

**DEPARTMENT OF RECREATION AND YOUTH SERVICES  
REVIEW OF  
PUBLIC MARKET CASH HANDLING ACTIVITIES**

**Office of Public Integrity  
Date: January 28, 2016**

I. EXECUTIVE SUMMARY

The Office of Public Integrity (OPI) examined the accountability of reported cash collections, the adequacy of internal control procedures, and compliance with City policies in the Department of Recreation and Youth Services (DRYS), Public Market. We accounted for all reported cash receipts within the test period. Additionally, the results of this review indicate adequate internal control procedures over the Market's operations and, in general, compliance with City cash handling policies. We did not note any material or significant findings during this review.

II. BACKGROUND, OBJECTIVES AND SCOPE

A. Assignment

The Office of Public Integrity routinely reviews City operations, cash handling procedures, and accountability for cash collections. OPI selected the Public Market for this examination of cash handling activities. We performed the last review of this area in April 2012.

B. Background

The Public Market is a unit within the Department of Recreation and Youth Services (DRYS), Bureau of Recreation. The unit manages and operates the Rochester Public Market facilities at 280 North Union Street. Market personnel rent stall space to vendors, collect rent payments, maintain buildings and grounds, and supervise operations on market days. Facilities at the Public Market include two open-air sheds, one heated and enclosed shed, four kiosks, and additional non-traditional open air spaces within the market grounds. Public Market personnel divide sheds into stalls and rent them to vendors on a daily, seasonal, or annual basis at rental rates established by the DRYS Commissioner.

The seasonal or annual rental of Market space requires a lease agreement between the vendor and the City. The following table summarizes the number of stalls and the current seasonal and annual occupancy rate:

Public Market  
Rental Summary  
August 2015

<u>Location</u>	<u>Available Stalls</u>	<u>Stalls Currently Rented</u>	<u>Seasonal/ Annual Leases</u>	<u>Occupancy Rate</u>
Shed A	134	134	63	100%
Shed C	74	71	47	96%
Winter shed	61	55	29	90%
Kiosks	4	4	4	100%
Non-traditional space	46	33	18	72%

C. Objectives and Scope

In this review we assessed the adequacy and effectiveness of internal controls, determined accountability of reported cash collections, and ascertained compliance with City Cash Collection Policies. The Office of Public Integrity selected records applicable to all revenue reported for the period August 1, 2015 through August 31, 2015. For this period, the Public Market deposited \$11,585 applicable to daily rentals and \$49,155 applicable to seasonal/annual lease payments.

Management is responsible for establishing and maintaining a system of internal accounting and administrative control. Fulfilling this responsibility requires estimates and judgments by management to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of accurate, informative reports that are fairly stated.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any system evaluation to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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.

III. RESULTS OF REVIEW

The results of this review indicate that internal controls are adequate, Market personnel adequately report and deposit revenue in a timely manner and they follow the City's Cash Collection Policies. We accounted for all reported cash receipts within the test period. We noted improvements from our prior review of this area including Market personnel assuring that all vendors have properly executed leases on file and they document fees and receipts accurately on vendor accounts. Based on the results of this review, OPI does not anticipate any additional audit procedures.

IV. DEPARTMENTAL RESPONSE

The Department of Recreation and Youth Services reviewed an earlier version of this report and is in agreement with it. Because there were no material or significant findings, DRYS did not issue a response to this report.