office of the City Auditor

Results of Agreed-Upon Procedures for Western Bayside Area Grant

Report Date: November 30, 2012



Office of the City Auditor

"Promoting Accountability and Integrity in City Operations"

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Office of the City Auditor
Transmittal Letter



Date: November 30, 2012
To: James K. Spore, City Manager
Subject: Results of Agreed-Upon Procedures for Western Bayside Area Grant

Independent Auditor's Report

We have performed the agreed-upon procedures enumerated herein, which were agreed to by the Department of Parks and Recreation and Enoch Baptist Church, solely to assist the City in evaluating the 2012 Western Bayside Area Grant summer camp expenditures prior to the final payment to the contractor. This agreed-upon procedures engagement was conducted in accordance with Government Auditing Standards. Government Auditing Standards incorporate financial and attestation standards established by the American Institute of Certified Public Accountants. These standards also provide guidance for performing and reporting the results of agreed-upon procedures. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described herein either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to perform and did not perform an audit, the objective of which would have been the expression of an opinion on the compliance of the program with the grant agreement. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you. We completed the agreed-upon procedures on November 9, 2012.

This report is intended solely for the information and use of the Audit Committee, City Council, City Manager, and appropriate management including Department of Parks and Recreation and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

We would like to commend Parks and Recreation and Enoch Baptist Church for the courtesy and cooperation extended to us during the review. If you have any questions about this report or any audit-related issue, I can be reached at 385-5872 or via email at lremias@vbgov.com.

Respectfully submitted,

Lyndon S. Remias

Lyndon S. Remias, CPA, CIA
City Auditor

c: City Council Members
Audit Committee Members
Cindy Curtis, Deputy City Manager
Michael Kalvort, Director, Parks and Recreation
Dr. Michael Daniels, Pastor, Enoch Baptist Church



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Office of the City Auditor Agreed-Upon Procedures for Western Bayside Area Grant

Purpose

To perform agreed-upon procedures related to the Enoch Baptist Church's expenditures for summer camp programs supported by the Western Bayside Area Grant as required by the Parks and Recreation Department in the Request for Proposal PRYO-12-0008, Section VI.B.1.

Scope and Objectives

The objectives of the agreed-upon procedures are as follows:

1. To determine if Western Bayside Area Grant expenditures are supported by documentation.
2. To determine if expenditures are applicable to the purpose of the Grant.
3. To determine whether such expenditures are reasonable in amount.
4. To determine if any unused Grant money has been returned to the City.

Our review was limited to the grant period of July 2012 to August 2012. Our review was conducted on November 8 - 9, 2012.

Procedures

To accomplish the objective, we performed the following agreed-upon procedures:

- Obtained the bank statements relating to Enoch Baptist Church's accounts that handled City monies and/or documentation of how they track expenses.
- Match bank transactions with applicable receipts and invoices involving the summer programs.
- Determine whether each transaction was reasonable and in accordance with the Grant Agreement.

Standards

This agreed-upon procedures engagement was conducted in accordance with Government Auditing Standards which incorporate financial and attestation standards established by the American Institute of Certified Public Accountants. These standards also provide guidance for performing and reporting the results of agreed-upon procedures. The Office of the City Auditor reports to City Council through the Audit Committee and is organizationally independent of all City Departments. This report will be distributed to the City's Audit Committee, City Council, City Manager, and the Department of Parks and Recreation. This report will also be made available to the public.



Office of the City Auditor Agreed-Upon Procedures for Western Bayside Area Grant

Background

The vision of Virginia Beach Parks and Recreation is to create a balanced, sustainable and value-focused system of parks, recreation and public spaces that creates a sense of community.



The City proactively pursues community partnerships that enhance the quality of life for its residents. In collaboration with various City agencies and community partners, the City targets the specific needs of the Western Bayside community. The Western Bayside area is defined as the following neighborhoods: Aden Park, Atkins Reserve, Campus East, Carriage House, Ebbetts Plaza, Lake Edward, Newpointe Condo, and Northridge. The goal of the grant for summer programs for this area is to address some of the needs pertaining to children and youth in these communities through the administration of safe and structured summer programs. Parks and Recreation's City-Wide Programs office and the Virginia Beach Youth Opportunities Office provide oversight of the grant. This grant is awarded annually based on responses to the Requests for Proposals through the City's procurement process.

For the summer of 2012, a \$60,000 grant was awarded to Enoch Baptist Church to provide a structured day camp (summer camp) service for over 110 participants. The summer camp was staffed with ten teachers, one (1) Director and one (1) building maintenance person. In accordance with the Grant Agreement, the last partial payment to Enoch Baptist Church is contingent upon a final review of the expenditures charged to the grant.



Enoch Baptist Church Summer Camp Program

Enoch Baptist Church (EBC) is located in the Western Bayside area. Since 1962, EBC has provided summer camps for area youth to ensure participants had a safe and fun learning environment during the entire summer school break. In partnership with the City and the Virginia Beach School Board, EBC also manages an Open Gym Program for residents of Western Bayside community.



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Enoch's summer camp program is structured with programmed activities directed at maximizing potential to grow a happy, healthy, and safe community. Each child is evaluated to determine their level of development and plans are made to ensure that each child receives the most benefit from the program. These plans are used to measure progress and the success of the program. Field trips, community service projects, and special guest experts from various vocations provide educational exposure while having fun exploring our world and different kinds of people, raising

their self-esteem and outlook for their future. The summer camp also provides golf, swimming, fishing, tennis, bowling, movies and, in the past, opportunities to fly in an airplane and operate the controls. (The pastor is a licensed pilot.) The anticipated program outcome is that the children and parents will be positioned to take full advantage of all opportunities that lead to healthy youth development.





Results

1. Obtain Enoch Baptist Church's bank statements relating to accounts that handled City monies and/or documentation of how they track expenses.

It was not readily apparent from Enoch Baptist Church's bank statement what transactions pertain to the summer camp. The bank account is also used for the church's operations; and therefore, the summer camp and church expenditures are co-mingled. We modified this procedure to use Enoch's summary sheet of summer camp expenditures to verify grant expenses then traced these expenditures back to the bank statements where applicable. The total summer camp costs were \$66,526 and verified with supporting documentation and traced back to bank statements excepting the \$12,528 transportation expense charged by Virginia Beach Public Schools - Office of Transportation and paid by the Parks and Recreation Department.

2. Match bank transactions with applicable receipts and invoices involving the summer programs.

For the reason stated above, we also modified this procedure to use Enoch's summary sheet of summer camp expenses to match the source document, such as receipts, invoices statements and timesheets to the summary of expenses sheet.

We found that expenditures for the summer camp were properly supported with applicable documentation except as noted below:

1. There were seven (7) exceptions where the timesheet was missing from the camp teacher's personnel file.
2. There were ten exceptions where the earnings statements were missing. The earnings statement shows the cumulative salary for the "WBC Teachers" category.

There should be a total of 96 timesheets and earnings statements (eight weeks times 12 staff members.) These documents are required to provide support to trace continuity of salary expense payments through the duration of the summer camp. We conducted additional verification of salary payments for the missing timesheets and earnings statements, and for the final cumulative salary figures by requesting the earnings statements from Enoch's payroll system and verified the payroll checks with the bank statements. The timesheets and earnings statements were missing due to oversight by staff.

No further issues were found.



Recommendation

Enoch staff should ensure that all timesheets and earnings statements are included in the summer camp personnel files for audit verification.

3. Determine whether each transaction was reasonable and in accordance with the Grant Agreement.

We determined that the grant expenditures were reasonable and applicable to the summer camp program and in accordance with the Grant Agreement. Table 1 below provides the categories of expenditures and their totals for the summer camp:

Table 1: 2012 Western Bayside Summer Camp Expenditures

Description of Expenditure	Total
Utilities Related to Western Bayside Summer Camp	\$4,183.89
Food (Snacks and Related Supplies)	\$1,119.80
Field Trips and Transportation Expense	\$17,064.40
Camper T-Shirts	\$952.00
Games and Supplies	\$1,046.08
Reproduction Cost	\$719.56
Labor (Costs of Teachers, Director and Custodian)	\$41,440.67
Total of Summer Camp Expenditures	<u>\$66,526.40</u>

Conclusion

We conducted the agreed-upon procedures related to the Enoch Baptist Church's expenditures for summer camp programs supported by the Western Bayside Area Grant as required by the Parks and Recreation Department in the grant agreement and found the expenditures were, overall, compliant with the Grant Agreement.

Acknowledgements

We would like to thank Parks and Recreation and Enoch Baptist Church for their responsiveness to our requests during the review and their receptiveness to questions and comments. We thank all involved in the process for their help and offer our assistance should future concerns regarding this or other audit issues arise.



"Love Grows Here"

Enoch Baptist Church

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Dr. Michael Daniels
Pastor

Johnny Harris
Chair, Board of Deacons

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Burnette Hendricks
Church Clerk

January 7, 2012

Timothy Bell, CICA
Senior Auditor
Office of the City Auditor
2401 Courthouse Drive, Room 344
Virginia Beach, Virginia 23456

Re: Summer Camp Audit

Mr. Bell:

Thank you for allowing us the opportunity to comment on the draft audit of the summer camp program. We concur with the recommendation that timesheets and earning statements be maintained with the summer camp personnel files for audit verification.

Michael G. Daniels, D.Min
Senior Pastor