

**TAMPA CONVENTION CENTER
OPERATIONS DIVISION
AUDIT 15-10
FEBURARY 11, 2016**



CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

February 11, 2016

Honorable Bob Buckhorn
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: TCC Operations, Audit 15-10

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on TCC Operations.

We thank the management and staff of the Tampa Convention Center for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover
Internal Audit Director

cc: Dennis Rogero, Chief of Staff
Sonya Little, Chief Financial Officer
Bob McDonough, Administrator for Economic Opportunity
Rick Hamilton, Convention Center and Tourism Director
Russell Hauptert, Chief Technology Officer
Robert Rose, Director of Convention Facilities
Brian Hunter, Convention Facility Operations Manager
Eric Blanc, Manager of Sales and Marketing
Shawn Seitz, TCC Contractor – Director of Security

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/s/ Melinda Jenzarli

Melinda Jenzarli, Auditor

/s/ Christine Glover

Christine Glover, Audit Director

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BACKGROUND

The Tampa Convention Center (TCC) is a 600,000 square foot facility located adjacent to Tampa Bay and consists of a 200,000 square foot exhibition hall, four ballrooms, and 36 meeting rooms. The mission of TCC is to generate a positive economic impact by promoting mutually beneficial partnerships, providing outstanding guest service, demonstrating good stewardship in the managing of the asset, and achieving financial expectations.

The TCC Operations Division is responsible for all preventative and routine maintenance performed on the TCC grounds and facility. The division also works in coordination with the Events Services Division to provide support needs before, during, and after an event.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY 2015 Audit Agenda. The objectives of this audit were to ensure that:

1. The TCC Operations Division expenses are approved and appropriate.
2. Security at TCC is adequate.

STATEMENT OF SCOPE

The audit covered TCC operational activity that occurred from October 1, 2014, to June 30, 2015. Tests were performed to determine whether the Operations Division expenses were approved and appeared appropriate, and to determine whether security at TCC is adequate. Original records as well as copies were used as evidence and verified through observation and physical examination.

The Operations Division does not have a building maintenance management system to track preventative and routine maintenance performed on the TCC grounds, facility, and maintenance requests completed by staff during an event. As a result, specific testing related to this area could not be conducted.

The subject matter of certain information covered in this audit is confidential in nature, and thus specific details of certain deficiencies are not disclosed. This exemption from F.S. Chapter 119, Public Records, is addressed under F.S. 281.301, Security systems; records and meetings exempt from public access or disclosure. These confidential matters have been reported to management.

STATEMENT OF METHODOLOGY

The Operations Division purchasing card transactions were extracted from the Bank of America Works system for the audit period. A random sample was selected from this population using a 95% confidence interval and a 10% margin of error. This sample was tested for approval and compliance with the City's purchasing card policy. The Sales and Marketing Division provided the number of events with the approximate attendance during

the audit period. This data was summarized by month, and compared to the monthly operational expenses extracted from Oracle to determine whether the distribution appeared appropriate. The data used in our testing and analysis referenced above was assessed and deemed reliable.

A security assessment was conducted by performing various tests, walkthroughs, inspections, and interviews with TCC personnel and consultants.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

NOTEWORTHY ACCOMPLISHMENTS

1. A single point dispatch system has been implemented by the Operations Division to organize and centralize the interaction and communication between the various sections of TCC. A singular individual is responsible for answering radio calls concerning needs in the building. This dispatch system:

- Allows a single point of contact for all sections of TCC, where the information is subsequently relayed to the appropriate section or individual for action.
- Provides a mechanism to enter all calls into a singular “dispatch” Excel spreadsheet.
- Eliminates duplicity and reduces labor and resource waste.
- Increases response time and reduces confusion created by multiple communication paths.
- Provides a rapid communication mechanism for emergencies, safety issues, maintenance needs, and other high priority traffic.

2. TCC was recently recognized by the US EPA / Dept. of Energy as an Energy Star Partner. Optimization of building systems and operations resulted in TCC achieving an Energy Star rating of 84% (compared with other buildings of similar design and usage). Factors attributing to the increased energy performance include:

- Installation of new LED lighting technologies to replace obsolete and high energy consumption systems.
- Use of reflective aluminum clad roofing material to reflect 15% of solar loading from the 9-acre roof surface area.
- Careful monitoring and control of HVAC outside air intake to reduce energy costs associated with dehumidification.
- Reduction in lighting levels in areas of the building not in use along with “daylight harvesting” in naturally lighted areas.
- Installation of magnetic bearing (frictionless) chiller systems and variable air volume control on air handlers.

- Variable volume potable water pumping systems to match flows to demand.
- Education of staff in energy conservation and behavioral changes such as turning off unused lighting, keeping doors closed, etc.

AUDIT CONCLUSIONS

Based upon the test work performed and the audit recommendations noted below, we conclude that:

1. The TCC Operations Division expenses were approved and appeared appropriate.
2. Security at TCC could be improved.

STOREROOM AND INVENTORY MANAGEMENT

STATEMENT OF CONDITION: Internal controls over the Operations Division storeroom could be improved. There is currently one Inventory Specialist, who handles the ordering, stocking and issuance of items from the storeroom. He is also responsible for all non-emergency p-card purchases. Three other Operations employees have the ability to access the storeroom and issue items when the Inventory Specialist is not available.

Inventory purchases stocked and issued are not being properly tracked. The current control for tracking and managing the inventory is for the operations staff to sign a paper inventory pull log with their name, date, item, and quantity. There is no second signature required to confirm that the information is accurate. Since there is not a record of what is on-hand in the inventory, the Inventory Specialist takes order requests from the staff, and visually monitors items to determine when to make reorders. Not all items are labeled, and some may be obsolete.

We also noted during a walkthrough of the climate control area, that there is a second storage room stocked with miscellaneous maintenance supplies. These items are not being tracked, safeguarded and issued by a designated employee.

CRITERIA: Sufficient internal controls over inventory management should be in place to ensure accuracy and completeness of inventory records, accountability for inventory transactions, and safeguarding of inventory assets.

CAUSE: Operations previously had two Inventory Specialist positions for managing the storeroom. The employees who held these positions for 20+ years retired in FY2014. Subsequent to their retirement, one of the two positions was converted to a Maintenance position. The second position was not filled for eight months due to the possibility of an Inventory Specialist moving over from another City warehouse. During this time, the storeroom was managed by a Services Attendant and two Building Maintenance Supervisors. The event management system being used to manage the inventory (ConCentRICS) was disabled to transfer the events data into the new system (Ungerboeck). The Ungerboeck inventory module is in the process of being considered.

EFFECT OF CONDITION: The absence of proper internal controls to ensure accountability, proper recording, and safeguarding over inventory management could result in the following:

- Items lost or stolen from the storeroom going undetected
- Inefficiencies in item reorder points and identifying items on hand that are not properly labeled
- Ineffective use of available storage from obsolete items that should be removed
- Inability to determine the on-hand inventory value

RECOMMENDATION 1: The Operations Division should conduct a 100% physical count of the items currently in the storeroom. This will allow the establishment of a starting point,

and removal of any items that may be obsolete or no longer needed. All other City purchases stocked and stored in the Convention Center should be consolidated into the central storeroom in Operations. The inventory pull log used to track items issued should be signed by the Inventory Specialist or one of the three staff currently authorized to access the storeroom. This will provide a compensating control until an electronic means of tracking and approving items removed from the inventory is purchased and implemented.

MANAGEMENT RESPONSE: Management agrees with the recommendation and is trying to accelerate the process of implementation of the Ungerboeck software to accomplish this task. It is unfortunate the former software handling this task had to be taken offline to implement installation and data migration of the new software system. Physical accounting and maintenance of inventory will be maintained until the Ungerboeck software for this purpose is online.

BUILDING MAINTENANCE MANAGEMENT SYSTEM

STATEMENT OF CONDITION: The Operations Division manually tracks preventative and routine maintenance performed on the Convention Center grounds, facility, and extra maintenance requests completed by staff and during an event. The Operations staff performs daily, weekly, bi-weekly, and monthly maintenance and inspections based on paper checklists. Special requests are received via e-mail, verbally or called in on dispatch and logged in an Excel Spreadsheet. There is no building maintenance management system in place to schedule and manage these tasks.

CRITERIA: Given the magnitude of preventative and routine maintenance performed at the Convention Center, a maintenance management system would more efficiently record, manage, and communicate the day to day operations. Use of such a system also provides a detailed historical record of maintenance performed.

CAUSE: The system being used to manage maintenance work orders (ConCentRICS) was disabled to transfer the events data into the new event management system (Ungerboeck). Purchase of the Ungerboeck building maintenance module is in the process of being considered.

EFFECT OF CONDITION: Tracking preventative and routine maintenance manually limits the ability to determine whether scheduled and requested maintenance has been completed.

RECOMMENDATION 2: The Operations Division and the Ungerboeck project management team should work together to determine which building maintenance management system is most appropriate for the TCC operational needs.

MANAGEMENT RESPONSE: Management concurs with the recommendation and is making every effort to expedite the process of installation of the Ungerboeck system to ensure compatibility with the remainder of our event management system.

POLICIES AND PROCEDURES

STATEMENT OF CONDITION: While there are detailed checklists for maintaining the Convention Center grounds, facility, and equipment, the Operations Division policies and procedures have not been recently updated. Longevity and institutional knowledge is being relied on for performing the majority of day-to-day operations.

CRITERIA: City Code, Section 2-46, Duties of Departments, requires departments to "create and maintain all records with adequate and proper documentation of the organization, together with the functions, policies, decisions, procedures, and essential transactions, of the department." Policies help ensure uniformity and consistency in decision-making and provide the framework for business planning. Procedures provide clear instructions and guidelines on how to complete tasks and duties and help to eliminate common misunderstandings by identifying job responsibilities. Together they provide a common understanding and agreement on how things should be done.

CAUSE: Personnel with institutional knowledge pass down the processes and procedures via on-the-job training. Taking care of operational needs with limited resources and completing day-to-day tasks have taken precedence over providing documented guidance to staff. Also, current management has postponed the update due to the implementation of new event management software (Ungerboeck), which has resulted in changes to some of the existing processes.

EFFECT OF CONDITION: Without documented policies and procedures, management is unable to ensure processes fundamental to the organization's success are being followed. Staff may not fully understand what is expected of them making it difficult to hold them accountable for their actions. In the event of turnover, knowledge of proper policies and procedures could be lost.

RECOMMENDATION 3: The Operations Division should update their policies and procedures in conjunction with the implementation of the new event management software. This update should include but not be limited to the following: personnel responsibilities, building, equipment and grounds upkeep and maintenance, materials and supplies, and event coordination and set-up. The resulting updated policies and procedures manual should be made available to all operations personnel.

MANAGEMENT RESPONSE: TCC management agrees with the finding(s). Once the completion of migration to the new software is complete, it will be an optimum time to update operational policies and procedures. This will be achieved while incorporating the new capabilities afforded by the new software. These will be "living" documents intended to be revised and updated as necessary.