APPROVED

AUDIT ADVISORY BOARD REGULAR MEETING
CITY OF FORT LAUDERDALE
1st FLOOR CHAMBERS
July 30, 2015, 5:00 PM

		Cumulative Attendance 10/1/14 – 9/30/15	
Board Member	**Attendance**	**Present**	**Absent**
Martin Kurtz, Chair	P	5	0
Richard Owen	A	2	3
Kimberly Jackson	A	3	2
D. Keith Cobb	P	1	1
Gregg McKee	P	2	0

Staff Present

Kirk Buffington, Director of Finance
Linda Logan-Short, Deputy Director of Finance
Kristin Tigner, Deputy Director of Human Resources
Laura Garcia, Controller
Alfred Battle, Deputy Directory of Sustainable Development
Kevin Keimel, Application Services Manager, ITS
Onesi Girona, Department Budget Coordinator, TAM
Pamela Winston, Senior Accountant
John Herbst, City Auditor
Marco Hausy, Assistant City Auditor III
Laura Reece, Assistant Manager of CIP/Grants
Rosalind Morgan, Financial Administrator, DSD
Valerie Florestal, Budget Coordinator, ITS
Carlos Berriz, Program Manager, Fleet Services
Scott Zager, Security Analyst, ITS
Amaris Rosario, Performance Analyst, Finance
Ashley Harrison, Board Liaison

Other Attendees

Michelle Blackstock, Crowe Horwath

Call to Order

The Chairman called the meeting to order at 5:07 p.m.

Roll Call

At the July 30, 2015 meeting, three (3) appointed members to the Board were present, allowing for a quorum.

Chairman Kurtz introduced the newest Board member, D. Keith Cobb. Mr. Cobb, a retired accountant, provided a brief description of his background which includes 32 years with KPMG, a couple of years with Alamo Rent A Car and then he retired and has spent the last 15 to 20 years serving on Corporate Boards. Mr. Cobb currently serves on the Audit Committee for the United Way, the Performing Arts Center and the Community Foundation. Mr. Cobb has also served on the Budget Advisory Board for the City of Fort Lauderdale, and was a Chair of the City Manager's Selection Committee.

Review of Meeting Minutes for Approval

Chairman Kurtz asked the Board members if they had any questions or comments regarding the May 28, 2015 Board minutes. Being none, a Motion was made by D. Keith Cobb, to approve the minutes, seconded by Gregg McKee. In a voice vote, the motion passed unanimously.

Chairman Kurtz asked whether there is any public input to be heard before entering into the agenda. Hearing none, he proceeded with the meeting.

Open Findings Database

Ms. Reece gave a brief overview of the Audit Compliance Tracking System, which is a system in which departments report open findings on a quarterly basis. Each audit finding is assigned the responsible person from the department. The majority of the findings that are open right now originate from the Commission Auditor's group. They will let us know when something has been resolved. The Budget office administers the system and creates a report.

Chairman Kurtz gave an opportunity for department heads to make comments on their open findings and discuss the unresolved items.

Mr. Herbst briefly discussed the way the system works. Staff in individual departments are responsible for uploading the evidential matter demonstrating that they have implemented some type of change to the process and then we will go out and review the evidence that they have corrected. We have been able to clear a lot of the findings. Some of them were stale and were not findings so much as they were recommendations or opportunities for improvement. What you have in the Open Findings Status Report are the ones that are remaining. We have a number of them with Fire from and the reason that those are not cleared, primarily, has to do with the

fact that they're going through their credentialing process right now. When they are through their accreditation process, we will come back and do a follow up.

Mr. Herbst went on to discuss that rather than doing semi-annual follow-ups on each free standing audit that we've done in the past, what we've adopted is a continuous approach. Every time staff loads something up that they think will clear the open finding/recommendation, their obligation is to notify us and then we will go and review that documentation. We will clear it on a real-time basis going forward. The Audit Advisory Board will be reviewing these on a quarterly basis as will the City Manager and we are looking at putting out a report to the City Commission and putting it up on the website. We haven't decided if that will be once a year or just semi-annually. This is a work in progress but we do want to make a public report of status of all open entries.

Mr. Cobb asked Mr. Herbst if a lot of these findings would drop off the list in September. Mr. Herbst responded that he thinks so and that on some of them staff believe they have completed the work, but they simply haven't attached any documentation for us to go look at. We have worked with the Budget office and have gone to the City Manager's senior staff meeting to get the message out that documentation needs to be provided in the system.

Mr. Cobb inquired as to whether the Auditor's office has a system to prioritize audit findings to which Mr. Herbst responded that a plan of indicating the level of each finding to indicate prioritization has been discussed and is something they would like to implement.

The discussion moved forward to the individual findings on the ACTS Report. (See Attached)

<u>Departments ACTS Review:</u>

A. **Finance.** Led by Kirk Buffington, he and his staff provided updates on payroll and COOP plan.

B. **Human Resources.** Led by Kristin Tigner, who provided updates on job descriptions updates, training, new employee orientation and employee handbook.

C. **Parks and Recreation.** John Herbst discussed real estate being outsourced to CBRE.

D. **Fleet.** Led by Carlos Berriz, who provided updates on the COOP plan and vehicle utilization and replacement.

E. **Sustainable Development.** Led by Al Battle, he and his staff provided updates on CRA, Code Enforcement, and updating building permits policy.

Mr. Herbst discussed a couple of other updates. He discussed the last audit that was done, the Sixth Street Plaza. He reports that you will start seeing those as open items on the next report. We have a couple of reports, one that is in report stage that is ready to go right now. We have one that is in final review and we are going to be drafting a report for management's comments. We just had our external quality assessment done. That is done every 3 years. We just went through our peer review, our QAR and we got a nice clean QAR on it, so we're very proud of that. There were a couple minor recommendations. We like to show that we're a peer reviewed shop. We have a good staff and we are on top of our training and we've got a good policy and procedures manual in place. We are fully automated with our work paper as we use TeamMate, which standardizes our process.

Chairman Kurtz asked about any other audit findings, HUD or IG. Ms. Reese reports that if there is an open audit, the department is supposed to send that to the Budget office. She says they don't always come through her group so they do remind departments to send them. She reports there is one underway regarding our Homeless Program, but until it gets to report format and there's a final report, we don't add it. Chairman Kurtz asked if the Policy is that if a report is issued from an Auditor, it goes in your system? Ms. Reese responded that all audit findings that are open should be reported on. Some of them are cleared by the time we get them so we don't add those.

Chairman Kurtz asked about two other audits that there aren't any findings in the report, and wanted to make sure it is because everything is cleared. One is the South Side School and one the parking citation process. Mr. Hausy responded that all parking citations are cleared. Mr. Herbst will verify any findings on the South Side School and send to the Board.

Mr. Herbst advised about the hiring of a construction Auditor. He reports that the first thing she did was the one CRA audit that we just finished up. We have tasked her with the aquatics center project. We have been auditing all of the invoices to date looking at their billings. Right now they are only in the Engineering and design stage. We are not in full construction yet and we will have a different approach when we get there, but so far their practices, procedures and invoices have been clean. It will be up to the Commission to move forward at the 90% design stage, which is expected sometime in the fall.

Chairman Kurtz mentioned the Sixth Street Project that was discussed at the last meeting. He inquired if the findings indicated a need for further auditing in the CRA. Mr. Herbst responded that based on what they have observed, it will factor into the audit risk program.

Status of Audit Findings and Corrective Actions

- **2014-001 Prior Period Restatement, Finance**

- **2012-004 Calculation of Compensated Absences, Finance**

Ms. Logan-Short discussed the compensated absences finding. Finance has hired a Performance Analyst that has been with the City for about five or six months. We decided to break the system down and figure out whether or not we needed to get a new database to calculate it or whether our existing database could calculate it. Through her analysis we have come to find that the database we are using for our Payroll system can calculate the absence correctly. She is looking at every single person's leave record. We have a team of four people calculating the absences and then we will do a system upload to upload the data inside of our payroll system. One of the big reasons for this audit finding is that when you are trying to calculate the sick time, you have some things on paper cards and some things from an old system and none of that data was ever converted and put into our actual payroll system. Ms. Rosario reported that we are about 30% completed with the overall project. Phase one holds 60% of the weight of the overall project. There are about 1625 employee records that are being reviewed. The project plan is to review the data, calculate the absence balance and then upload the correct data inside of our financial system. We are hoping to get it completed by the end of the fiscal year.

Mr. Cobb questioned if this is an Accounting problem to which Mr. Buffington responded it is a calculation problem. When an employee gets ready to leave employment is when it becomes an issue. Ms. Logan-Short reports the problem with the sick time is we used last in, first out. Because of that, when you're retiring, if you've been here 30 years, we go back to what you earned then and that is what you get paid out at. So it's taking that old data prior to us having an electronic system and getting that data converted and loaded in at the hours earned during those times.

Chairman Kurtz discussed that what has been done with two of the unions so far is they've changed the mechanics of how compensated absences are actually paid to a fixed amount so we won't have the problem with newer employees.

Ms. Tigner reported that we have been negotiating with all of our Collective Bargaining groups. We have implemented in four out of the five contracts a provision where employees hired after a certain date will have their calculation at a set percent as

opposed to using the dollar value at which it was earned. That will make the calculations a lot easier to do. The date for some of the union groups is relatively recent, October 2013 or 2014 so we'll be calculating those numbers for employees prior to that so we'll still have a significant number but as we move forward that will change. The fifth contract has a tentative agreement that needs to be ratified by both parties, but there's hope for that one as well.

- **2012-006 IT Controls, Information Technology**

Mr. Keimel reported that ITS has hired three security analysts this year and we are actively working on procedures with them so that we can have these findings removed hopefully before the end of the fiscal year. Mr. Keimel introduced Mr. Zager, one of our security analysts. As far as the change control procedure, we're going to have a weekly security meeting and everything that needs to be approved and signed off will be discussed at that meeting.

Chairman Kurtz inquired as to who is involved in the weekly meetings to which Mr. Keimel responded that someone from network, somebody from application, and somebody from technical services.

Initial Audit Planning Discussion for FY2015

- **Crowe Horwath**

Ms. Blackstock discussed the initial audit planning for FY 2015. The same audit team will be brought back this year, minus one staff person. The IT interim fieldwork has already taken place on June 22, 2015 and June 29, 2015 and is currently under review. An interim audit exit conference will take place to discuss anything that was found to make sure it gets cleared. The audit interim fieldwork is scheduled for the week of August 10, 2015 and August 17, 2015. The yearend IT fieldwork is scheduled for the week of October 5, 2015. The single audit will be completed by Moore Stephens Lovelace, CPA and it will begin towards the end of October for a couple of weeks. The yearend audit fieldwork has been scheduled for January 11, 2016 through February 22, 2016. The CAFR will be available in March to go to the Board. Ms. Blackstock will be working with staff at interim on the implementation of GASB 68. The last thing will be looking at the grants.

ERP Selection Update

Ms. Logan-Short stated they have tentatively selected Ciber, which is an implementer of the Infor Lawson product. We are scheduling a site visit with an organization that has their current product in motion. The site visit is tentatively scheduled for Mid-September in North Carolina. After the site visit, the committee will come together and make their final recommendation to send to Commission.

Other Business

None.

Communication to the City Commission

None.

The next meeting is scheduled for October 29, 2015 (in 8th Floor Conf Rm).

The meeting was adjourned at 6:49 PM.

[Minutes prepared by Ashley Harrison, Board Liaison]

CITY OF FORT LAUDERDALE

OPEN AUDIT FINDINGS STATUS REPORT

(Single Audit, Financial Audit, and City Commission Audit)

As of June 30, 2015

WE BUILD COMMUNITY

CITY OF FORT LAUDERDALE

OPEN AUDIT FINDINGS STATUS REPORT

The quarterly Open Audit Findings Status Report is compiled by the City Manager's Office Budget/CIP and Grants Division based upon updates provided by departmental staff. This report provides the status of open audit findings from the external auditors and the City Commission Auditor's Office each quarter.

The External Auditor findings from the Single Audit and Financial Audit can only be closed once per year when the City's External Auditors conduct their review for the annual Comprehensive Annual Financial Report (CAFR).

The majority of the audit findings are from the Commission Auditor's Office from prior year audits that were issued but not closed. The City Auditor has adopted a continuous audit approach utilizing the City's Audit Compliance Tracking System (ACTS) and quarterly report process. As departments implement the corrective action plans and upload supporting information and documentation into the ACTS system, they are required to notify the Commission Auditor that they believe a finding has been resolved. The Auditor's Office will continuously review these responses throughout the year and will notify the System Administrator in the Budget/CIP and Grants Division to close findings that have been cleared.

Department staff is required to review and update the status of each of their findings on a quarterly basis. Following the update, a report is compiled and distributed to the City Manager and the Community Building Leadership Team.

All-America City

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APRIL - JUNE 2015 QUARTERLY REPORT
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All-America City

FINANCIAL EXTERNAL FINDINGS

Finance

Financial External Audit #2012-4 Calculation of Compensated Absences (PY-3)

Issue No:	253			
Date of Finding:	03/12/2012			
Est. Completion Date:	09/30/2016			
		Name	Title	Department
Responsible Person 1	apantin	Anthony Pantin	Senior Accounting Clerk	Finance
Responsible Person 2	lgarcia	Laura Garcia	Senior Accountant	Finance
Correction Plan Status:	Partially Implemented			
Next Milestone	09/30/2013			
Anticipated Date of Completion	09/30/2016			
Final Date of Completion				
Department:	Finance			
Audit Initiator	Financial External			
Audit Initiator Other				
Title:	Financial External Audit #2012-4 Calculation of Compensated Absences (PY-3)			

Issue / Observation

Controls over the process of calculating the liability for compensated absences should be designed and operating effectively to ensure that the amounts recorded in the financial statements are an accurate representation of the amounts actually due to employees as of the end of the fiscal year.

During our testing of the compensated absences liability, we identified errors in the underlying data used in the calculation. Additionally, errors were noted in prior year calculations. Specifically, errors were noted in the calculation of accrued leave using the approved leave accrual rates and recalculation of some balances was not possible because underlying supporting data was not available. Six of 33 items sample contained errors or were not adequately supported with underlying documentation. Controls are not fully developed and the detail subsidiary ledger does not contain adequate controls for complete and accurate calculations of accrued leave balances.

Recommendation:

We recommend that the City review the current inputs into the compensated absences calculation process and implement monitoring controls to ensure that the data used in the calculation is accurate and complete. Further, the City should review the mechanics of the sick leave payable and determine if the process can be automated in order to alleviate the need for manual calculations.

Correction Plan:

Management Response
Agree. However, it should be noted that the Fire-Rescue Department (FRD) currently performs annual reviews of all Standard Operating Procedures (SOPs). The Medical Director also conducts reviews of SOP's and protocols so the requirement would be a moot point. Lack of signature in this case was purely an oversight and it has since been signed. There is no signature requirement by the state.
FRD will take this recommendation into consideration and if implementation is executed, it will be implemented by 1/1/11 or the reference to have a signature will be eliminated in our department SOP's.

Current Status:

We have implemented a plan in FY 2012 to compare manual calculations to the calculations based on the payroll system. However, the data base in place is not sufficient to eliminate the manual procedures and the City is currently contemplating changes that would simplify the computation of sick leave payouts.

Fraternal Order of Police (FOP) has agreed to receive 28% of the unused accrued sick leave hours at the employee's final rate of pay. Human Resources (HR) is currently in negotiations with the other unions to modify the calculation for sick payouts.

12/31/14

Employees covered under the Teamsters union contract hired prior to 10/1/13, we will still be paying under the old manual calculation methodology. For employees hired on or after 10/1/13, their sick leave separation payout will be based on the 28% of final rate of pay. The City still in negotiations with IAFF and Federation. No update on changes for Management and Confidential at this time.

6/30/15

For employees under the International Association of Firefighters (IAFF) (Fire) union contract hired after October 1, 2014, sick leave accruals will be paid out at 28% of their final rate of pay upon separation. Finance is working on a project to convert the leave balances currently on paper to an electronic database format. The City still in negotiations with Federation. No update on changes for Management and Confidential at this time.

Information Services

Financial External Audit #2012-6 Information Technology (IT) Controls

Issue No:	269			
Date of Finding:	03/12/2012			
Est. Completion Date:	06/30/2014			
		Name	Title	Department
Responsible Person 1	kkeimel	Kevin Keimel	Manager of Distributed Systems	Information Services
Responsible Person 2				
Correction Plan Status:	Partially Implemented			
Next Milestone	09/30/2013			
Anticipated Date of Completion	09/30/2014			
Final Date of Completion				
Department:	Information Services			
Audit Initiator	Financial External			
Audit Initiator Other				
Title:	Financial External Audit #2012-6 Information Technology (IT) Controls			

Issue / Observation

Information systems controls should reasonably assure that electronic information is not compromised by unauthorized access to systems and that access is granted only as needed for individuals within the entity to perform their assigned responsibilities while maintaining adequate segregation of duties.

Condition: We noted the following with respect to the City's information systems:

T2 Flex
Management does not currently have a defined change management process in place to ensure that all updates/patches are tested and approved.

Cyborg
During our review of Cyborg access we noted the following:

•Six active terminated employee accounts without elevated access rights, which increases the risk of inappropriate or unauthorized access on the system.
•One employee with two active accounts with elevated access rights that no longer requires the use of the additional user, which increases the risk of inappropriate or unauthorized access on the system.

Recommendation:

Correction Plan:

Has not been corrected. The City is in the process of hiring a Chief Security Officer to address all IT control concerns.

Current Status:

Corrective action was taken immediately for the Cash Cloud finding and ITS is currently reviewing changes to the management process for T2 Flex. IT will work with other City Departments to implement procedures for proper documentation for terminated employees in Cyborg and is hiring a Chief Security Officer to address all security issues relative to IT Systems.

06/30/15
Three Security Analysts were hired that will be creating the policies pertaining to change management and access control. These policies are in draft form and will be completed during the current fiscal year.

COMMISSION AUDIT FINDINGS

Finance

Report #07/08-4 Cyborg Payroll System 4.1

Issue No:	58			
Date of Finding:	04/16/2008			
Est. Completion Date:	09/30/2013			
		Name	Title	Department
Responsible Person 1	apantin	Anthony Pantin	Senior Accounting Clerk	Finance
Responsible Person 2	lgarcia	Laura Garcia	Senior Accountant	Finance
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2014			
Final Date of Completion	09/30/2014			
Department:	Finance			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #07/08-4 Cyborg Payroll System 4.1			

Issue / Observation

A $1,410 taxable automobile commuting benefit for current year 2006 was not reported as taxable federal wages in box 1 of the W-2 wage statement for two City employees who have a City provided automobile. According to Internal Revenue Service (IRS) guidelines, an employer can elect not to withhold income tax on the value of an employee's personal use of a highway motor vehicle provided by the employer, but they must withhold the applicable Social Security and Medicare taxes. The employer must also include the value of the benefits in boxes 1, 3, 5, and 14 on the W-2. The Finance Department uses a worksheet that lists the earnings codes that are to be included/excluded to calculate Social Security, Medicare, and taxable wages. The auto commuting benefit was added to the wages of two employees with take home vehicles during the last pay period of calendar year 2007. After reconciling the amount reported on the Form W-2 in Box 1, (federal taxable wages) the Auditor's Office determined tha

Recommendation:

The City Manager should require the Finance Director to issue Form W-2c (Correcting W-2s) for 2005, 2006, and 2007 to properly include the auto commuting benefit in federal taxable wages for those employees who had use of a take home city vehicle. Furthermore, the Finance Department should establish procedures that would bring the City into compliance with the regulations established by the IRS. The Finance Department should coordinate with the Information Technology (IT) Department to perform maintenance on the Human Experience Development (HED) code (274) to ensure that it is properly included with box 1 on the W-2 statement as taxable federal wages.

Correction Plan:

Concur: This item is currently being reviewed, and will be corrected.

Current Status:

Corrected W-2's were issued to affected employees.

9/30/2014
The Finance Department has implemented new procedures to ensure that the City is in compliance with the IRS code.
The City has no records that corrected W2's were issued to the two affected employees. It is our understanding that the City is outside of the statute of limitations under the IRS for issuing corrected W2's.

12/31/14
Awaiting a final review by the Commission Auditor's Office

Report #09/10-05 Follow-up review of the audit of the Procurement Services Department Finding #5

Issue No:	195			
Date of Finding:	08/25/2010			
Est. Completion Date:	09/30/2014			
		Name	Title	Department
Responsible Person 1	apantin	Anthony Pantin	Senior Accounting Clerk	Finance
Responsible Person 2	lgarcia	Laura Garcia	Senior Accountant	Finance
Correction Plan Status:	Partially Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	02/11/2011			
Department:	Finance			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #09/10-05 Follow-up review of the audit of the Procurement Services Department Finding #5

Issue / Observation

The City Auditor's Office (CAO) determined the Continuity of Operations Plan (COOP) dated 2/26/07, prepared by All Hands Consulting, has not been tested and has the following limitations:
1. The Operational Capability section, which describes the method by which the department will be able to provide operational capability for essential functions within 12 hours, is still pending.
2. Validation of external communications capabilities at all alternate facilities has not been verified.
3. The COOP kit containing purchase orders, contracts, vendor lists, and other information and documents critical to PSD's ability to function outside of City Hall is stored on site at City Hall.
4. The plan does not include procedures for processing of payments by Accounts Payable (AP) to ensure compliance with Federal Emergency Management Agency (FEMA) requirements for reimbursements in a disaster/emergency situation.

Recommendation:

The City Manager should require the Director of Finance to:
1. Coordinate testing of their portion of the COOP in cooperation with the Fire Department to determine if the plan is viable and executable prior to an actual emergency.
2. Coordinate with the Fire Department to complete the Operational Capability section of the COOP to ensure that critical functions are achievable within 12 hours of plan activation.
3. Coordinate with the Fire Department and develop a policy that would require annual testing of the COOP communications Plan and validate external communications at alternate facilities.
4. Establish a secure site away from City Hall to locate the COOP kit. Coordinate with the Director of the Finance Department to review the purchasing component of the COOP in an attempt to proactively incorporate FEMA reimbursement requirements from an emergency purchasing perspective.

Correction Plan:

Management Concurs: Finance will begin working with both Emergency Management and the Finance Department to coordinate testing and develop a policy to achieve the above recommendations: TIME: on-going

Follow-Up Action – The updated COOP Plan is partially complete. There is an outstanding issue regarding the actual testing of the optional work site that is currently being evaluated.

Current Status: Procurement completed on 02/11/2011

12/31/14
Awaiting a final review by the Commission Auditor's Office

6/30/15
The COOP plan for the Procurement division was completed and it is included in the Finance COOP plan. Procurement is working to secure an alternative work site.

Report #07/08-4 Cyborg Payroll System 1.2

Issue No:	227			
Date of Finding:	04/16/2008			
Est. Completion Date:	09/30/2012			
		Name	Title	Department
Responsible Person 1	apantin	Anthony Pantin	Senior Accounting Clerk	Finance
Responsible Person 2	lgarcia	Laura Garcia	Senior Accountant	Finance
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	09/30/2012			
Department:	Finance			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #07/08-4 Cyborg Payroll System 1.2			

Issue / Observation

Bank reconciliations for the payroll account are not being prepared timely as recommended by the City's external auditors Ernst & Young. During the twelve months of 2007, only three (3) reconciliations were prepared in a timely manner. Also, the reconciliation for April was completed prior to the March reconciliation. As of January 4, 2008, the reconciliations for October, November, and December had not been prepared.

Effective internal control over cash requires that bank reconciliations be performed on a monthly basis.

The Finance Department has experienced staffing challenges, and therefore performing the bank reconciliations wasn't a priority. However, to help alleviate the current understaffing, a new Senior Accountant position was authorized in the FY07/08 operating budget, and an Accounts Receivable Manager was authorized in the FY06/07 budget. These positions remain unfilled at this time.

Recommendation:

The City Manager should require the Finance Director to assign staff the responsibility for completing bank reconciliations on a monthly basis.

Correction Plan:

Concur: Finance staff has been assigned to complete all City bank reconciliations. The reconciliations for the Wachovia payroll account have now been completed thru November 2007. During the extensive fiscal year end "closing" process, reconciliations have lagged by a few months. Bank reconciliations should be completed within 60 days of the receipt of the bank statement.

Current Status:

Prior to 2012, reconciliations were not completed during audit season. The payroll bank reconciliation is now completed timely (within 60 days). The payroll reconciliation has been challenging over the past several months due to unexplained differences, but is still being completed carrying the unreconciled difference.

12/31/14
Awaiting a final review by the Commission Auditor’s Office

Fire

Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department (FRD) Observation 4

		Name	Title	Department
Issue No:	116			
Date of Finding:	10/15/2010			
Est. Completion Date:	10/01/2010			
Responsible Person 1	pvandenberge	Paul Vanden Berge	Budget Coordinator	Fire Rescue
Responsible Person 2	theiser	Timothy Heiser	Division Chief	Fire Rescue
Correction Plan Status:	Implemented			
Next Milestone	none			
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	10/01/2010			
Department:	Fire Rescue			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department (FRD) Observation 4

Issue / Observation

Condition
Support Services personnel, who are civilians, operating the FRD warehouse (controlled substances and other medications contained therein) are not subject to random drug screenings, as is required of sworn FRD personnel who are in contact/close proximity to medications.
Criteria
Under the COSO framework Risk Assessment - Objectives, Risks, and Responses component 2.3 "Identification and assessment of internal, external and fraud risks", mechanisms to identify internal and external risk events as well as inherent and residual risks are fundamental elements of an effective internal control environment.

Recommendation:

The City Auditor's Office (CAO) recommends that the City Manager require the Fire Chief to implement similar random drug testing policies for Support Services staff as other FRD personnel who handle or are in close proximity to controlled substances.

Correction Plan:

Agree. The FRD agrees with observation. It will however have to be negotiated through the formal process with Teamsters Local 769. To remedy the situation, all narcotics and benzodiazapines (Schedule 2&3 possible recreational meds) have been removed from support services and relocated to a safe in the FRD headquarters. ALL FRD sworn persons are subject to random testing or can be ordered to test if there is a reasonable suspicion of drug use.

Current Status:

To remedy the situation, all narcotics and benzodiazapines (Schedule 2&3 possible recreational meds) have been removed from support services and relocated to a safe in the FRD headquarters. ALL FRD sworn persons are subject to random testing or can be ordered to test if there is a reasonable suspicion of drug use.

12/31/14
Awaiting a final review by the Commission Auditor’s Office

Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 5

		Name	Title	Department
Issue No:	117			
Date of Finding:	10/15/2010			
Est. Completion Date:	09/30/2012			
Responsible Person 1	pvandenberge	Paul Vanden Berge	Budget Coordinator	Fire Rescue
Responsible Person 2	theiser	Timothy Heiser	Division Chief	Fire Rescue

Correction Plan Status: Partially Implemented

Next Milestone

Anticipated Date of Completion 09/30/2015

Final Date of Completion 09/30/2015

Department: Fire Rescue

Audit Initiator Commission Audit

Audit Initiator Other

Title: Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 5

Issue / Observation

Condition

The City Auditor's Office (CAO) found the following upon review of the controlled substance ordering process with respect to Morphine, Versed, Etomidate, and Nitrous Oxide:

• The Medical Director does not review the inventory of controlled substances before a new order for controlled substances is placed.

• The Medical Director has delegated the function of ordering controlled substances to the Support Services Storekeeper III, without written authorization for this authority.

Criteria

Under the Committee of Sponsoring Organizations (COSO) framework Internal or Control Environment component 1.6 "Assignment of authority and responsibility", limits of authority and delegations of authority as well as Risk Assessment - Objectives, Risks, and Responses component 2.4

"Planned responses to risks", management decisions to accept, avoid, reduce or share risks based on cost, benefit, impact and likelihood are fundamental elements of an effective internal control environment.

Recommendation:

The CAO recommends that the City Manager require the Fire Chief to:

• Forward the controlled substances inventory counts to the Medical Director for review and authorization before each purchase.

• Develop a written authorization and delegation of authority for the purchase of controlled substances on behalf of the Medical Director for selected Support Services personnel.

Correction Plan:

The Medical Director Reviews the inventory monthly and is advised via e-mail of the quantity ordered.

The storkeeper no longer orders narcotics or benzodiazpines or Etomidate. They are ordered by an administrative captain that sends the request through his battalion Chief and the Division Chief of Emergency Medical Services (EMS).

Current Status:

Partially implemented- there has not been a written authorization given to the administrative captain or Division Chief of EMS.

Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 8

Issue No:	119			
Date of Finding:	10/15/2010			
Est. Completion Date:	09/30/2012			
		Name	Title	Department
Responsible Person 1	pvandenberge	Paul Vanden Berge	Budget Coordinator	Fire Rescue
Responsible Person 2	theiser	Timothy Heiser	Division Chief	Fire Rescue
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	12/10/2013			
Department:	Fire Rescue			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 8			

Issue / Observation

Condition
The Emergency Medical Services (EMS) Captain has both a key and the combination to the Support Services safe, which contains the controlled substances.
Criteria
Under the Committee of Sponsoring Organizations (COSO) framework Control Activities component 3.2 "Responses that prevent or detect the risk of intentional or unintentional errors", segregation of incompatible duties are standard elements of the internal control environment.

Recommendation:

The City Manager should require the Fire Chief to restrict access to the controlled substances safe at Support Services, such that no single individual has both the key and the combination to the safe.

Correction Plan:

Agree.

Current Status:

The safe has been moved to Fire administration. The safe is under 24/7 video surveilance. as well as the hallways and elevator leading to the safe. Combo and key are held by 2 individuals.

12/31/14
Awaiting a final review by the Commission Auditor's Office

Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 9

Issue No:	120			
Date of Finding:	10/15/2010			
Est. Completion Date:	09/30/2012			
		Name	Title	Department
Responsible Person 1	pvandenberge	Paul Vanden Berge	Budget Coordinator	Fire Rescue
Responsible Person 2	theiser	Timothy Heiser	Division Chief	Fire Rescue
Correction Plan Status:	Partially Implemented			
Next Milestone	10/1/13			
Anticipated Date of Completion	05/01/2014			
Final Date of Completion	05/01/2014			
Department:	Fire Rescue			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 9			

Issue / Observation

Condition

The City Auditor's Office's (CAO's) review of inventory procedures revealed that a master inventory list of supplies warehoused at Support Services is maintained on an Inventory Management Database; however, inventory is only spot checked periodically and when items are restocked. An annual inventory comparing the quantity of items on hand to those recorded in the system, and investigating any differences noted, is not performed.

Criteria

Under the Committee of Sponsoring Organizations (COSO) framework Control Activities component 3.1 "Responses that reduce or share specific risks", reconciliations are a standard element of the internal control environment.

Recommendation:

The City Manager should require the Fire Chief to conduct an annual inventory of supplies at Support Services, reconciling items on hand to the master inventory list.

Correction Plan:

In the process of relocation all medications to 3 fixed sites. We are working on a grant for a new inventory system.

Current Status:

Agree. We are currently implementing a new system where we spot check our inventories.

Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department (FRD) Observation 13

Issue No:	124			
Date of Finding:	10/15/2010			
Est. Completion Date:	09/30/2012			
		Name	Title	Department
Responsible Person 1	pvandenberge	Paul Vanden Berge	Budget Coordinator	Fire Rescue
Responsible Person 2	theiser	Timothy Heiser	Division Chief	Fire Rescue
Correction Plan Status:	Implemented			
Next Milestone	10/01/13			
Anticipated Date of Completion	05/01/2014			
Final Date of Completion	05/01/2014			
Department:	Fire Rescue			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department (FRD) Observation 13			

Issue / Observation

Condition

The City Auditor Office (CAO) found that although FRD gathers and reviews reports related to EMS medical services, analytics are not utilized for monitoring or to detect unusual activities, patterns or discrepancies involving the procurement, storage, dispensing and disposal of controlled substances.

Criteria

Under the Committee of Sponsoring Organizations (COSO) framework Control Activities component 3.4 "Analytical analyses", relating operating to financial data, investigating results, comparing different data sources, and trend analysis are standard elements of the internal control environment.

Recommendation:

The City Manager should require the Fire Chief to develop a report (i.e. capturing each month's beginning balance, quantities purchased, quantities dispensed, expired medications and ending balance) for analyzing and monitoring controlled substances to effectively alert supervisors of unusual activities, patterns or discrepancies so that problems may be identified and resolved in a timely manner.

Correction Plan:

The Triptix computer system is queried and reports the amount of medication used and the amount used by each individual paramedic on the job.

Current Status:

Agree.

12/31/14

Awaiting a final review by the Commission Auditor’s Office

Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Finding 1

		Name	Title	Department
Issue No:	125			
Date of Finding:	10/15/2010			
Est. Completion Date:	09/30/2012			
Responsible Person 1	pvandenberge	Paul Vanden Berge	Budget Coordinator	Fire Rescue
Responsible Person 2	theiser	Timothy Heiser	Division Chief	Fire Rescue
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	08/16/2013			
Department:	Fire Rescue			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Finding 1

Issue / Observation

Condition

The following exceptions were found upon review of the Fire-Rescue Department (FRD) Standard Operating Procedures (SOP), Article 1118, "Controlled Substances":

• A copy of written operating procedures for handling, tracking, storage, distribution, and disposal of all controlled substances was not signed by the Medical Director as required by SOP, Article 1118, Section 3, "Compliance".

• The SOP contained references to outdated and incorrect Federal and State statutory citations.

Auditor Note: Management corrected the deficiency regarding the lack of signature that was detected as a result of our audit procedures. FRD subsequently provided the City Auditor Office (CAO) with a copy of Article 1118 of the SOP, "Controlled Substances", initialed by the Medical Director on 4/30/2010.

Criteria

SOP, Article 1118, Section 3 requires that written operating procedures for the handling, tracking, storage, distribution and disposal of all controlled substances be signed by the doct

Recommendation:

The CAO recommends that the City Manager require the Fire Chief to conduct an annual review of the SOP Article 1118 in conjunction with the Medical Director and have both parties sign off on the document.

Correction Plan:

Agree. However, it should be noted that the FRD currently performs annual reviews of all SOP's. The Medical Director also conducts reviews of SOP's and protocols so the requirement would be a moot point. Lack of signature in this case was purely an oversight and it has since been signed. There is no signature requirement by the state. FRD will take this recommendation into consideration and if implementation is executed, it will be implemented by 1/1/11 or the reference to have a signature will be eliminated in our department SOP's.

Current Status:

completed

12/31/14

Awaiting a final review by the Commission Auditor's Office

Report #10/11-01 Finding 7 Controlled Substances

Issue No:	246			
Date of Finding:	10/15/2010			
Est. Completion Date:	09/30/2013			
		Name	Title	Department
Responsible Person 1	pvandenberge	Paul Vanden Berge	Budget Coordinator	Fire Rescue
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	09/30/2011			
Department:	Fire Rescue			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-01 Finding 7 Controlled Substances			

Issue / Observation

Condition
The City Auditor's Office (CAO) found that a single alarm code is shared by Fire-Rescue Department (FRD) Division Chiefs.
Auditor Note: Management has already implemented new procedures to correct the deficiencies regarding access that were detected during the course of our audit.
Criteria
Under the Committee of Sponsoring Organizations (COSO) framework Control Activities component 3.1 "Responses that reduce or share specific risks", physical safeguarding and access controls are a standard element of the internal control environment.
Cause
FRD has not assigned each FRD Division Chief their own unique passcodes to the Support Services building.
Impact
The safeguarding of inventory warehoused at Support Services is compromised by not effectively monitoring access to Support Services.

Recommendation:

The CAO recommends that the City Manager require the Fire Chief to implement a key card access system, similar to that already in use in other City facilities.

Correction Plan:

Agree. The process was underway prior to audit and changes with security Fraternal Order of Police (FOB) and camera's, as well as entry logs and accountability of personnel has been implemented.

Current Status:

June 2014
Changes to security (FOB) and cameras, as well as entry logs and accountability of personnel as recommended in this finding, have been implemented.

12/31/14
Awaiting a final review by the Commission Auditor’s Office

Report #10/11-01 Audit of Controlled Substances Fire Department Observation 7

Issue No:	248			
Date of Finding:	10/15/2010			
Est. Completion Date:	09/30/2013			
		Name	Title	Department
Responsible Person 1	pvandenberge	Paul Vanden Berge	Budget Coordinator	Fire Rescue
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	10/01/2013			
Department:	Fire Rescue			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-01 Audit of Controlled Substances Fire Department Observation 7			

Issue / Observation

Condition

The City Auditor's Office (CAO's) review of access procedures at Support Services revealed the following:

• There is no logbook to monitor those entering and exiting the building.

• An employee who no longer works in the Support Services building still has an active alarm code for entry.

• Fire-Rescue Department (FRD) does not have a policy regarding after hours access to the Support Services facility

• Monitoring of after hours access, or access in general, via ADT security logs is not being performed.

Criteria

Under the Committee of Sponsoring Organizations (COSO) framework Control Activities component 3.1 "Responses that reduce or share specific risks", physical safeguarding and access controls are a standard element of the internal control environment.

Recommendation:

The City Manager should require the Fire Chief to:

• Establish a policy requiring all visitors (City and Non-City personnel) at Support Services to sign a logbook maintained at the front desk.

• Cancel alarm codes for employees upon transfer, termination, or resignation.

• Develop specific policies and procedures regarding who can enter the Support Services facility after hours.

• Monitor access activity on security logs.

Correction Plan:

Agree.

Current Status:

Upon review and communications with CAO a new policy was implemented for Support Services personnel and as previously mentioned in finding 7, security measures have been implemented as of July 2010.

12/31/14

Awaiting a final review by the Commission Auditor’s Office

Report #10/11-01 Audit of Controlled Substances Fire-Rescue Department (FRD) Finding 8

Issue No:	273			
Date of Finding:	10/15/2001			
Est. Completion Date:	09/30/2013			
		Name	Title	Department
Responsible Person 1	pvandenberge	Paul Vanden Berge	Budget Coordinator	Fire Rescue
Responsible Person 2	theiser	Timothy Heiser	Division Chief	Fire Rescue
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	09/01/2013			
Department:	Fire Rescue			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-01 Audit of Controlled Substances Fire-Rescue Department (FRD) Finding 8			

Issue / Observation

The City Auditors Office (CAO) reviewed 74 entries to the Controlled Substances Inventory Logbooks and noted the errors listed below (Some log entries contained multiple errors).

• 54 instances where only one name was listed on the logs (73%),
• 20 instances where both names are missing (27%),
• 8 instances where the date on the logs was not indicated or illegible (11%).

Criteria

The controlled substance log book requires two signatures when orders are placed in the safe at Support Services. Additionally, the Committee of Sponsoring Organizations (COSO) framework Control Activities component 3.2 "Responses that prevent or detect the risk of intentional or unintentional errors", manual controls over how transactions are recorded are standard elements of the internal control environment.

Cause

Entries in the Controlled Substance Inventory Logbooks are not performed under dual control.

Impact

Failure to adhere to established procedures for the Controlled Substance Logbooks reduce

Recommendation:

The City Manager should require the Fire Chief to:

• Ensure that Controlled Substance Inventory Logbooks are signed by two individuals when placing narcotics ordered and received in the safe at Support Services.
• Ensure proper dates are entered into the Controlled Substance Logbooks, and that they are legible.

Correction Plan:

Agree. These single entries due to personnel shortage were made during special events and receiving orders. FRD has discontinued this practice with implementation of new standard operational procedures and relocation of narcotic stockpile to Fire headquarters.

Current Status:

implemented

12/31/14
Awaiting final review of the Commission Auditor's Office

Human Resources

Report #09/10-01 Audit of the Human Resources Department Finding 8 - Job Descriptions

Issue No:	94			
Date of Finding:	12/29/2009			
Est. Completion Date:	08/12/2013			
		Name	Title	Department
Responsible Person 1	ktigner	Kristin Tigner	Talent Manager	Human Resources
Responsible Person 2	mcobb	Mathew Cobb	Risk Management Coordinator	Human Resources
Correction Plan Status:	Partially Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion				
Department:	Human Resources			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-01 Audit of the Human Resources Department Finding 8 - Job Descriptions			

Issue / Observation

Condition:
The City Auditors Office (CAO) found during the examination of employee job descriptions that Human Resources Department (HRD) is not actively reviewing and revising job descriptions to accurately reflect actual job functions. Of the 10 job descriptions reviewed 8 (80%) had not been updated in the past 7 years, moreover 6 out of 10 (60%) had not been updated in more than 18 years. Additionally, CAO found that few job descriptions properly describe the essential functions of the position.

Criteria:
Under the Committee of Sponsoring Organizations (COSO) framework Internal or Control Environment component 1.2 "Commitment to competence" the analysis of required skills and job descriptions are a standard element of the internal control system. Accurate and up to date job descriptions are necessary to provide prospective and existing employees with a correct depiction of their duties and functions. Job descriptions should include those essential functions.

Recommendation:

The City Manager should require the Director of HRD to initiate a project to review job descriptions to assure they accurately reflect the actual position as well as include a correct statement of essential job functions. Additionally, the CAO recommends that the Director of HRD institute a new policy whereby all job descriptions will be reviewed and updated by department directors and recruitment staff before a new personnel requisition is issued.

Correction Plan:

The City has approximately 550 job classifications. Due to staffing restrictions, HRD is not equipped to take on the task of updating all the job descriptions as one project. HRD is currently updating the job descriptions when a requisition for new personnel is received and when a request for reclassification of a position is made. The revisions that are being made include separating the examples of duties into "essential job duties" and "additional job duties". They will also include the physical requirements of the job and working conditions. As time permits, HRD staff will continue to revise the job descriptions as part of an ongoing long-term project.

Current Status:

The approved budget for FY2015 includes funding for a classification study. The Human Resources Department has developed language for an Request For Proposal (RFP) to contract with a consultant to update the City's job descriptions. It will be released in the 4th quarter of FY2015. (3/31/2015 mb)

12/31/2014
Correction Plan is currently in progress. (mb)

Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning

		Name	Title	Department
Issue No:	95			
Date of Finding:	12/29/2009			
Est. Completion Date:	09/30/2013			
Responsible Person 1	ktigner	Kristin Tigner	Talent Manager	Human Resources
Responsible Person 2	mcobb	Mathew Cobb	Risk Management Coordinator	Human Resources
Correction Plan Status:	Not Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion				
Department:	Human Resources			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning			

Issue / Observation

Condition:
The City does not actively engage in employee succession planning and mentoring for key functions/positions throughout the City and many such positions lack written policies and detailed procedures. Under the Committee of Sponsoring Organizations (COSO) framework Internal Control Environment component 1.2 "Commitment to Competence", succession planning is a standard element of the internal control environment. It helps to ensure a smooth transition, minimize disruption and mitigate costs resulting from the loss of institutional knowledge when long-term employees leave the organization.

Cause:
Management has not mandated succession planning and the development of standard operating procedures for all departments.

Impact:
Without formal succession planning and mentoring, the City risks decreased efficiency, effectiveness and quality of service delivery as new employees attempt to gain sufficient knowledge to perform the key aspects of their jobs.

Recommendation:

The City Manager should instruct all department directors to develop a comprehensive employee succession/mentoring plan for key functions/positions within their respective departments. Moreover, a significant component of a successful employee succession/mentoring plan is a having a regularly updated set of written policies and procedures for each of these key functions/positions. This recommendation is further emphasized in Finding 1.

Correction Plan:

Succession planning in its truest sense may be difficult to accomplish in the public sector given Personnel Rules, seniority considerations among bargaining units, etc; however, the human resources department (HRD) will continue to work with City departments on workforce planning and identification of key skills that must be maintained within the department.

One of HRD's future initiatives is to develop a comprehensive succession planning program. However other foundational components are required before implementation. To include the development Citywide Values and Competencies aligned with career ladders. Once these components are in place, HRD can develop a robust succession planning program.

Current Status:

HRD will continue to work with City departments on workforce planning and identification of key skills that must be maintained within the department.

12/31/2014
Correction Plan is currently in progress. (mb)

5/15/2015
CAO staff visited the HRD Office on May 13, 2015. HR is not actively involved in succession / mentoring programs.

Report #09/10-01 Audit of the Human Resources Department Auditor Comment 2 - Donated Leave

Issue No:	99			
Date of Finding:	12/29/2009			
Est. Completion Date:	09/30/2012			
		Name	Title	Department
Responsible Person 1	ktigner	Kristin Tigner	Talent Manager	Human Resources
Responsible Person 2	mcobb	Mathew Cobb	Risk Management Coordinator	Human Resources
Correction Plan Status:	Partially Implemented			
Next Milestone	9/30/2015			
Anticipated Date of Completion	09/30/2015			
Final Date of Completion				
Department:	Human Resources			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 2 - Donated Leave			

Issue / Observation

Condition:
The City Auditors Office (CAO) found that the multiple union contracts as well as the PSM vary in the amount of donated leave an individual employee may receive. Additionally, it was noted that City employees utilizing donated leave continue to accrue personal benefits such as pension, sick and vacation leave.

Criteria:
Under the Committee of Sponsoring Organizations (COSO) framework Control Activities component 3.1 "Responses that reduce or share specific risks" annual and long-term budgeting procedures as well as standardized contracts are fundamental elements of the internal control environment.

Recommendation:

The City Manager should require the Director of the Human Resources Department (HRD) to:
1. Review the current donated leave policies and consider changes to the associated benefits. Revisions may include uniformity among employee contracts, caps on donated leave, and suspension of additional accrued benefits such as sick, vacation and pension.

Correction Plan:

Changes to leave policies and other benefits are reviewed often, especially prior to contract negotiations, and changes must be negotiated for employees covered by a collective bargaining agreement (CBA). However, the priorities for the unionized employee groups vary, so it is difficult to impose a uniform standard. The maximum amount of donated leave an employee may receive is consistent in three of the five CBAs. HRD continues to work with the City Manager's Office in negotiating benefits with the union groups and standardizing provisions among the CBAs for ease of administration, as feasible.

Current Status:

The Human Resources Department continues to work with the City Manager's Office in negotiating benefits with the union groups and standardizing provisions among the CBAs for ease of administration, as feasible. New labor contracts were recently implemented for Fraternal Order of Police (FOP) and the City is currently negotiating with International Association of Firefighters (IAFF), Teamsters, and Federation unions.

12/31/2014
New labor contracts were implemented for the FOP as well as the Teamsters and IAFF unions. The City is currently negotiating with the Federation union.

Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training

Issue No:	100			
Date of Finding:	12/29/2009			
Est. Completion Date:	09/30/2012			
		Name	Title	Department
Responsible Person 1	ktigner	Kristin Tigner	Talent Manager	Human Resources
Responsible Person 2	mcobb	Mathew Cobb	Risk Management Coordinator	Human Resources
Correction Plan Status:	Not Implemented			
Next Milestone	9/30/2015			
Anticipated Date of Completion	09/30/2015			
Final Date of Completion				
Department:	Human Resources			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training			

Issue / Observation

Condition:
The City Auditors Office's (CAO's) review of the Human Resources Department's (HRD's) efforts to meet stakeholder needs and expectations revealed that they are not proactively seeking input from either internal or external customers to gage user satisfaction with the quality and effectiveness of the services HRD provides. Furthermore, HRD staff is not currently receiving customer service training, which is of paramount importance for a department that primarily exists to provide services to other departments within the government.

Criteria:
Under the Committee of Sponsoring Organizations (COSO) framework Information and Communication component 4.1 "Mechanisms that support information flow inside the organization", internal survey processes and component 4.2 "Mechanisms that support information flow outside the organization", external surveys are a standard element of the internal control system.

Recommendation:

The City Manager should require the Director of HRD to:
1. Develop and conduct an annual survey of job applicants and City employees to inquire about their level of satisfaction with the array of services provided by HRD. The survey results should be analyzed and used as a planning tool to promote and prioritize service delivery improvements.
2. Provide HRD staff with annual customer service training to ensure that staff responds to service requests with a customer focused approach.

Correction Plan:

HRD will explore the possibility of conducting an annual customer service survey. Staff will receive customer service training budget permitting.

Current Status:

HRD has received additional funds for training as part of the FY15 budget. In addition, an Organization Development and Training Coordinator position has been created and filled for HRD. Staff will undergo customer service training in FY15. HRD has explored the possibility of conducting a customer service survey, and it is not an initiative being undertaken at this time.

12/31/14
Awaiting a final review by the Commission Auditor’s Office

Report #09/10-01 Audit of the Human Resources Department Auditor Comment 10-New Employee Orientation

		Name	Title	Department
Issue No:	104			
Date of Finding:	12/29/2009			
Est. Completion Date:	09/30/2012			
Responsible Person 1	ktigner	Kristin Tigner	Talent Manager	Human Resources
Responsible Person 2	mcobb	Mathew Cobb	Risk Management Coordinator	Human Resources
Correction Plan Status:	Not Implemented			
Next Milestone				
Anticipated Date of Completion	12/31/2013			
Final Date of Completion	06/01/2014			
Department:	Human Resources			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 10-New Employee Orientati			

Issue / Observation

Condition:
The City Auditors Office (CAO) review of new employee orientation training provided by the Human Resources Department (HRD) within the first 30 days of hire revealed that the percentage of new employees who attend orientation training ranges from 72% to 90%. New hires are advised about the availability of orientation training based on a welcome letter provided with the hiring package. While attendance at an orientation session is not mandatory, major topics discussed should be made available online and acknowledged by all new employees.

Criteria:
Under the Committee of Sponsoring Organizations (COSO) framework Internal or Control Environment component 1.2 " Commitment to competence" training and development efforts are standard elements of the internal control environment.

Recommendation:

The City Manager should require the Director of HRD to:
1. Follow-up and inform employees who were unable to attend an orientation session that the topics discussed are available online.
2. Provide a hyperlink to orientation topics on the HRD website for those employees who were unable to attend the scheduled classes. Each of these employees should be required to provide an electronic signature indicating that they have read the on-line orientation material.

Correction Plan:

Although some of the topics discussed during orientation are available online, many of the topics, such as the City's mission, values and policies, as well as benefits, should be discussed interactively with the new employee. Forms included in the orientation packet are not web-ready and electronic confirmation signature is not available at this time. The New Hire Orientation process is under review for improvement. HRD recommends that department directors require new employees to attend orientation.

Current Status:

HRD has created and filled an Organizational Development and Training Coordinator position that will provide consistent and standardized new hire orientation training. The New Hire Orientation process is under review with a revamped process planned for implementation in FY 2015. HRD recommends that all employees attend in person instead of having materials available online. However, once the revised materials are finalized, they will be posted online.

12/31/14
Awaiting a final review by the Commission Auditor's Office

Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 3

		Name	Title	Department
Issue No:	115			
Date of Finding:	10/15/2010			
Est. Completion Date:	09/30/2012			
Responsible Person 1	ktigner	Kristin Tigner	Talent Manager	Human Resources
Responsible Person 2	kdavis	Keela Black Davis	Administrative Assistant II	Human Resources
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	08/16/2013			
Department:	Human Resources			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 3

Issue / Observation

Condition
The City Auditors Office (CAO) found that new employee drivers license and driving history requirements, per the policy standard manual (PSM) 6.16.1.1, do not account for the number of citations issued to potential City drivers.
Criteria:
Under the Committee of Sponsoring Organizations (COSO) framework Internal or Control Environment component 1.2 "Commitment to competence", analysis of skills required and job descriptions are fundamental elements of an effective internal control environment.

Recommendation:

The CAO recommends that the City Manager require the Director of Human Resources to revise the PSM regarding driver history and licensing requirements to include language regarding the number of traffic citations received/issued to potential City drivers as exists with current employee drivers.

Correction Plan:

The Fire-Rescue Department (FRD) checks the status of each firefighters once a year and does a 7 year history for tickets and validity. The state has changed their policy and now charges for ticket history. To adapt to this, the FRD checks twice a year to see if FRD employees posess a current licence (this is at no charge vs. $5 per licence for a 7 year history).

Current Status:

12/31/14
Awaiting a final review by the Commission Auditor's Office

Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Finding 2

		Name	Title	Department
Issue No:	126			
Date of Finding:	10/15/2010			
Est. Completion Date:	08/16/2013			
Responsible Person 1	ktigner	Kristin Tigner	Talent Manager	Human Resources
Responsible Person 2	kdavis	Keela Black Davis	Administrative Assistant II	Human Resources
Correction Plan Status:	Not Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	08/16/2013			
Department:	Human Resources			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Finding 2			

Issue / Observation

Condition

Upon review of the Fire-Rescue Department (FRD) employee personnel files maintained by the Human Resources Department (HRD), the City Auditors Office (CAO) found that the files generally lack consistency and completeness. Missing or incomplete documentation included :• Pre-employment background screenings

• Pre-employment medical exams
• Form I-9, employment verification
• Division of State Fire Marshal, Certificate of Compliance
• Valid driver's license
• Driver history
• State of Florida non-use of tobacco signed policy
• Broward County physical ability card

Auditor Note: See also Audit #09/10-01, Audit of the Human Resources Department, Finding 6.

Criteria

Under the Committee of Sponsoring Organizations (COSO) framework Internal or Control Environment component 1.7 "Human resource standards", organization-wide HR policies and standards, hiring and selection procedures and background checks are fundamental elements of an effective internal control environment.

Recommendation:

The CAO recommends that the City Manager require the Fire Chief to work in conjunction with the Director of Human Resources to ensure that FRD employee personnel files are maintained in a consistent and complete manner.

Correction Plan: Discrepancies in personnel files may be explained by changes in job requirements as positions evolve over time. HRD does currently have a system to maintain personnel files in a consistent and complete manner. To further explain the existence of some of the noted discrepancies, it must be noted that the Tobacco Use Forms are required for employees hired into entry-level firefighter positions after 3/1/88. All of the employees whose personnel files were noted as missing
these forms were hired prior to 3/1/88; therefore, those files are complete. In addition, the Physical Agility Card has only been a requirement for approximately 10 years. All employees whose personnel files were noted as missing a PAT card were hired prior to 1992; therefore, those files are also complete. A valid driver's license noted as missing in a personnel file was located inside the file and may have been overlooked by the CAO. HRD constantly strives to maintain strict control over personnel files and their contents and will continue to review current practices and ensure staff is trained in proper procedures as custodian of the City's personnel records.

Auditor Rebuttal
We disagree with the justification offered by the HRD. The missing Tobacco Use Forms included an employee hired November 5, 2006, well after the 1988 implementation date. The missing Physical Ability Cards included an employee hired January 21, 1992, not prior to 1992 as indicated in the response above.

Current Status: Not implemented

Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9

Issue No:	237			
Date of Finding:	12/29/2009			
Est. Completion Date:	09/30/2014			
		Name	Title	Department
Responsible Person 1	ktigner	Kristin Tigner	Talent Manager	Human Resources
Responsible Person 2				
Correction Plan Status:	Partially Implemented			
Next Milestone	09/30/2014			
Anticipated Date of Completion	09/30/2014			
Final Date of Completion				
Department:	Human Resources			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9			

Issue / Observation

Condition
The City Auditor's Office (CAO) found that Human Resources Department (HRD) does not publish a comprehensive employee handbook. Instead, HRD relies on the combined information contained in the specific union contracts, the policy standard manual (PSM), and the Personnel Rules. These combined documents serve to provide information on many of the topics typically covered in the sample of employee handbooks reviewed by the CAO as well as best practice literature. However, the CAO noted that it was difficult and time consuming to research specific items from among the various sources, which collectively substitute for a traditional employee handbook. This is not a user-friendly method and can leave staff confused and without complete and accurate information.

Criteria
Under the Committee of Sponsoring Organizations (COSO) framework component 4.1 "Mechanisms that support information flow inside the organization" intranet websites and portals,

Recommendation:

The City Manager should require the Director of HRD to:

1. Create and publish an employee handbook and/or
2. Create a matrix by employee type and include hyperlinks on the HRD website that would serve to centralize and guide both union and non-union employees to pertinent information pertaining to the City's various policies and procedures as well as other important employee information.

Correction Plan:

Employee handbooks typically contain various policies, including standards of conduct, such as workplace violence, discrimination, anti harassment, and benefits. While the City does not have one official document entitled "Employee Handbook", the previously described information can be found in the City's Personnel Rules, Policy and Standards Manual, Pay Plan Ordinance and the various collective bargaining agreements. The compilation of such information into one document would require a significant outlay of staff resources. Additionally, because an employee handbook is often the focus of employment related litigation, any compilation or drafting of a citywide employment manual would require the involvement of the City Attorney's office and/or outside counsel for constant review and updating. In light of the above, HRD does not agree with the CAO's recommendation.

REBUTTAL
The CAO feels strongly that employee handbooks are such an important resource as to be almost universal in their use. We are unaware of any organization of our size that fails to have a comprehensive handbook to educate and inform employees of their rights, benefits and obligations. While the production of such a resource may be time consuming and detailed, the benefits to the employees far outweighs the cost to the City.

Current Status:

06/30/2014 mb
The Human Resources Department is currently in the process of creating an Employee Handbok.

01/05/2015 mb.
No update at this time.

Information Services

Report #07/08-4 Cyborg Payroll System 2.1

Issue No:	54			
Date of Finding:	04/16/2008			
Est. Completion Date:	09/30/2014			
		Name	Title	Department
Responsible Person 1	kkeimel	Kevin Keimel	Manager of Distributed Systems	Information Services
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone	Hire CISO			
Anticipated Date of Completion	06/30/2014			
Final Date of Completion	06/30/2014			
Department:	Information Services			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #07/08-4 Cyborg Payroll System 2.1

Issue / Observation

The Information Technology (IT) Department could not demonstrate to the City Auditor (CA) that the City has developed and thoroughly tested an effective Cyborg disaster recovery plan. The IT Director explained that during an emergency, the bank file (checks and direct deposits) from the last payroll could be transferred to the bank by IT staff from another location with internet access. This bank file could be rerun for every pay period until the system is restored. The Finance Dept would have to make arrangements to have the checks printed at a remote location. The IT Director stated, "It has not been tested but only in the sense that it hasn't been tested from that location." The CA believes that the existing informal practices are not optimal because using the last payroll file would result in some employees being paid more or less than their usual auto pay bi-weekly payroll amount.

Recommendation:

The City Manager should require the IT Director to implement the following:

• Prepare and test a Disaster Recovery Plan for the Cyborg payroll system with specifics about who, what, when and where. The test should be conducted annually and thoroughly documented. Refinements to the plan should be made after each test as necessary.

• Incorporate the running of an unadjusted auto pay file as part of the bi-weekly payroll process as a back up. This file can be used to generate payroll checks until the system can be fully restored.

• Consider establishing a reciprocal agreement with another entity in a geographically distant area that has the same operating platform and uses the Cyborg payroll system to assure continuity of the payroll function in the event of a prolonged disaster.

Correction Plan:

Concur that ITS should develop a Disaster Recovery Plan for payroll that is more formalized and tested than the existing plan. ITS will be working on such a process which will involve coordination with the bank to accept a test file from an off-site location and process a "dummy" payroll. There is not agreement that ITS create the unadjusted auto pay file as a part of every payroll cycle. The process of creating that file would be too disruptive to the real payroll and would greatly increase the opportunity for errors in processing the actual payroll.

However, ITS will investigate creating this unadjusted file on a regular basis, perhaps monthly, in a window outside of normal payroll processing. There is also not agreement in attempting to develop a "hot site" relationship with an outside entity to process payroll in a Disaster/Recovery situation. One reason is that our payroll software has been highly customized and no other entity would be running the same version of the Cyborg software which would mean that we could not take a file from our location and process it anywhere else. Also, there would be no way for City users to enter payroll information at a remote location and thus you would end up with essentially the same unadjusted auto pay file that we could run from any location. Having a recent unadjusted auto pay file in hand would serve the same purpose as a remote processing site.

Current Status:

ITS performs a Disaster Recovery Payroll run every payroll run as standard procedures and not part of an annual test of the Disaster Recovery Plan. The disaster plan and testing is something that will be addressed formally by our new CISO (Chief Information Security Officer) position once filled.

12/31/14
Awaiting a final review by the Commission Auditor's Office

06/30/15
Three Security Analysts were hired that will be creating the policies pertaining to change management and access control. These policies are in draft form and will be completed during the current fiscal year.

Report #07/08-4 Cyborg Payroll System 2.2

Issue No:	55			
Date of Finding:	04/16/2008			
Est. Completion Date:	10/31/2013			
		Name	Title	Department
Responsible Person 1	kkeimel	Kevin Keimel	Manager of Distributed Systems	Information Services
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone	Hire CISO			
Anticipated Date of Completion	06/30/2014			
Final Date of Completion	06/30/2014			
Department:	Information Services			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #07/08-4 Cyborg Payroll System 2.2			

Issue / Observation

The actual number of active/authorized users could not be verified through a system generated census report. Five out of six or 83% of a judgmental sample of terminated former employees had active Cyborg user profiles months/years after leaving the City.

Auditor Note: The Information Technology (IT) Director confirmed that while the Cyborg user profile was still active, the network access for our sample group had been terminated when these former employees left the City.

Monitoring and testing of access controls has not been conducted.

System access rights should be based on the principle of least privilege and continuously monitored to assure that access rights are appropriately aligned with the information needs of the user.

This condition existed because post implementation monitoring and testing of access controls has never been accomplished. The risk to the payroll system can be mitigated with effective access controls.

Recommendation:

The City Manager should require the Information Technology Director to:

• Coordinate with the Human Resources (HR) Department and develop a written procedure to date stamp the face of the Notice of Termination upon receipt from HR and proceed to disable all access permissions to City computer networks and

application software by close of business on the employee's last day. The specific programs that were disabled should be noted on the back of the Notice of Termination and the IT staff member should also date and initial the Notice of Termination to document a completed action.

• The Cyborg System Administrator should consult with the software vendor to create a system generated exception report of terminated employees who may have had Cyborg access permissions. This report should be cross checked against a list of active Cyborg users as a final check to confirm that all terminated employees have had their Cyborg access disabled.

Correction Plan:

The Finding indicated that a judgmental sample of former employees indicated that 83% of such employees still had access records in the payroll system. ITS did review the entire report and had all employees who do have payroll access been examined, only about 8% of the total population were in the situation of having access to the application but no longer employed by the City (14 out of 161). And it is noted that even though some users maintain security profiles within Cyborg it does not mean that they have access to the application because their system-wide access has been eliminated. IT does concur that such access should be eliminated as soon as possible. Although a user's network access is disabled, current employees in nefarious collusion with separated employees could potentially access the Cyborg application so that door should be closed. Although the recommendation directs ITS to resolve this issue, during discussion of this item with the City Auditor staff it was determined that it is a process that needs to be developed with Human Resources having the lead role as IT has no means of determining employment except through Human Reources. As soon as we receive notification of separation IT does disable system access. However, the current process likely does not get that notice to IT in a timely enough manner in all cases nor for all application access. The procedure needs to be "tightened" and IT support this recommendation.

Current Status:

The current processes and procedures limit access by turning off network access, but will be revisited by the Chief Information Security Officer (CISO) once this position is filled.

12/31/14
Awaiting a final review by the Commission Auditor's Office

06/30/15
Three Security Analysts were hired that will be creating the policies pertaining to change management and access control. These policies are in draft form and will be completed during the current fiscal year.

Report #07/08-4 Cyborg Payroll System 2.4

Issue No:	57			
Date of Finding:	04/16/2008			
Est. Completion Date:	09/30/2014			
		Name	Title	Department
Responsible Person 1	kkeimel	Kevin Keimel	Manager of Distributed Systems	Information Services
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone	Hire CISO			
Anticipated Date of Completion	06/30/2014			
Final Date of Completion	06/30/2014			
Department:	Information Services			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #07/08-4 Cyborg Payroll System 2.4			

Issue / Observation

Security profiles or changes to system parameters in an audit log and there is no established policy to periodically monitor super user activity for unauthorized transactions. The Information Technology Services (IT) Department has not been proactive in establishing effective procedures to monitor the Cyborg payroll program for unauthorized activity. The financial consequences of unauthorized changes to the payroll program could be substantial. Audit logs included with software should be enabled and periodically reviewed by the IT Director for unusual/unauthorized activity.

Recommendation:

The City Manager should require the IT Director to enable the audit log capability and generate a monthly report sorted by major department (IT, Finance and Human Resources (HR)). A written procedure and monitoring plan should be established to require the Finance Director, Human Resources Director and the IT Director to review the report for unusual changes. Particular emphasis should be placed on those users with enhanced access privileges such as the Payroll Supervisor, System Administrator or Personnel Records Specialist.

Correction Plan:

The security audit log is not a feature that is available in the current version of the Cyborg software. However, IT will be upgrading to a newer version (scheduled within the next 60 days) and that logging capability exists in that version. These records should be chosen as part of the In/Out report design mentioned earlier in Finding 1.1 regarding the "Is/Was" report. And IT will investigate generating reports that will allow closer monitoring of activity for those users that have the ability to make payroll changes. For example, on a periodic basis the IT Director ought to receive a report that would note any changes done by ITS personnel so that I can monitor for appropriateness. And we should also create a report so that the Human Resources and Finance Director can monitor their staffs. These reports may have to be generated by the vendor.

Current Status:

Report exists, but we still need a formal policy on the dissemination and signoff methodology for the City's major departments. Policies such as this will be addressed by the Chief Information Security Officer when the position is filled.

12/31/14
Awaiting a final review by the Commission Auditor's Office

06/30/15
Three Security Analysts were hired that will be creating the policies pertaining to change management and access control. These policies are in draft form and will be completed during the current fiscal year.

Parks and Recreation

Report #11/12-04 Compliance Review of the Bahia Mar Lease Agreement Observation #1

Issue No:	174			
Date of Finding:	07/03/2012			
Est. Completion Date:	07/23/2014			
		Name	Title	Department
Responsible Person 1	sdaley	Stacey Daley	Administrative Assistant II	Parks & Recreation
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone	Taxes			
Anticipated Date of Completion	10/30/2014			
Final Date of Completion	07/23/2014			
Department:	Parks & Recreation			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #11/12-04 Compliance Review of the Bahia Mar Lease Agreement Observation #1

Issue / Observation

While the lease agreement between the City of Fort Lauderdale and Bahia Mar has been in place since 1962, the City Auditor determined that during the years covered by our review there has essentially been no oversight of the lease terms by City staff. The complete lack of internal controls governing oversight and compliance with lease terms represents a material weakness.

Recommendation:

Correction Plan:

While it is clear that the City failed to administer the contract appropriately, it is also important to note that management made immediate changes to its oversight practices once it was brought to their attention.

Further, Bahia Mar staff have been extremely responsive in having their certified public accountant firm issue the required audited consolidated financial statements of Baton Holdco II L.L.C. and Subsidiaries, which includes the Bahia Mar Statement of Capital Improvement Reserve Account Balance and Rollforward of Carry-Over Capital Improvement Credit [see Exhibit D]. Based upon our review of these documents, we determined that Bahia Mar is operating in accordance with Article 15 as stated in the preceding paragraph. The CIRA has a carryover capital improvement credit balance in the amount of $28,092,200, as of December 31, 2011.

Current Status:

4/7/2014: Staff has been assigned to each finding to ensure compliance. CBRE has been contracted for lease management of this property.

6/24/2014:
- Received payment of utilities letter, signed by City Financial Officer (CFO) and managing director, prior to 4/30/2014 (attached)
- Received audited financial statements (attached)
- Received report containing information on gross operating revenues (attached)
- Received updated insurance certificates and had approved by Risk (attached)

10/3/14:
- Finace confirmed that payments in the amount of $75,000 each were received on 3/19/14, 7/12/14 and 9/24/14. 9/24/14 payment was wired directly to CBRE since they are now handling the City's lease management
- Trim notice was mailed. Proposed amount is $1,118,136.98.
- CBRE agreement attached.

12/31/14:
- Staff received Schedule of Gross Operating Revenues for year ended 9/30/14
- Property

12/31/14
Awaiting final review of the Commission Auditor's Office

3/30/15
Report prepared by independent certified public accountant due on or before April 30

7/1/15
Awaiting final review of the Commission Auditor's Office

All-America City

Public Works

Report #09/10-03 Audit of the Fleet Division Finding 1

Issue No:	75			
Date of Finding:				
Est. Completion Date:	12/31/2014			
		Name	Title	Department
Responsible Person 1	cberriz	Carlos Berriz	Senior Auto and Equipment Engineer	Public Works
Responsible Person 2	cgreen	Cathy Green	Administrative Aide	Public Works
Correction Plan Status:	Partially Implemented			
Next Milestone				
Anticipated Date of Completion	12/31/2014			
Final Date of Completion	12/31/2014			
Department:	Public Works			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-03 Audit of the Fleet Division Finding 1			

Issue / Observation

Condition
The City Auditor's Office (CAO) found that the existing policies are unclear as to the consequences for abuse of
City vehicles by employees.
Criteria
Under the Committee of Sponsoring Organizations (COSO) framework component 3.1 "Responses that reduce or share specific risks", policies and procedures that address significant business control and risk management practices are a standard element of the internal control environment.
Cause
The City of Fort Lauderdale has not implemented or included guidance for City employees concerning consequences for vehicle abuse and misuse in the Policy and Standards Manual (PSM). Additionally, individual departments are charged with overseeing this type of employee misconduct and there is no uniform procedure for accomplishing this.
Impact
The absence of citywide policies regarding discipline for vehicle abuse and misuse may lead to the following:
• Increased maintenance costs
• Inefficient utilization of workforce and assets

Recommendation:

The City Manager should require the Director of Parking and Fleet Services, in conjunction with the Human Resources Department to:
a) Modify/update the current PSM 8.1.1.1, "Usage of City Motor Vehicles", to expand the definition of abuse and misuse, and corresponding disciplinary actions.
b) Provide and reiterate the importance of the policy to all departments and add a "How's my driving" sticker to City fleet vehicles, which includes a phone number allowing residents to report potential vehicle misuse.

Correction Plan:

a) Fleet Services is working with Human Resources, Public Works and Risk Management to revise the current PSM. Our goal is to have a revised policy and procedure for abuse and misuse in place by October 2010.
b) Fleet Services, Risk Management, Public Works and Human Resources have been exploring safety programs including safety vehicle decals for the fleet. We plan on rolling out a program with the revised PSM, which should be in place by October. This program has a cost that requires Commission's approval.

Current Status:

December 2014 Update {Carlos Berriz - Public Works, Fleet Services, Program Manager}:
a) PSM 8.1.1.1 not updated. Staff to update language and resend to PSM Committee for approval, spoke with Caroline Bean to get an update on this effort. At this point awaiting for response from PSM Committee .
b) Fleet Safety Program was not established.- no change

12/31/14
Awaiting a final review by the Commission Auditor's Office

3/20/15
Need to check with PSM Commitee for update to PSM revision.

5/8/15
CAO staff visited the Fleet Service and was informed that the new PSM was not completed.

7/7/15
Proposed language to the PSM has been added, draft will be going out to PSM Commitee

Report #09/10-03 Audit of the Fleet Division Finding 2

Issue No:	76			
Date of Finding:				
Est. Completion Date:	12/31/2014			
		Name	Title	Department
Responsible Person 1	cberriz	Carlos Berriz	Senior Auto and Equipment Engineer	Public Works
Responsible Person 2	cgreen	Cathy Green	Administrative Aide	Public Works
Correction Plan Status:	Partially Implemented			
Next Milestone				
Anticipated Date of Completion	12/31/2014			
Final Date of Completion	12/31/2014			
Department:	Public Works			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-03 Audit of the Fleet Division Finding 2			

Issue / Observation

Condition
The City Auditor's Office (CAO) was unable to verify the Continuity of Operations Plan (COOP) capabilities.
Criteria
Under the Committee of Sponsoring Organizations (COSO) framework component 3.1 "Responses that reduce or share specific risks", disaster recovery plans are a standard element of the internal control environment.
Cause
Fleet Services Division has not tested its Continuity of Operations Plan, "COOP" since its creation on February 28, 2007.
Impact
Fleet Services Division may not have adequate contingencies in place to ensure continued operations in the event of an emergency.

Recommendation:

The City Manager should require the Director of Parking and Fleet Services to:
a) Test the plan.
b) Continue updating the departmental COOP plan on an annual basis to ensure functionality.
c) Have First Vehicle Services (FVS), or the future vehicle maintenance vendor, be included in the development of departmental COOP plans. Additionally, incorporation of their responsibilities should be considered for inclusion in upcoming contracts.

Correction Plan:

a) Staff will work toward a plan to test the COOP. This is difficult and costly since it will require relocating the set-up and operation of the vehicle maintenance. Staff and FVS are prepared to execute the COOP if we are in an emergency
situation.
b) Implemented: The COOP plan was updated January 2010.
c) Implemented: FVS was involved in the development of the original COOP as well as updates. The current contract does have provisions in it for emergency situations. The specifications for the request for proposal (RFP) for the new vehicle maintenance contract included revised provisions requiring the Provider to participate in the Fleet Services COOP plan as directed by City personnel.

Current Status:

June 2014 Update {Carlos Berriz - Public Works/ Fleet Services, Senior Automotive & Equipment Engineer}:
a) Not Implemented - In order to fully test the COOP plan, it would be necessary for Fleet Services to completely shut down services for an entire day and coordinate a drill with other departments. Because this is such an immense undertaking, although Fleet Services has a fully reviewed COOP plan, it will not be able to perform a tabletop exercise without involvement of other departments and impacting their daily functions.
b) Implemented - See August 2013 update
c) Implemented - See August 2013 update

September 2014 - No changes to report at this time.

December 2014- No changes to report at this time.

12/31/14
Awaiting a final review by the Commission Auditor's Office

3/20/15
Need to request a final review from Audit Office.

5/6/2015:
Follow-Up Notes: CAO staff visited the Fleet Office on May 5, 2015. CAO staff was informed that the Fleet was not able to conduct a live "COOP" at this time.

6/29/15
No changes to report

Report #09/10-03 Audit of the Fleet Division Finding 8

Issue No:	241			
Date of Finding:	05/07/2010			
Est. Completion Date:	09/30/2013			
		Name	Title	Department
Responsible Person 1	cberriz	Carlos Berriz	Senior Auto and Equipment Engineer	Public Works
Responsible Person 2	cgreen	Cathy Green	Administrative Aide	Public Works
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	09/30/2013			
Department:	Public Works			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-03 Audit of the Fleet Division Finding 8			

Issue / Observation

Condition
The City Auditor's Office (CAO) performed a review of vehicles and equipment scheduled for replacement according to the Fleet Plan FY08/09. The CAO also reviewed three Commission Agenda Memo (CAM) approved by the Commission for FY08/09. The review indicated that Fleet Services Division should be more effectively tracking units as the current practice lacks integrity between the fleet plan and the actual vehicle replacements.

PART I
The following was noted in review of CAM #08-1684, dated 11/18/08, regarding the purchase of 70 replacement vehicles for the Police Department:

- 17 units scheduled for replacement in the CAM are not on a replacement list provided by Fleet Management.
- 12 units turned in applied to a different CAM #08-1685 dated 11/18/08, which was for the purchase of 37 vehicles.
- 4 units scheduled for replacement are still in service.
- 4 units not listed for replacement were replaced.

PART II
The following was noted in review of CAM #08-18

Recommendation:

The City Manager should require the Director of Parking and Fleet Services to:

a) Track units being replaced more effectively.
b) Document the reason for replacing units not scheduled for replacement.
c) Perform a secondary supervisory review to ensure that supporting documentation is accurate.

Correction Plan:

Current Status:

a) Implemented: Units are tracked and documented on Commission Agenda Reports. b) Implemented: The Fleet Plan is prepared and finalized 8-10 months prior to replacement automobiles being delivered to the City. Occasionally, during that time period the vehicle originally selected to be replaced will be in better condition than another similar vehicle in the fleet. In the past, these vehicle substitutions have been made without documenting that the one replaced was more in need of replacing than the one noted in the fleet plan. Going forward, these changes will be documented on the CAR requesting the replacement. c) Implemented: A secondary review will take place to ensure that all vehicles replaced during the current budget year are properly documented.

December 2014- Vehicles list proposed for replacement are prepared 8-10 months before budget is approved. When an alternative vehicle is replaced due to mechanic

12/31/14
Awaiting final review by the Commission Auditor's Office

5/8/15
CAO staff visited the Fleet Office. CAO staff was informed that the procedure is in place, but the Fleet Manager still need to provide supporting documentation.

6/29/15
Could not attach documentation. It was sent to Deming Zhang via e-mail on 6/29/15

Report #09/10-03 Audit of the Fleet Division Observation - 1

Issue No:	275			
Date of Finding:	10/01/2020			
Est. Completion Date:	09/30/2015			
		Name	Title	Department
Responsible Person 1	cberriz	Carlos Berriz	Senior Auto and Equipment Engineer	Public Works
Responsible Person 2	cgreen	Cathy Green	Administrative Aide	Public Works
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion				
Final Date of Completion	06/29/2015			
Department:	Public Works			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-03 Audit of the Fleet Division Observation - 1			

Issue / Observation

Condition:
The City Auditor's Office (CAO) found that Fleet has begun to implement new Commission policy directives as of 2009, which seek to apply stricter scrutiny when analyzing vehicle replacements. However, these new practices have not yet been incorporated in the policies and procedures manual.

Recommendation:

Auditor Recommendation:
The City Manager should require the Director of Parking and Fleet Services to continue updating the policy and procedures manual as needed to reflect changing practices or priorities.

Correction Plan:

Management Response:
Implemented: A new procedure for analyzing vehicles to be replaced in the Fleet Plan was incorporated into the Fleet Services policies and procedure manual. This information was shared with City Auditor’s office.

Current Status:

December 2014-
Replacement procedure is noted in the Policy & Procedures Manual page 16.

3/20/15
Need to request a final review from Audit Office.

6/29/15
Replacement procedure is noted in the Policy & Procedures Manual page 19.
(attached)

Report #09/10-03 Audit of the Fleet Division Observation - 5

Issue No:	277			
Date of Finding:				
Est. Completion Date:	09/30/2015			
		Name	Title	Department
Responsible Person 1	cberriz	Carlos Berriz	Senior Auto and Equipment Engineer	Public Works
Responsible Person 2	cgreen	Cathy Green	Administrative Aide	Public Works
Correction Plan Status:	Partially Implemented			
Next Milestone				
Anticipated Date of Completion	06/01/2015			
Final Date of Completion				
Department:	Public Works			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #09/10-03 Audit of the Fleet Division Observation - 5			

Issue / Observation

Condition:
The City Auditor's Office (CAO) determined that there is currently a vehicle loaner program and that a new-pooled vehicle program is being established without effectively integrating risk management techniques into the planning, decision-making and reporting process.

Recommendation:

Auditor Recommendation:
The City Manager should require the Director of Parking and Fleet Services to develop policies and procedures to attain goals and objectives for the pooled vehicle program. The basis for developing the procedures should begin with the identification of the risks inherent in the program, tools for mitigating those risks, and methods for timely monitoring and reporting of results. All elements and processes of the risk management framework should be documented, implemented, and monitored for operational effectiveness. At a minimum, this should include developing criteria for evaluating the proper size of the fleet, evaluating departmental needs, identifying pending budget constraints, and determining key vehicle attributes needed to perform specific City functions.

Correction Plan:

Management Response:
There is presently no vehicle pool program. A procedure to define a vehicle pool program is currently under development. Fleet Services will develop policy and procedures that identify the risks inherent in the program, the tools for mitigating these risks, and methods for timely monitoring and reporting of results. Our goal is to have the framework of this program prepared and implemented in FY 2011.

Current Status:

December 2014-
Currently evaluating Fleet Sharing Technology to properly track, report, and analyze utilization of a proposed fleet sharing program.

3/20/15
Currently evaluating Fleet Sharing Technology to properly track, report, and analyze utilization of a proposed fleet sharing program.
.
6/29/15
Currently evaluating Fleet Sharing Technology to properly track, report, and analyze utilization of a proposed fleet sharing program.

Report #09/10-03 Audit of the Fleet Division Observation - 11

Issue No:	280			
Date of Finding:				
Est. Completion Date:	06/20/2015			
		Name	Title	Department
Responsible Person 1	cberriz	Carlos Berriz	Senior Auto and Equipment Engineer	Public Works
Responsible Person 2	cgreen	Cathy Green	Administrative Aide	Public Works
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion				
Final Date of Completion	06/20/2015			
Department:	Public Works			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #09/10-03 Audit of the Fleet Division Observation - 11

Issue / Observation: Management indicated that spot checks of First Vehicle Services (FVS) work orders are performed comparing repair costs against the Mitchell Flat-Rate Labor Guide; however, no written documentation of these spot checks is maintained.

Recommendation: The City Manager should require the Director of Parking and Fleet Services to maintain a file documenting the reasonableness of repair costs and labor charges reflected on FVS work orders, on a test basis, through comparison with the Mitchell Flat-Rate Labor Guide.

Correction Plan: Implemented: Staff has reviewed periodically the reasonableness of repair cost and labor charges of FVS work order to Mitchell Flat-Rate Labor Guide. However, Staff did not record the date and findings of this review. A logbook has been established to record each of these reviews.

Current Status:

December 2014-
Fleet staff was not able to locate the log book mentioned in previous response. Fleet Staff will generate a log and track periodically the reasonableness of repair cost and labor charges of FVS work order to All-Data Flat-Rate Labor Guide.

3/20/2015
Log book has not been created yet, fleet will generate a log book to track the reasonableness of repair cost and labor charges.

5/6/2015
City Auditor's Office (CAO) staff went to Fleet Service on May 5, 2015, and was informed that the log book has not been established.

6/29/15
As of 6/29/15 log has been established (see template attached)

Report #09/10-03 Audit of the Fleet Division Observation - 12

Issue No:	281			
Date of Finding:				
Est. Completion Date:	06/20/2015			
		Name	Title	Department
Responsible Person 1	cberriz	Carlos Berriz	Senior Auto and Equipment Engineer	Public Works
Responsible Person 2	cgreen	Cathy Green	Administrative Aide	Public Works
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion				
Final Date of Completion	06/20/2015			
Department:	Public Works			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #09/10-03 Audit of the Fleet Division Observation - 12

Issue / Observation

The City Auditor's Office (CAO) found that the Fleet Services Division has not ensured compliance with the reporting provisions of the contract as follows:
• Fleet Services Division is not receiving all monthly report documentation from First Vehicle Services (FVS).
• There have been no annual presentations prepared by FVS (section 12 of the FVS contract) with recommendations for changes to improve performance during the upcoming year.
• Fleet Services Division did not prepare a "report card" which includes its assessment of FVS performance.

Auditor Note: Fleet Services Division Management and FVS Management met weekly to discuss the following:
• Level of service performance and quality.
• Report and discuss remedial efforts to eliminate deficiencies in contractual performance compliance.
• Ways to improve service and customer satisfaction.
• Communicate any concerns Fleet and FVS have with the entire maintenance operation.

Recommendation:

The City Manager should require the Director of Parking and Fleet Services to:
a) Have FVS provide all monthly report documentation as required by the contract.
b) Ensure required reports are provided and reviewed.
c) Document deficiencies discussed at weekly meetings with FVS Management, such that action plans be developed to improve performance, service, or customer satisfaction.

Correction Plan:

a) Implemented: Fleet Services department personnel are receiving all pertinent reports at this time. In the past, when these needs have changed, it was not properly documented; however, it will be documented moving forward.
b) Implemented: Management reviews reports regularly.
c) Implemented: Weekly meeting are documented regularly on performance, service or customer satisfaction.

Current Status:

December 2014-
a) No changes to report
b) No changes to report
c) No changes to report

Follow-Up 6/30/2015:
CAO staff visited the Fleet Service on 5/5/2015. The Fleet Manager stated that they held an annual meeting with FVS on January 21, 2014, an additional annual meeting is currently being scheduled.

Report #09/10-03 Audit of the Fleet Division Observation - 13

Issue No:	282			
Date of Finding:				
Est. Completion Date:	06/01/2015			
		Name	Title	Department
Responsible Person 1	cberriz	Carlos Berriz	Senior Auto and Equipment Engineer	Public Works
Responsible Person 2	cgreen	Cathy Green	Administrative Aide	Public Works
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion				
Final Date of Completion	06/01/2015			
Department:	Public Works			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #09/10-03 Audit of the Fleet Division Observation - 13

Issue / Observation: The City Auditor's Office (CAO) found that First Vehicle Services (FVS) did not provide the contractually specified number of technicians from November 2003 through September 2004, a period of 11 months.

Recommendation: The City Manager should instruct the Director of Parking and Fleet Services to monitor compliance with contractual and internal procedures regarding FVS staffing levels. Moreover, Fleet Services Division should engage in periodic reviews of FVS staffing to determine if they should be adjusted to meet changes in fleet size, composition, or maintenance schedules.

Correction Plan: Unfortunately, none of the staff of Fleet Services involved with vehicle and equipment maintenance contract were employed in the department during the time period noted so we can provide comment on this observation.

Implemented: Staff does review the staffing level with FVS. This is discussed regularly to assure we have adequate trained staff per the contract.

Current Status: December 2014-
Current contract with service provider does not specify minimum staffing requirements. The new RFP 555-11442 Fleet Maintenance & Management Services & Central Warehouse has specific language pertaining to staffing levels:
Section 11.7 Stafing levels
Section 12.5 Staffing Report

3/20/2015
No changes to report.
Current contract with service provider does not specify minimum staffing requirements. The new RFP 555-11442 Fleet Maintenance & Management Services & Central Warehouse has specific language pertaining to staffing levels:
Section 11.7 Stafing levels
Section 12.5 Staffing Report
New contract is expected to go into effect on June 2015.

6/29/15
New contract went into effect on June 2015

All-America City

Department of Sustainable Development

Report #07/08-8 Finding 1.1 - CRA NW Progresso Land

Issue No:	48			
Date of Finding:	06/24/2008			
Est. Completion Date:	01/05/2015			
		Name	Title	Department
Responsible Person 1	battlea	Alfred Battle	Deputy Director	Sustainable Development
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion				
Final Date of Completion	08/27/2013			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #07/08-8 Finding 1.1 - CRA NW Progresso Land			

Issue / Observation

The current Northwest Progresso Flagler (NPF) Community Redevelopment Agency (CRA) Policies and Procedure Manual is not complete with respect to all the essential steps and requirements in the property acquisition process. Furthermore, the routing form used to document that proper notice was provided to all participants involved with the review and approval process, does not capture all relevant signatures.
The City Auditor believes that the CRA management hasn't updated their policies and procedures manual and forms for accuracy and completeness. Effective internal controls require that a policy and procedures manual capture significant detailed information of each business process and be periodically reviewed and updated.

Recommendation:

The City Manager should require the Director of the NPF CRA Area to do the following:
1. Revise section 5 of their Policies and Procedure Manual to be more comprehensive and inclusive of all the significant elements of the land acquisition process, such as approvals required, forms to be used and justification required if
purchase price exceeds appraised values, etc.
2. Lower the dollar threshold to $150,000 for when two appraisals are required.
3. Revise the format of the Property Acquisition Routing form to include the Real Estate office as part of the review and approval process. More importantly, the form should have a signature line for all reviewers/approvers in the process.

Correction Plan:

All purchases require board approval.

Please attached files.

Current Status:

UPDATES 01/15/2015

Department division policies and procedures were completed, the last acquisition audit started in May 2014 and ended sometime in October 2014 conducted by Gloria LeClaire.

UPDATED 8/27/2013:

Policies and Procedures updated accordingly. (See attached updated policies and procedures)

12/31/14
Awaiting final review by the Commission Auditor's Office

Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 2

Issue No:	108			
Date of Finding:	10/24/2011			
Est. Completion Date:	06/30/2014			
		Name	Title	Department
Responsible Person 1	sragoonan	Sharon Ragoonan	Community Inspections Manager	Sustainable Development
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone	4/15/2014			
Anticipated Date of Completion	06/30/2014			
Final Date of Completion	06/30/2014			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 2			

Issue / Observation

Condition

The City of Fort Lauderdale is not reporting code liens in accordance with generally accepted accounting principles (GAAP), specifically Governmental Accounting Standards Board (GASB) 33.

Auditor Note: The City Auditor's Office (CAO) has communicated the potential financial reporting issue to the external auditor for their consideration.

Criteria

GASB Statement No. 33 establishes accounting and financial reporting standards for imposed nonexchange revenue transactions – governments are required to recognize assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first.

In addition, under the Committee of Sponsoring Organizations (COSO) framework Control Activities component 3.2, "Responses that prevent or detect the risk of intentional or unintentional errors" process flow controls; manual and automated controls over how transactions are initiated.

Recommendation:

The CAO recommends that the City Manager require the following:

1. The Director of the Building Department work in conjunction with the Finance Director to determine the total outstanding code lien receivables owed to the City.
2. The Director of the Building Department develop a policy to communicate to the Finance Department when liens are established, the amounts that are accruing, and payments received.
3. The Director of the Building Department develop a policy for the City Commission's consideration to set the minimum acceptable level for code lien settlements to allow the Finance Department to determine the net collectible receivable to be recorded in the financial statements, in accordance with GASB 33.

Correction Plan:

1) Management concurs. The Director will work with the Finance Department and Information Technology (IT) to enhance the current Community Plus software to provide the ability to determine the total outstanding code liens and fines owed to the City at any given time. If the current software is not capable of such enhancement, a replacement product will be sought.
2) Management concurs. The Director will develop a policy to communicate to the Finance Department when liens are established, the amounts that are accruing, and payments received. The current software enhancement should include the ability to communicate and share this information with Finance. If that is not possible, an alternate software product should be sought as stated above.
3) Management concurs. The Director will develop a policy and will make recommendations to the City Commission for setting minimum acceptable levels for Code lien settlements to allow the Finance Department to determine the net collectible receivable.

Current Status:

UPDATE 3/31/15 BY SPR: Finance and Code reviewed outstanding code lien receivables report to determine frequency of transmitting report to finance, and pinpointing elements of the policy to be written. The annual year end report will be configured in OneSolution and include additional information: fine imposition date, lien recordation date, lien release date, payment received, interest accrued, homestead status, case prosecution cost, days outstanding, and amount uncollectible. Finance will review and approve or provide comments to the draft policy before implementation. UPDATE 4/13/15 BY Sharon Ragoonan: Less than 0.5% is the average of code fines collected in FY12, 13, and 14 combined. UPDATE 6/26/15 Special magistrate determination of lien disposition was approved by City Commission in April and the first hearing will be held on August 13. Collection rate is expected to improve with the adoption of this process, collections agency, and placement of hard costs on property tax roll.

12/31/14
Awaiting final review by the Commission Auditor's Office

Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 3

Issue No:	109			
Date of Finding:	10/24/2011			
Est. Completion Date:	06/30/2014			
		Name	Title	Department
Responsible Person 1	sragoonan	Sharon Ragoonan	Community Inspections Manager	Sustainable Development
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone	4/15/2014			
Anticipated Date of Completion	06/30/2014			
Final Date of Completion	06/30/2014			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 3			

Issue / Observation

Condition

The current management information system, "Community Plus", does not appear to meet Code Enforcement's needs. For example, a complete listing of all outstanding code liens and their associated values cannot be produced.

See also City Auditor's Office (CAO) Report #07/08-10, "Audit of the Code Enforcement Division", Condition/Cause, "Community Plus has the ability to generate custom reports however, Code Enforcement Division (CED) staff rarely use this functionality due to the lack of practical guidance materials. CED management personnel were given training on how to use Community Plus to generate custom reports but were not provided
with a desk reference manual with step-by-step screenshots."

Auditor Note: The Information Technology Department provided the CAO with a "Code Enforcement Fine Report" listing all outstanding liens and associated value on 10/3/2011. The report indicated 2,802 outstanding liens, with a fine and lien value of $153,430,449.

Recommendation:

The CAO recommends that the City Manager require the Director of the Building Department to work in cooperation with Finance, Information Technology, and the software service provider to evaluate Code Enforcement's management information needs and implement a system capable of meeting those requirements.

Auditor Note: See also CAO Report #07/08-10 p.9, "Audit of the Code Enforcement Division", Management Response, "Generally reports directly available through Community Plus are not sufficient to meet division needs as they lack essential data."

Correction Plan:

Management concurs. The Director will work in cooperation with Finance, Information Technology, and the software service provider to evaluate Code Enforcement's management information needs and implement a system capable of meeting those requirements, including reports with essential data sufficient to meet division needs.

Current Status:

UPDATED 3/31/2015 BY Sharon Ragoonan: As referenced in 07/08-10 Finding #1.4 12/31/2014 update, Department of Sustainable Development (DSD) hired a Technology Integration Project Manager to oversee the migration of OneSolution. The project manager, performance analyst, and code manager will ensure the system meets DSD's management information needs and take steps to develop a manual to generate reports, create custom reports, and train new users of the system. Structural Innovations helped Code develop flowcharts for system configuration. The intended Go Live date is being determined.

12/31/14
Awaiting final review by the Commission Auditor's Office

Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 7

Issue No:	113			
Date of Finding:	10/24/2011			
Est. Completion Date:	10/07/2011			
		Name	Title	Department
Responsible Person 1	sragoonan	Sharon Ragoonan	Community Inspections Manager	Sustainable Development
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion				
Final Date of Completion	10/07/2011			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 7			

Issue / Observation

Condition
The methodology utilized by Code Enforcement for measuring code compliance does not accurately account for outstanding code violations from prior years.
Auditor Note: Code Enforcement provided the City Auditor's Office (CAO) with updated compliance rates for the three previous fiscal years using the updated methodology. Inclusion of the outstanding code violations from prior years resulted in an average reduction of approximately 15% in compliance (i.e. the current compliance rate of 92% was lowered to 77% when calculating compliance based on comparable reporting methods of other cities and the Florida Benchmarking Consortium). Additionally, the CAO's review of compliance data revealed that actual compliance rates were deemed indeterminable, as the data reported by the management information system lacks necessary integrity to verify the reported compliance rates.
Criteria - Per the CAO and Code Enforcement's research and review, it was noted that other representative mun

Recommendation:

The CAO recommends that the City Manager require the Director of the Building Department to perform the following:
1. Ensure integrity and consistency of the data input in the management information system.
2. Determine compliance based on the property address, not number of violations.
3. Incorporate a retrospective view of cases and include all outstanding properties, which are out of compliance, not just current year activity.

Correction Plan:

1) Management concurs and Code will continue to review reports in Community Plus to ensure integrity of the data inputted. This has been our practice in the past and will continue to be an ongoing process. As stated in the response to finding 2 - #1 & #2, working with IT the current software will be enhanced to provide assurance that the information required is accurate or a new software product will be sought.
2) Management concurs with the recommendation. The Division currently does measure compliance based on the number of violations that are brought into compliance and believes we should measure compliance based on the property address as well.
3) There are different methods benchmarking organizations use as to determining compliance rates. One method, as the Auditor's office references, is to calculate all cases carried over from the past years in terms of compliance (Florida Benchmarking Consortium).

Current Status:

UPDATE 3/31/2015 BY Sharon Ragoonan: Code manager and the Department of Sustainable Development (DSD) performance analyst talked with the CAO regarding the best methods to track compliance rates: case compliance for the given fiscal year and running case compliance. City abatement is subtracted from the total cases complied. CAO expressed concern with carrying over open cases annually. Code manager and performance analyst will refine methodology to assess the rate of compliance with respect to open cases. UPDATE 4/13/2015 BY Sharon Ragoonan: Code manager will try to create a report in the OneSolution that will address auditors recommendations stipulated in items 2 and 3.

12/31/14
Awaiting final review by the Commission Auditor's Office

Report #10/11-05 Follow-up Review of the Building Division Finding #3.3

Issue No:	191			
Date of Finding:	09/12/2011			
Est. Completion Date:	01/01/2009			
		Name	Title	Department
Responsible Person 1	battlea	Alfred Battle	Deputy Director	Sustainable Development
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	01/01/2009			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Audit Initiator Other				

Title: Report #10/11-05 Follow-up Review of the Building Division Finding #3.3

Issue / Observation: Before November 2007 the Building Division did not have a structured process in place to consistently follow-up on expired permits. At that time, a new program was implemented to begin issuing 180-day letters to give notice to a contractor or property owner that a permit has expired. Our limited testing revealed that in one of three permits examined, the 180-day notice was not sent as required. Therefore, the City Auditor's Office (CAO) was not able to conclusively determine whether the program is functioning as intended and is meeting the statutory requirements.

Recommendation: The City Manager should require the Director of the Building Department to develop a written procedure to assure the 180-day letter to give notice about an expired permit is consistently issued in a timely manner.

Correction Plan: Follow-Up Action – The Building Department provided the CAO with a written Policy dated 1/1/09 entitled "Expired Permits" which outlines that: 1) A courtesy letter is mailed to both the owner and contractor indicating that the permit
with no record of passed inspections for 150 days will expire if the property does not pass
inspection within thirty days. 2) A second letter is mailed to both the owner and contractor indicating that the permit with
no record of passed inspections for 180 days is expired. a. Contractors are red-flagged in Community Plus (new permits cannot be issued until expired/open permits are closed) The CAO judgmentally tested 5 expired permits and noted that none of them were red-flagged in accordance with procedures. Follow-up Audit Recommendation- The City Manager should require the Director of the Building Department to enforce the "Expired Permits" policy with regard to red-flagging expired/open permits.In November of 2007 the Building Division implemented an Expired Permit Program. We will continue to perfect this program so that all Florida Building Code requirements are met and a written procedure will be prepared in 90 days.
.

Current Status: UPDATED 01/05/2015

The building department developed written procedures to assure the 180-day letter is initiated in a timely manner. moving forward, the document control specialist in the plans room will periodically run weekly reports that will list all open permit applications that have been issued and have had no activity for 150 days.

The contractor and property owner will receive a warning letter within 30 days of the permit's expiration date. It will give detailed instructions as to how to ensure that the permit does not expire and how to properly void the permit if the job has been cancelled.

The document control specialist in the plans room will run weekly reports that will list all open permit applications that have been issued and have had no activity for 180 days. The contractor and property owner will be sent a notice of expiration after the permit expires and the notice will detail the steps necessary to bring an expired permit back to compliance.

UPDATED 8/29/2013:
Building Division created and implemented policy 3-01 "Expired Permits" (see attached policy 3-01)

12/31/14
Awaiting a final review by the Commission Auditor's Office

Report #10/11-04 Follow-up Review of the Code Enforcement Division Finding #1.4

Issue No:	192			
Date of Finding:	09/12/2011			
Est. Completion Date:	06/01/2014			
		Name	Title	Department
Responsible Person 1	sragoonan	Sharon Ragoonan	Community Inspections Manager	Sustainable Development
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone	4/1/2014			
Anticipated Date of Completion	06/01/2014			
Final Date of Completion	06/01/2014			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #10/11-04 Follow-up Review of the Code Enforcement Division Finding #1.4			

Issue / Observation

Community Plus has the ability to generate custom reports however; Code Enforcement Division (CED) staff rarely use this functionality due to the lack of practical guidance materials. CED management personnel were given training on how to use Community Plus to generate custom reports but were not provided with a desk reference manual with step-by-step screenshots.

Recommendation:

The City Manager should require the Director of the Building Department to provide training to key staff members in CED about how to generate reports from Community Plus. Along with the training, staff should be provided with a user manual with screenshots to maximize the effectiveness of the training.

Correction Plan:

Follow-Up Action – The Information Technology Department informed the CAO that the Community Plus system is used for storing and retrieving property information, but lacks the ability to produce location based reports; consequently, Code Tracker is only utilized to generate reports such as code cases initiated in a neighborhood or City Commission District.

Access to Code Tracker is limited to the Assistant CED Manager because of anomalies with the data and application. The GIS Manager indicated a concern as to whether Code Enforcement staff would be able to identify such anomalies. Expanding the user base may lead to more issues, particularly with user frustration and even the dissemination of unreliable data.

Additionally, it was noted that the application is no longer supported by the software developer and has been identified as one, which the CED management currently utilizes numerous excel and crystal reports which extract data from Community Plus. Over the past year reports were developed in conjunction with IT to pull data from Community Plus on a regular basis to monitor performance goals, objectives and accountability for the division. Each report measures a specific performance or a process.

Generally reports directly available through Community Plus are not sufficient to meet division needs as they lack essential data. The exception to this is the Code Tracker, which supervisors will be trained on to pull data for their respective geographical areas.

Current Status:

UPDATED 3/31/2015 BY Sharon Ragoonan: According to an updated post on the ACTS system on 2/3/2014, the Commission Auditor's Office (CAO) considered this finding closed. Refer to 07/08-10 Finding #1.4, UPDATED 12/31/2014 BY Sharon Ragoonan, for update on this similar finding.

12/31/14
Awaiting final review by the Commission Auditor's Office

Report #07/08-11 Audit of Building Division Finding #3.3

Issue No:	208			
Date of Finding:	10/15/2008			
Est. Completion Date:	01/01/2009			
		Name	Title	Department
Responsible Person 1	battlea	Alfred Battle	Deputy Director	Sustainable Development
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone				
Anticipated Date of Completion	09/30/2015			
Final Date of Completion	01/01/2009			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #07/08-11 Audit of Building Division Finding #3.3			

Issue / Observation

Condition

Before November 2007 the Building Division did not have a structured process in place to consistently follow-up on expired permits. At that time, a new program was implemented to begin issuing 180-day letters to give notice to a contractor or property owner that a permit has expired. Our limited testing revealed that in one of three permits examined, the 180-day notice was not sent as required. Therefore, the CAO was not able to conclusively determine whether the program is functioning as intended and is meeting the statutory requirements.

Criteria

Florida Building Code, Broward County Edition 106.10.3.1 states that permits shall expire and become null and void if work, as defined in Paragraph 106.0.3.6 authorized by such permit is not commenced within 180 days from the date of the permit or if such work when commenced is suspended or abandoned for a period of 90 days.

Cause

The Building Division hasn't developed an effective monitoring procedure to assure that the 180

Recommendation:

The City Manager should require the Director of the Building Department to develop a written procedure to assure the 180-day letter to give notice about an expired permit is consistently issued in a timely manner.

Correction Plan:

In November of 2007 the Building Division implemented an Expired Permit Program. We will continue to perfect this program so that all Florida Building Code requirements are met and a written procedure will be prepared in 90 days.

Current Status: UPDATED 01/05/2015

The building department developed written procedures to assure the 180-day letter is initiated in a timely manner. moving forward, the document control specialist in the plans room will periodically run weekly reports that will list all open permit applications that have been issued and have had no activity for 150 days.
The contractor and property owner will receive a warning letter within 30 days of the permit's expiration date. It will give detailed instructions as to how to ensure that the permit does not expire and how to properly void the permit if the job has been canceled.
The document control specialist in the plans room will run weekly reports that will list all open permit applications that have been issued and have had no activity for 180 days. The contractor and property owner will be sent a notice of expiration after the permit expires and the notice will detail the steps necessary to bring an expired permit back to compliance.
The division is coordinating efforts to red flag an audit trail with out Information Technology personnel.

UPDATED 8/29/2013:

Building Division Policy 3-01 'Expired Permits.'Created and implemented 1/1/2009 (see attached policy)

12/31/14
Awaiting final review by the Commission Auditor's Office

Report #07/08-10 Audit of Code Enforcement Division Finding #1.4

Issue No:	221			
Date of Finding:	09/24/2008			
Est. Completion Date:	06/30/2014			
		Name	Title	Department
Responsible Person 1	sragoonan	Sharon Ragoonan	Community Inspections Manager	Sustainable Development
Responsible Person 2				
Correction Plan Status:	Implemented			
Next Milestone	04/01/2014			
Anticipated Date of Completion	06/30/2014			
Final Date of Completion	06/30/2014			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Audit Initiator Other				
Title:	Report #07/08-10 Audit of Code Enforcement Division Finding #1.4			

Issue / Observation

Condition/Cause
Community Plus has the ability to generate custom reports however, Code Enforcement Division (CED) staff rarely use this functionality due to the lack of practical guidance materials. CED management personnel were given training on how to use Community Plus to generate custom reports but were not provided with a desk reference manual with step-by-step screenshots.

Criteria
CED staff should be able to easily generate reports to help them manage CED.

Impact
Reports are important tools for monitoring the efficiency and effectiveness of CED. Without specific reports, management can't identify potential problems in a proactive manner.

Recommendation:

The City Manager should require the Director of the Building Department to provide training to key staff members in CED about how to generate reports from Community Plus. Along with the training, staff should be provided with a user manual with screenshots to maximize the effectiveness of the training.

Correction Plan:

CED management currently utilizes numerous excel and crystal reports which extract data from Community Plus. Over the past year reports were developed in conjunction with IT to pull data from Community Plus on a regular basis to monitor performance goals, objectives and accountability for the division. Each report measures a specific performance or a process.

Generally reports directly available through Community Plus are not sufficient to meet division needs as they lack essential data. The exception to this is the Code Tracker, which supervisors will be trained on to pull data for their respective geographical areas.

Current Status:

UPDATED 3/15/2015 BY Sharon Ragoonan: Department of Sustainable Development hired a Technology Integration Project Manager to oversee the software migration of OneSolution. The project manager, performance analyst, and code manager are working collaboratively to ensure the system's canned reports and the embedded performance reports (e.g. Report Case Compliance and Closures by Violation, Report Case Source and, Report Code Cases) can be generated automatically from the new system. Manuals, with screenshots, will be created to ensure that employees are able to print these reports and utilize the primary features of the system as well as receive training to create custom reports. The intended Go Live date is being determined.

12/31/14
Awaiting final review by the Commission Auditor's Office

Fiscal Year 2015 Financial Audit Timeline

- 6/22/15 - 7/2/15 - Crowe conducted interim IT fieldwork
- 8/10/15 - 8/21/15 - Crowe to conduct interim audit procedures
- 1/11/16 - 2/26/16 - Crowe to conduct year-end fieldwork
- 1/28/16 - Finance to provide draft basic financial schedules to Crowe/AuAB
- 2/8/16 or prior - Finance to provide complete CAFR to Crowe
- 3/3/16 - CAFR presentation to AuAB
- 3/15/16 - CAFR presentation to Commission