

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

Distribution:

Lovely Warren, Mayor
James Smith, Deputy Mayor
Danielle Lyman-Torres, Commissioner
Tim Curtin, Corporation Counsel

Office of Public Integrity
Date: July 24, 2019

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.

The results of this review indicate adequate internal control procedures over the Market's operations and compliance with City policies. Additionally, we were able to account for all reported cash collections for the test period without exception.

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 2015.

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 three 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
May – October 2018

<u>Location</u>	<u>Available Stalls</u>	<u>Stalls Rented</u>	<u>Seasonal/ Annual Leases</u>	<u>Occupancy Rate</u>
Shed A	134	134	63	100%
Shed C	72	71	39	99%
Shed B	63	63	41	100%
Kiosks	4	4	4	100%
Shed D	58	32	12	55%

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 May 1, 2018 through October 31, 2018. For this period, the Public Market deposited \$50,800 applicable to daily rentals and \$486,133.75 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 at the Public Market are adequate and in compliance with City policies. We verified that Market personnel adequately report and deposit revenue in a timely manner in accordance with the City's Cash Collection Policies. We accounted for all reported cash receipts within the test period. No further work is deemed necessary.

IV. DEPARTMENTAL RESPONSE

The response of the Department of Recreation and Youth Services follows.




City of Rochester

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Daniele Lyman-Torres
Commissioner

To: Timothy R. Weir, Director of Public Integrity

From: Dr. Daniele Lyman-Torres, Commissioner 

Date: July 21, 2019

Subject: Review of Public Market Cash Handling

On July 10, 2019 OPI delivered findings from a review of the Public Market's cash handling. That review presented no recommendations. The Department of Recreation and Youth Services acknowledges the receipt of the findings and will continue to operate the Rochester Public Market in full compliance with the policies set forth by the City of Rochester.

