

City of Corpus Christi City Auditor's Office

FU25-001 Parks & Recreation Community Enrichment Fee Follow-Up Report

George Holland
City Auditor
July 3, 2025



Executive Summary

As part of our annual audit plan, we followed up on the AU17-005 Phase 2A Parks & Recreation, Community Enrichment Fee audit dated September 13, 2022. The objective of the original audit was to determine whether sufficient controls were in place over Community Enrichment Fee (CEF) expenditures to ensure compliance with the Unified Development Code (UDC) §8.3, Public Open Space.

Unified Development Code (UDC) §8.3 Public Open Space is the principal regulation over CEF. This section outlines the purpose of CEF, the monetary contribution requirements, and the procedures for expending the funds. CEFs are paid by developers of residential neighborhoods. These funds, accounted for in a special revenue fund, are to contribute to the development and improvement of City Parks. As CEF parameters change over time, all revisions are approved by the City Council through a City Ordinance.

The original audit made 14 recommendations to improve the oversight and tracking of plat records that benefited from CEF funding, as well as the calculation and accounting of CEF in the City's financial records, and the management of City Park inventory.

Management accepted the recommendations from the original audit and agreed to implement the necessary process changes.

In December 2024, management indicated 11 of 14 recommendations have been implemented, with two still in progress. Auditors subsequently reviewed the information submitted and found that 12 have been implemented, one is unimplemented, and one is not applicable.

A complete list of recommendations and current statuses can be seen on pages 1-2. Additional information on recommendations can be found in Appendix A.

We conducted this follow-up review in accordance with the Global Internal Audit Standards. These standards require that we confirm that management has implemented our recommendations or management's action plans. We inquired about the progress on implementation, performed follow-up assessments using a risk-based approach, and updated our tracker and Five-Year Follow-Up Dashboard to reflect issues and report this at every Audit Committee Meeting.

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Issue No.	Recommendation	Management Assertion	Status
A. Management Over Community Enrichment Fee Contribution Records			
A.1	Standardize records management for CEF contributions through documented procedures. These procedures should specify what records are to be retained to enable better monitoring and application of funds. At minimum, they should include plat approval letters, subdivision maps, plat maps, a receipt showing CEF fees paid, and instructions for how to account for contributions in the financial records.	<i>Implemented</i>	<i>Implemented</i>
A.2	Procedures should be reviewed, adjusted, and approved as changes to the UDC occur.	<i>In Progress</i>	<i>Not Implemented</i>
B. UDC Compliance Review Over CEF Expenditures			
B.1	Ensure funding plat and projected projects are thoroughly screened for UDC eligibility by developing a compliance checklist with reference to UDC sections to document adherence. The checklist should include written considerations made for barriers to accessibility.	<i>Implemented</i>	<i>Implemented</i>
B.2	Include Parks' management approval on the checklist through signatures.	<i>Implemented</i>	<i>Implemented</i>
B.3	Develop, test, and document a system to process and monitor the utilization of CEF contributions that is sustainable with staff changes. The final process should be approved by Parks management.	<i>Implemented</i>	<i>Implemented</i>
B.4	Comply with UDC mileage requirements by replenishing amounts to areas identified in this report.	<i>Implemented</i>	<i>Implemented</i>
B.5	Obtain retroactive City Council approval if management elects to leave the UDC deviation in place.	<i>N/A</i>	<i>N/A</i>
C. Community Enrichment Fee Calculations			
C.1	To ensure correct UDC Public Open Space fees are assessed and collected from developers, Parks Management should require that all fees be reviewed and approved by Parks Management.	<i>Implemented</i>	<i>Implemented</i>
C.2	When different amounts are accepted or deviate from what is presented on the Plat Review Comments Sheet and are allowable under the UDC, retain and archive documentation showing the alternative amount and methodology used to arrive at it.	<i>Implemented</i>	<i>Implemented</i>

Issue No.	Recommendation	Management Assertion	Status
D. Combining Community Enrichment Fees and Other Funds			
D.1	Simplify monitoring of CEF org numbers by no longer adding non-CEF monies into them through incorporating such guidance into procedures.	<i>Implemented</i>	<i>Implemented</i>
D.2	Expediently, spend CEF money to ensure UDC time constraints are complied with.	<i>Implemented</i>	<i>Implemented</i>
E. Other Matters – Park Inventory Management			
E.1	Parks Management should examine the circumstances surrounding park property identified as enclosed within school boundaries. Determine the intended use and remedy the issue surrounding restricted access. All final decisions should be communicated with the respective school districts. City property should remain in the City's possession until formally transferred. Any use by outside organizations should be documented in formal agreements.	<i>Implemented</i>	<i>Implemented</i>
E.2	Include the Parks Master Plan or develop a strategic plan on how to address undeveloped and underutilized parks. This plan should include time limits for how long a park can remain undeveloped or unutilized without a defined future intended use. Undeveloped parks should not sit undeveloped for an extended period without a defined use.	<i>Implemented</i>	<i>Implemented</i>
E.3	Ensure the park inventory list is always updated. At a minimum, on an annual basis, the park inventory list should be reviewed and updated to ensure all information, such as park names and amenities, reflect current activities. This update should include review and approval by Park Management through signatures.	<i>Implemented</i>	<i>Implemented</i>

Legend:	
<i>Implemented</i>	Evidence supported documentation.
<i>Not Implemented</i>	Action or control not applied.
<i>In Progress</i>	Action or control in the process of being.

Staff Acknowledgements:

Amr Hussein CIA, CFE, CISA - Audit Manager
Samantha Chapa, Auditor

Appendix A: Additional Follow-Up Information

A. Management Over Community Enrichment Fee Contribution Records

In the original audit, we found that subdivision records supporting the contributions to the Community Enrichment Fund for fees accepted in lieu of land are unsystematic. During our review, no records of any subdivisions were found to be complete.

Using the Unified Development Code (UDC) and Parks' processes, we identified five documents needed to support contributions to the CEF: plat approval letters, subdivision maps, final plats, CEF payment receipts, and accounting string assignments.

Recommendation:

A.2 Procedures should be reviewed, adjusted, and approved as changes to the UDC occur.

Management's Assertion: In Progress
Audit Status: Not Implemented

Appendix B – Management's Response



July 3, 2025

George H. Holland
City Auditor
Corpus Christi, Texas

Re: FU25-001 Parks & Recreation – Community Enrichment Fee Follow-Up Report

Parks has carefully reviewed the follow-up report referenced above. As there are no new recommendations for management, no responses are required.

☒ Agree

☐ Disagree

Regards,

Robert Dodd
Director of Parks & Recreation

7/16/25

Date

Heather Hurlbert
Assistant City Manager

7/17/25

Date

Peter Zanoni
City Manager

7.18.25

Date