

APPROVED

**VIRTUAL AUDIT ADVISORY BOARD REGULAR MEETING
CITY OF FORT LAUDERDALE
City Hall Closed to the Public- Virtual Meeting
Thursday, January 28, 2021, 11:00 AM**

<u>Board Member</u>	<u>Attendance</u>	Cumulative Attendance	
		<u>Present</u>	<u>Absent</u>
D. Keith Cobb, Chairman	P	2	0
Paul Czerwonka	P	2	0
Joey Epstein	P	1	0
Thomas Bradley	P	2	0
Lane Hacker	P	2	0

Staff Present

Susan Grant, Director, Finance
Linda Short, Deputy Director, Finance
Laura Garcia, Controller, Finance
John Herbst, City Auditor
Laura Reece, Director, Office Management & Budget
Ingrid Kindbom, Assistant Structural Innovation Manager, Office Management & Budget
Maria Panyi, Assistant City Auditor III
Angela Mahecha, Assistant to the Director, City Auditor
Debra Conyers, Board Liaison

Other Attendees

John Weber, Crowe, LLP
Michele Blackstock, Crowe, LLP

Call to Order

Chairman Keith Cobb called the meeting to order at 10:58 AM.

Roll Call

At the time of roll call, all appointed members to the Board were present, allowing for a quorum.

Floor Open for Public Input

Chairman Keith Cobb opened the floor for public input. No members of the public came forward.

Quarterly Audit Compliance Report- December 2020

John Herbst stated that Staff was making progress on closing out findings. Chairman Keith Cobb asked if the Audit office was giving special attention to capital funds. Mr. Herbst explained while no extra attention has been given to capital funds, the Audit Office was closely monitoring purchasing through the Procurement Division.

Further discussion ensued between Board Members and City Staff.

Audit Work Plan Update- Crowe

John Weber stated everything is on schedule with the Audit Work Plan.

Further discussion ensued between Crowe LLP, Board Members and City Staff.

ERP Update

Susan Grant stated the City is working with a vendor which includes six weeks of fact findings starting in February. Ms. Grant mentioned there was no ERP schedule available, but the implementation of ERP would occur in phases. Chairman Cobb expressed concerns on whether the City Commission was being briefed on the ERP updates and stated the Commission should be advised of the ERP progress.

Action to Appoint Representative to Revenue Committee

Chairman Keith Cobb briefly explained the process and purpose of the committee. Tom Bradley made the motion to nominate Joey Epstein to represent the Audit Advisory Board at the Revenue Estimating Committee, Lane Hacker seconded.

CRA Special Meeting March 4, 2021- Motion

Chairman Keith Cobb asked for a motion for special meeting on March 4, 2021. Paul Czerwonka made the motion and Joey Epstein seconded. The special meeting was approved unanimously in a voice vote.

Other Business

N/A

Communication to the City Commission

N/A

Adjournment

The next regularly scheduled Audit Advisory Board meeting will be April 29th, 2021.

The meeting adjourned at 11:34 AM

[Minutes prepared by Debra Conyers, Board Liaison]



CITY OF FORT LAUDERDALE

STATUS OF OPEN AUDIT FINDINGS

**(Single Audit, Programmatic
Audit, and City Commission Audit)**

As of December 31, 2020



WE BUILD COMMUNITY



CITY OF FORT LAUDERDALE

OPEN AUDIT FINDINGS STATUS REPORT

The Structural Innovation Division of the Office of Management and Budget compiles the quarterly Open Audit Findings Status Report. The report is based upon updates provided by departmental staff. It provides the status of open audit findings from external auditors and the City Commission Auditor’s Office each quarter.

There are currently 10 open audit findings, including observations. As departments implement the corrective action plans and upload supporting documentation into the Audit Compliance Tracking System (ACTS), 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 Structural Innovation Division to close findings that have been cleared.

This quarter three (3) audit finding were closed. Two (2) originated in the Finance Department and were associated with findings from the City Auditor’s audit related to P-Card inventory control and accuracy of P-card rebates, and one (1) in the Department of Sustainable Development that related to an audit of the code enforcement lien records.

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

The department breakdown can be found in the table below.

Number of Open Findings

DEPARTMENT	December 2016	December 2017	December 2018	December 2019	March 2020	June 2020	September 2020	December 2020
City Manager’s Office	4	0	3 *	1*	1*	1*	0	0
Community Redevelopment Agency	17	2	1	0	0	0	0	0
Finance	3	2	0	8**	8**	6	6	4
Human Resources	7	7	5	4	3	3	3	3
Information Technology Services	1	0	0	0	0	1**	1**	1**
Parks and Recreation	15	9	6	1	1	1	1	1
Sustainable Development Department	6	2	2	2	2	2	2	1
TOTAL	54	22	17	16	15	14	13	10

***One (1) open finding within the Information Technology Services Department comes from the Independent Auditor’s Report of the financial statements in the FY 2019 Comprehensive Annual Financial Report. All other open findings/observations come from reports issued by the Office of the City Auditor.*

**Status of Open Audit Findings
as of December 31, 2020
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Issue No:	Audit Finding Title	Status reported by Staff	Page
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Department of Sustainable Development			
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External Findings			
Information Technology Services Department			
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Finance Department			
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Human Resources Department			
95	Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning	Partially Implemented	15
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Parks and Recreation Department			
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Findings closed this quarter

Finance Department



Finding #13: P-Card Inventory Control

Issue No: 430
Date of Finding: 03/31/2019
Final Date of Completion 12/31/2020
Responsible Person 1 lgarcia
Responsible Person 2 dcarter
Correction Plan Status: Implemented

Name	Title	Department
Laura Garcia	Controller	Finance
Devin Carter	Assistant Controller	Finance

Finding Type: Material Weakness

Next Milestone
Milestone Date of Completion 12/31/2020
Department: Finance
Audit Initiator Commission Audit

Title: Finding #13: P-Card Inventory Control

Issue / Observation The City's Fixed Assets PSM distributes the responsibility of control over inventories purchased via P-card to the departments making the purchases but does not require an independent verification of these departments' controls. Further, even though, per PSM, the Finance Director did not verify or review adherence to the policy. Additionally, Finance did not provide a central definition for "sensitive items" and did not approve each department's respective definition; therefore, Finance did not properly control departments' identification of sensitive items. Cause: Though Finance perceived a need for enhanced governance of the P-card Program, this objective was not achieved due to either a lack of resources or a reduction of priority. Impact: A lack of periodic, independent monitoring of departments' inventory control could lead to misappropriation of City assets and consumable goods.

Recommendation: The City Manager should update the Fixed Assets PSM to require the Director of Finance to -- periodically assess all departments' control over inventories from P-card purchasing, and -- either centrally define "sensitive item" inventory or review and approve all departments' individual definitions of "sensitive item" inventory.

Correction Plan: The Finance Department will update the Fixed Assets PSM within the next 120 days to require the Finance Director to periodically assess all Departmental control over inventories and further define sensitive items, as delineated in the Governmental Finance Officers Association definitions of best practices.

Current Status: The Fixed Assets Policy has been updated to incorporate the recommendation suggested by the City Auditor's Office and has been reviewed/approved by Management.

Finding #11: Accuracy of P-Card Rebates

Issue No: 436
Date of Finding: 03/01/2019
Final Date of Completion 12/31/2020

Responsible Person 1 lgarcia
Responsible Person 2 dcarter

Name	Title	Department
Laura Garcia	Controller	Finance
Devin Carter	Assistant Controller	Finance

Correction Plan Status: Implemented

Finding Type: Deficiency

Next Milestone

Milestone Date of Completion 12/31/2020

Department: Finance

Audit Initiator Commission Audit

Title: Finding #11: Accuracy of P-Card Rebates

Issue / Observation SunTrust, the City's card issuer, pays the City rebate revenue on a few aspects of the City's annual volume of spending, including spending of participants on the City's program known as piggyback. SunTrust's rebate calculation was underreported and underpaid regarding the piggyback aspect since the inception of the fiscal year 2015 contract.

Subsequent event: SunTrust paid the amount due on the piggyback aspect in late 2017 as approximately \$27K.

Cause:

The current rebate review process did not reconcile the rebate amount received from SunTrust to the contract terms to ensure completeness of rebates.

Impact:

With a reputable card issuer, the likelihood of an erroneously or fraudulently deficient rebate is slim; however, because rebate revenue is cumulative and has recently exceeded \$500K annually, the magnitude is significant.

The City did not collect approximately \$27,000+ in revenue due.

Recommendation: The City Manager should implement policy controls for verification of complete rebate collection, and any other non-exchange revenue source.

Correction Plan: The Finance Department annually reconciles SunTrust's rebate report to SunTrust ESP data for accuracy. A small portion of the rebate was missed. Finance will review more closely the rebate received and compare it to the contract. Finance will also ask the bank to provide more detailed information on large ticket items, which prevents Finance from conducting a straightforward calculation.

Current Status: The rebate for FY20 was reconciled and completed in November 2020. The Finance Department has worked with the City Auditor's Office; this finding is now closed.

Findings closed this quarter

Department of Sustainable Development



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

Issue No: 109
Date of Finding: 10/24/2011
Final Date of Completion 12/31/2020

		Name	Title	Department
<u>Responsible Person 1</u>	abattle	Alfred Battle	Deputy Director Sustainable Development	Sustainable Development
<u>Responsible Person 2</u>	schess	Sherrilynn Chess	Business Manager	Sustainable Development

Correction Plan Status: Implemented Finding Type: Deficiency

Next Milestone

Milestone Date of Completion 12/31/2020

Department: Sustainable Development

Audit Initiator Commission Audit

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 (IT) 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: Accela went live in August 2019, leading to the resolution of Issue 109 in December 2019. During the first few months of the system's implementation, staff was tasked with inputting records and correcting deficiencies. Overall, Accela provides Community Enhancement with a more interactive and customizable dashboard for entry, tracking, and updating code enforcement records. The system allows staff to track the procedures for civil citations, special magistrate, lien recordation, and nuisance abatement. Staff is also using the system to create online registries for administrative programs such as vacation rental registry, vacant property registration, and the future landlord registry (pending approval of the City Commission). The system also provides custom reports for code enforcement activity.

External Findings

Information Technology Services Department



Finding 2019-001 User Access

Issue No: 449
Date of Finding: 05/15/2020
Final Date of Completion 05/14/2021

		Name	Title	Department
<u>Responsible Person 1</u>	crodholm	Charles Rodholm	Division Manager ITS Security	Information Services
<u>Responsible Person 2</u>	vflorestal	Valerie Florestal	Financial Administrator	Information Services

Correction Plan Status: Partially Implemented Finding Type: Significant Deficiency

Next Milestone Finalize review of proposed policies and procedures revisions

Milestone Date of Completion 03/31/2021

Department: Information Services

Audit Initiator Financial External

Title: Finding 2019-001 User Access

Issue / Observation The City did not remove access to a server after an employee termination. A terminated employee with administrative access continued to have access to a server after the employee's termination date. Effect: Potential unauthorized server access.

Administrator level access to servers should be removed and/or login credentials changed immediately upon termination of employees. If access is unable to be removed within a reasonable period of time after termination, ongoing monitoring should be performed to identify any suspicious activity.

Recommendation: Crowe recommends the City follow best practices of immediately removing access or changing login credentials for terminated employees. The City should also monitor activity of all servers and financially significant systems for unusual activity on an ongoing basis.

Correction Plan: The City has updated an internal policy to clearly dictate that service accounts should not be associated with a person and should not be used by any person except for troubleshooting and initial testing purposes. This control will prevent the City from leaving system administrator accounts open due to account tie-in with critical services.

Current Status: The user account has been deleted. The ITS Security team has provided recommendations of revisions to existing policies and procedures for review and evaluation by ITS management.

Reports issued by the Office of the City Auditor



Finance Department



Finding #12: Duplicate P-Card Detection

Issue No: 429
Date of Finding: 03/01/2019

Final Date of Completion 03/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	lgarcia	Laura Garcia	Controller	Finance
<u>Responsible Person 2</u>	jboutilier	Jason Boutilier	Management Analyst	Finance

Correction Plan Status: Not Implemented Finding Type: Material Weakness

Next Milestone Purchase of forensic accounting software

Milestone Date of Completion 03/31/2021

Department: Finance

Audit Initiator Commission Audit

Title: Finding #12: Duplicate P-Card Detection

Issue / Observation The current internal control system does not prevent or detect duplicate P-card payments of invoices processed by both Accounts Payable and the respective departments.

Cause:

Finance lacked software that would enable and facilitate a control over a high volume of transactions.

Impact:

Material waste could occur as uncorrected duplicate payments of the same transaction.

Recommendation: Finance should enhance internal controls to prevent and detect duplicate payments of P-card invoices.

Correction Plan: With the implementation of the new ERP in fiscal year 2020, P-Card charges will be approved by the Department and routed through Accounts Payable ("AP") for processing. Part of this process will include uploading the P-card charge directly to the corresponding AP vendor file, which will help identify duplicate invoices. This will aide Management by identifying duplicate payments.

Current Status: With the delay in the implementation of the ERP, Finance is exploring the purchase of forensic software to analyze accounts payable (AP) invoices prior to payment, which will help to identify duplicate payments. Finance has trialed one forensic accounting software program, but found it insufficient; the department continues to evaluate other software programs for adequacy.

Finding #14: P-Card Spending Issues with Public Works and Parks and Rec

Issue No: 431

Date of Finding: 03/01/2019

Final Date of Completion 03/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	lgarcia	Laura Garcia	Controller	Finance
<u>Responsible Person 2</u>	jboutilier	Jason Boutillier	Management Analyst	Finance

Correction Plan Status: Partially Implemented Finding Type: Material Weakness

Next Milestone The City is evaluating ways to improve the process.

Milestone Date of Completion 03/31/2021

Department: Finance

Audit Initiator Commission Audit

Title: Finding #14: P-Card Spending Issues with Public Works and Parks and Rec

Issue / Observation Two departments with heavy P-card spending during the audit period Public Works (\$11M) and Parks & Recreation (\$8M), each experienced P-card fraud discovered during the audit. The extent of fraud discovered was \$25K-\$100K for Public Works and over \$100K for Parks & Recreation. Subsequent event: Both of these fraud events involved multiple individuals within and outside of the City. Cause: Internal controls over P-card Program administration were inadequate to ensure that departments with expectedly significant P-card spending volume have the capacity and understanding of adequate controls over decentralized purchasing. In the case of Public Works, its system wasn't capable of tracking job costs at all. Impact: Departments lacking job costing systems are more susceptible to fraud, waste, and abuse, which is what actually occurred.

Recommendation: The City Manager should implement effective job cost tracking systems and subsequently monitor their appropriate use in departments that are work-order oriented. In addition, pensions of those involved with the fraud should be revoked.

Correction Plan: Management takes the theft of public funds seriously. The employees who committed these fraudulent transactions were terminated and have been prosecuted criminally. In addition, pension revocation is complete in one case and currently sought in the other. To mitigate future risk of fraud, the Public Works Department is reducing the card-in-hand segment of the department to 11 from 173. The Parks and Recreation Department is reducing to 50 from 140.

Current Status: To mitigate future risk of fraud, the Public Works Department reduced the card-in-hand segment of the department to 39 from 173. The Parks and Recreation Department is reduced to 57 from 140. The City's P-Card Policy now includes a section that states the work order or job number on every receipt. The Finance Department is evaluating options to create more efficient internal controls of how to detect unusual spending patterns faster.

Finding #10: P-Card Fixed Asset Inventory Procedure

Issue No: 435
Date of Finding: 03/01/2019
Final Date of Completion 03/31/2021

	Name	Title	Department
<u>Responsible Person 1</u>	Laura Garcia	Controller	Finance
<u>Responsible Person 2</u>	Jason Boutilier	Management Analyst	Finance

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Finalize current fixed asset inventory process.

Milestone Date of Completion 03/31/2021

Department: Finance

Audit Initiator Commission Audit

Title: Finding #10: P-Card Fixed Asset Inventory Procedure

Issue / Observation The City's inventory procedures and records were not in compliance with State law (Section 274.02, Florida Statutes; 69I-73.002, Florida Administrative Code) pertaining to recording of "items of a value or cost of \$1,000 or more and a projected useful life of 1 year." The audit found a significant (40%) level of inaccurate sub-object coding for inventoriable purchases. Additionally, the review of property inventory was not conducted by the Director of Finance. In addition, departments were in violation of having no track of inventoriable purchases. Cause: This condition was attributed to the prolonged lack of enforcement, which can encourage noncompliance. Impact: Untracked inventory allows for the possibility of theft. Projection of the sub-object coding error estimates a range of \$2.6M to \$3.5M of merchandise within transactions each costing more than \$1,000 purchased during the audit period was untracked and susceptible to theft.

Recommendation: The City Manager should require the Director of Finance to review and ensure the City is in compliance with State law regarding inventory by requiring a periodic review of departmental inventory controls and records.

Correction Plan: The Finance Department will institute periodic required departmental reviews of tangible items purchased from \$1,000-\$5,000, as a part of their fixed assets inventory process.

Current Status: Due to COVID-19, a physical inventory could not be conducted by Finance. However, inventory reports were generated and sent to departments over the summer to allow them to conduct their own inventory reviews.

Finding #15: P-Card Access Rights

Issue No: 437
Date of Finding: 03/01/2019

Final Date of Completion 03/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	lgarcia	Laura Garcia	Controller	Finance
<u>Responsible Person 2</u>	jboutilier	Jason Boutilier	Management Analyst	Finance

Correction Plan Status: Partially Implemented Finding Type: Material Weakness

Next Milestone Create a formal set of duties & responsibilities for the P-Card Administrators.

Milestone Date of Completion 03/31/2021

Department: Finance

Audit Initiator Commission Audit

Title: Finding #15: P-Card Access Rights

Issue / Observation Sensitive administrative access rights with the card issuer's IT system (ESP), involving changes to administrator and user accounts and card details, were assigned to 6 employees outside the Pcard Program, including 2 employees whose access was not timely terminated upon their departure from City employment.

Subsequent event: All identified inappropriate access was resolved during the audit.

Cause:

This condition was attributed to a lack of formal, significant control activities for the P-card Program Manager role.

Impact:

Inadequate control over administrative access within the card issuer's IT system could enable and/or conceal fraud and cause other significant problems.

Recommendation: The City Manager should require the Director of Finance to establish the following:

- 1) a comprehensive, formal set of control-centric duties and responsibilities that includes respective periodicity and deadlines of tasks for each administrative role within the P-Card Program;
- 2) an independent oversight role to assess and ensure Program administrators are complying with these duties and responsibilities.

Correction Plan: The rapid growth of the P-card Program caused a shift in the P-card Program Manager's role and several employees were responsible for P-card Program over the audit period. The Finance Department updated the SunTrust ESP system removing access for the P-card Program Managers who are no longer are in that role. Finance will create a formal set of duties and responsibilities for the P-card Program Manager and P-card Administrators, that include a periodic review of all administrative access rights.

Current Status: A draft set of duties and responsibilities for the P-card Administrator and P-card Coordinators have been submitted for management review.

Human Resources Department



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

Issue No: 95
Date of Finding: 12/29/2009

Final Date of Completion 09/30/2021

		Name	Title	Department
<u>Responsible Person 1</u>	tasmith	Tarlesha Smith	Asst. City Manager/ Director of Human Resources	Human Resources
<u>Responsible Person 2</u>	karthurs	Kerry Arthurs	Administrative Supervisor	Human Resources

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Complete revision of job descriptions. Creation of a succession planning process independent of ERP.

Milestone Date of Completion 06/30/2021

Department: Human Resources

Audit Initiator Commission Audit

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, such as: the development of Citywide Values and Competencies aligned with career ladders. Once these components are in place, HRD can develop a robust succession planning program.

Current Status:

The project to revise the City's job descriptions, which is integral to setting the foundation for effective succession planning, is at approximately 60% completion. The projected completion date of the review process is June 2021. In the absence of an electronic succession planning resource, HR will move forward with planning to ensure the development of a fair and comprehensive succession plan for the City. Planning includes identifying employee skills needed for short and long-term operational needs assessed at the department level; incorporating informal input from varied employee stakeholders; and development of training materials to eventually support management with the successful implementation of a succession plan for the organization.

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

Issue No: 100
Date of Finding: 12/29/2009

Final Date of Completion 06/30/2021

		Name	Title	Department
<u>Responsible Person 1</u>	tasmith	Tarlesha Smith	Asst. City Manager/ Director of Human Resources	Human Resources
<u>Responsible Person 2</u>	karthurs	Kerry Arthurs	Administrative Supervisor	Human Resources

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Identify the platform that will be used for the launch. The City Manager to provide a launch date.

Milestone Date of Completion 03/31/2021

Department: Human Resources

Audit Initiator Commission Audit

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 gauge 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: Discussion with ITS has resumed and the online portal is being updated to be more user friendly and aesthetically efficient. The revisions are projected to be completed by March 2021.

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

Issue No: 237
Date of Finding: 12/29/2009

Final Date of Completion 06/30/2021

		Name	Title	Department
<u>Responsible Person 1</u>	tasmith	Tarlesha Smith	Asst. City Manager/ Director of Human Resources	Human Resources
<u>Responsible Person 2</u>	karthurs	Kerry Arthurs	Administrative Supervisor	Human Resources

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone City Manager's sign-off of the Employee Handbook and approving of a roll-out platform and date.

Milestone Date of Completion 03/31/2021

Department: Human Resources

Audit Initiator Commission Audit

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.

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:

The finalized draft of the employee handbook has been submitted to the Office of Management and Budget - Structural Innovation for routing to the City Manager and Community Builders Leadership Team (CBLT) for approval following the PSM protocol.

Parks & Recreation Department



Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 7

Issue No: 314
Date of Finding: 06/29/2016

Final Date of Completion 01/21/2021

		Name	Title	Department
<u>Responsible Person 1</u>	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation
<u>Responsible Person 2</u>	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone City Commission approval of revisions to the Municipal Cemetery Investment Policy.

Milestone Date of Completion 01/21/2021

Department: Parks & Recreation

Audit Initiator Commission Audit

Title: Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 7

Issue / Observation Condition
 The Cemetery Board improperly determined that 19% of the total amount received from the sale of each lot or plot, crypts, and niches belongs to the corpus of the Trust Fund.
 Note: The Trust Fund has built up to more than \$25 million.

Criteria

- (1): Code of Ordinance Sec. 10-47. Municipal Cemetery System Fund.
 - (a) Perpetual care trust. There shall be a perpetual care trust comprised of the following income sources and authorized expenditures:
 - (1) Income. There shall be set aside and deposited in the perpetual care trust:
 - a. Nineteen (19) percent of the total amount received from the sale of each lot or plot, columbarium niche and mausoleum crypt; and
 - b. For each memorial, monument, marker or bench sold or installed or both in the cemetery system, twenty cents (\$.20) per square inch of the top surface of bronze markers and the top surface of the base of stone monuments.
 - (2) Expenditure. The income of the perpetual care trust shall be used only for the following purp

Recommendation: The City Manager should revise and update the Cemetery Rules and Regulations and related Investment Policy to accurately represent the intent of the City Ordinance or change the City Ordinance to accurately reflect the Rules and Regulations and related Investment Policy.

Auditor Note:

The City Ordinance was adopted in 1986, amended and updated in 2004. The Rules and Regulations and Investment Policy were adopted in 1990, amended and updated in 2004.

Correction Plan: Management concurs in principle with the finding and recommendation. Staff will bring the investment policy and the Cemetery Rules and Regulations to Cemetery Board of Trustees for further discussion and determine the need to accurately define the corpus consistently throughout all documents. Management will proceed with bringing this issue to the City Commission as a conference item.

Current Status: As of December 31, 2020, It is recommended that the City Commission adopt a resolution amending the Municipal Cemetery System Investment Policy to incorporate updates at its meeting on January 21, 2021.

Department of Sustainable Development



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

Issue No: 108
Date of Finding: 10/24/2011
Final Date of Completion 07/01/2021

		Name	Title	Department
<u>Responsible Person 1</u>	abattle	Alfred Battle	Deputy Director Sustainable Development	Sustainable Development
<u>Responsible Person 2</u>	schess	Sherrilynn Chess	Business Manager	Sustainable Development

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Update records in Accela with corrected payment information that did not properly convert

Milestone Date of Completion 06/18/2021

Department: Sustainable Development

Audit Initiator Commission Audit

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.

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:

In September 2020, Community Enhancement was provided 4,400 payment records that were converted from Community Plus to Accela. Community Enhancement reviewed the 4,100 payment records provided by the Acceleration Team before the December 18, 2020 deadline. Records with invalid payment information were updated. Incorrect records are still being discovered; therefore, another report will be requested from the Acceleration team. Some records from Community Plus did not correctly convert and the conversion error is causing records to erroneously reflect overpayments. At the time of invoicing, we are also discovering that cases with differing daily fines for each violation (i.e. \$25, \$50, \$35) are reflecting the same fine amount for each violation (\$25, \$25, \$25).

Next Step:

On January 4, 2021, Community Enhancement will begin reviewing 2,528 payment records provided by the Acceleration Team.