



Date: July 8, 2014

To: The Honorable Mark Sharpe, Chairman
The Honorable Kevin Beckner
The Honorable Victor D. Crist
The Honorable Ken Hagan
The Honorable Al Higginbotham
The Honorable Lesley "Les" Miller
The Honorable Sandra L. Murman

From: Peggy Caskey, Director of County Audit

Subject: Quarterly report of the Board of County Commissioner's audit recommendations and management corrective actions

Dear Chairman Sharpe and Commissioners:

A County Audit Department audit report may include at least one audit recommendation and corresponding management corrective action plan.

After report issuance, management is requested to provide, to County Audit, action plan implementation updates. A typical action plan update contains a written description of the corrective action taken, the timing of that action, and the result of the action taken. As management completes an action plan, management releases the issue back to County Audit for follow-up. After receipt, the audit team determines whether or not the desired results were achieved or if management assumed the risk of not taking action or implementing the recommendation.

In compliance with the Institute of Internal Auditors Standard 2500 (Red Book Standard 2500), County Audit follows up on the status of management's open corrective action plans for 12 months after the original audit report issuance date. At the end of this time period, County Audit forwards a report containing a list of the open corrective action plans that have met County Audit's 12

month follow-up expiration date to the Board of County Commission's Internal Auditor.

The attached report summarizes the open corrective action plans County Audit was monitoring as of the quarter ended 06/30/2014. At the end of the next quarter, any corrective action plans exceeding the 12 month prescribed time period will be closed without review. All of the corrective action plans were included in this first edition of the quarterly report to allow client management an opportunity to take and/or record the actions taken before being turned over to the BOCC's Internal Auditor. The County Audit Department has been working with client management this calendar year to train and give them access to reporting their corrective actions into our report tracking system.

CC: Pat Frank, Clerk of the Circuit Court and County Comptroller
Mike Merrill, County Administrator
Greg Horwedel, Deputy County Administrator
Bonnie Wise, Chief Financial Administrator
Lucia Garsys, Chief Development & infrastructure Services Administrator
Liana Lopez, Chief Communications Administrative Officer
Carl Harness, Chief Human Services Administrator
Sharon Subadan, Assistant County Administrator
Dexter Barge, Assistant County Administrator
Tom Fass, Assistant County Administrator
Ron Barton, Assistant County Administrator
Bruce Dangremond, Performance Mgmt, Business and Support Services

Project Code	239	239
Entity	Fiscal and Support Services	Fiscal and Support Services
Project Name	HNTB	HNTB
Status	Pending	Pending
Audit Report Date	11/8/2012	11/8/2012
Recommendation	<p>For similar contracts of this type, to provide an adequate separation of duties and proper contract management, the County should develop monitoring procedures and documentation requirements for ensuring that:</p> <ol style="list-style-type: none"> 1. Actual payroll hours agree to the hours invoiced and the number of hours charged by each individual. 2. Actual employee pay rates agree to the certified payroll documents. 	<p>For similar contracts of this type, to provide a measure of how well the contract was estimated and managed, the County should develop monitoring procedures for determining how much of the actual work was completed against the approved contract dollars, and the reasons for variances should be documented to identify why the program costs were more or less than planned.</p>
Response	<p>While additional detail was available upon request to the vendor by the County, the contract between the County and HNTB did not require the additional detail mentioned in this finding be submitted with all pay requests. The County believed from a risk analysis stand point that including the additional documentation in each and every pay request was not deemed to be necessary as per Section 3.1 of the contract. The County met both the spirit and letter of the requirements as spelled out in the contract. The County will assess the aforementioned recommendations for future contracts of this type, and from that assessment will adopt revised documentation standards as appropriate.</p>	<p>Variances were discussed as part of the monthly progress meetings between the County and HNTB. As the transportation program was scaled back the monthly meeting information was distributed to the County via email as opposed to formal meetings, but the variance information was still being tracked. Even though variances were being tracked per unwritten procedures, for future contracts of this type, a more formal written process will be documented.</p>
Estimated Implementation	8/1/2013	8/1/2013
Revised Implementation		
Days from report issue date	599	599
Close Date		

Project Code	239	239
Entity	Fiscal and Support Services	Fiscal and Support Services
Project Name	HNTB	HNTB
Status	Pending	Pending
Audit Report Date	11/8/2012	11/8/2012
Recommendation	<p>For similar contracts of this type, to provide a measure of how well the contract was estimated and managed and to appropriately fund the contract:</p> <ol style="list-style-type: none"> 1. The County should include a reasonable amount of non-billable time when budgeting for contractor hours. 2. The contractor should be required to provide billing information that details the work performed for the hours charged. 	<p>To ensure that a contractor has received proper and timely County approval for delays, Public Works should develop written procedures that define how work schedule delays are to be documented and approved.</p>
Response	<p>The finding described above does not appear to be based on any industry standard or precedent set by a previous contract of similar scope. The County conducted an analysis of estimated staff hours based on the California Multi-Agency CIP Benchmarking Study and found the estimates to be reasonable given the scope of the contract. Estimated staff hours were established at the beginning of the contract and adjusted as time went on. Initial estimates were high due to the large volume of work identified and the accelerated delivery date mandated by the BOCC at the time the contract was approved. As the transportation program progressed, and the scope was reduced, estimates were adjusted accordingly. Additionally, staff hours in the GEC contract included program management in addition to mere project management, which speaks to the need and identification of additional staff hours. Nonetheless, the County shall reassess its procedures in relation to the above recommendation and implement appropriate procedural changes.</p>	<p>The finding does not fully address the procedure employed by the County regarding approval for schedule delays. All schedule delays were discussed in regular weekly and monthly meetings between the County and HNTB. At that point the County would give approval/disapproval. This procedure was followed without exception for all schedule variances. Even though variances were being tracked per unwritten procedures, for future contracts of this type, a more formal written process will be documented.</p>
Estimated Implementation	8/1/2013	8/1/2013
Revised Implementation		
Days from report issue date	599	599
Close Date		

Project Code	239	240
Entity	Fiscal and Support Services	Public Utilities
Project Name	HNTB	SWMG Enviromental Landfill
Status	Pending	Closed - by Audit Team
Audit Report Date	11/8/2012	11/8/2012
Recommendation	<p>1. The County should enhance its Conflict of Interest procedures to include periodic training or other reminders to employees of the Conflict of Interest Policy requirements and provide employees with periodic opportunities (for example, annually) to document whether any conflicts of interest have arisen for them.</p> <p>2. County contracts that use contract employees that act as County employees should include a provision for those contract employees to sign a County's Conflict of Interest form and to be trained on the requirements of the County's Conflict of Interest Policy.</p>	<p>The Public Utilities Department's management should:</p> <p>1. Investigate the available options for continuing to strengthen the physical security over the Southeast County Landfill scale house, including implementing process improvement opportunities already in use at other Public Utilities Department sites and seeking guidance from law enforcement, and</p> <p>2. Consider making changes in their business processes to improve the cash collections process at the Southeast County Landfill.</p>
Response	<p>As the County looks to expand the use of contracted professional services in the future, this observation shall be referred to the Executive Team who (in consultation with the County Attorney) can draft and implement the appropriate organization-wide policy and procedural changes.</p>	<p>1. Cashier Depository Safes, often called drop safes, and security cameras to monitor customer transactions have been installed. In addition, the Public Utilities Department will evaluate modifications to the facility and courier options.</p> <p>2. The Public Utilities Department is evaluating solid waste tonnage and accounting software that will provide, among other things, for the ability to have credit card transactions with its landfill customers. If implemented, in concurrence with County policy, the changes are anticipated to improve the cash collection process. County Executive Management will be asked to develop and implement any policy necessary to support changes to how the County conducts business at the landfills.</p>
Estimated Implementation	9/1/2013	1 - 12/31/12 2 - 09/30/13
Revised Implementation		
Days from report issue date	599	599
Close Date		6/13/2014

Project Code	242	242
Entity	Public Utilities	Public Utilities
Project Name	AIMS	AIMS
Status	Closed - by Audit Team	Implemented - Final Client Approved
Audit Report Date	12/27/2012	12/27/2012
Recommendation	To ensure compliance with the ITS Information Security Standard 11.3.1- Password Use, consideration should be given to the following. 1. Continue to work with the AIMS vendor to inquire about password change functionality in future releases of the software. 2. Continue to research possible single sign on access for regular users of the software. 3. To mitigate the potential for passwords to be inappropriately accessed or disclosed, examine and monitor the methods used to generate and distribute passwords.	To ensure Department user access controls are in place, functioning and in compliance with the ITS Information Security Standard 11.2, consideration should be given to the following: 1. Develop a formal procedure for the review of user access privileges. Supporting documentation for this review would ideally include evidence of the timing of the review, responsible decision makers and a post review verification of updates made to user access. 2. Require users to sign confidentiality/system security agreements prior to granting access to the AIMS. 3. Develop a mechanism to ensure that changes in employment status or duties triggers a review of the user's access rights. 4. Correct the access rights of the billing user group. 5. Develop a formal procedure to document the logging and review of system administrators or privileged user activity and maintain evidence of this review.
Response	1. A service request will be submitted to the AIMS vendor to include password change functionality in future application releases. 2. Staff will research the possibility to utilize single sign-on access for AIMS regular users. 3. The "AIMS System Security" business process will be reviewed to determine if additional opportunities exist to mitigate inappropriate access or disclosure of user passwords.	1. A written procedure for review of user access privileges will be added to AIMS security business processes; documentation of reviews will include team lead(s) and the AIMS security staff sign-off with dates memorializing the review and update process. 2. The "Acknowledgement of Professional Responsibility Concerning Access To and Disclosure of Hillsborough County Customer Information" form was developed and implemented 10/29/2012 for all new AIMS users; forms will be obtained from existing users. 3. The AIMS System Administration will review options available to identify and report AIMS users that have changed status or their position number through data obtained from HRIS. 4. "Billing Manager" user right "delete bill segment" was removed from the "Billing" user group on October 11, 2012. 5. Written procedure "AIMS Admin and Super User Auditing" was added to business process on October 31, 2012.
Estimated Implementation	1 - 2/1/2013 3 - 3/1/2013 2 - 3/1/2013	1 - 2/1/2013 3 - 3/1/2013 5 - 10/31/2012 2 - 2/1/2013 4 - 10/11/2012
Revised Implementation		
Days from report issue date	550	550
Close Date	6/27/2014	

Project Code	242	242
Entity	Public Utilities	Public Utilities
Project Name	AIMS	AIMS
Status	Implemented - Final Client Approved	Implemented - Final Client Approved
Audit Report Date	12/27/2012	12/27/2012
Recommendation	<p>To provide adequate monitoring of employee account changes, consideration should be given to the following:</p> <ol style="list-style-type: none"> 1. Formally implement Policy PUD-3.001; Accessing a Public Utilities Department Employee Account(s). 2. Incorporate flags or identifiers for employee associated customer accounts in the AIMS. 3. Incorporate automated notifications to trigger a management level review of all employee account changes. 	<p>To ensure procedures for customer refunds are adequately documented, communicated, understood and adhered to, consideration should be given to the following:</p> <ol style="list-style-type: none"> 1. Update the Accounts Payable System Refund Procedure to incorporate the process and criteria used to verify refund eligibility. This could be accomplished within the current procedure or by reference to a separate process detail, checklist, etc. 2. Ensure that all applicable staff members are adequately trained on the procedure. 3. Monitor for compliance with the procedure.
Response	<ol style="list-style-type: none"> 1. Policy No. PUD-3.001 (Accessing a Public Utilities Department Employee Account(s)) was approved October 2, 2012 and will be implemented. 2. Employee associated customer accounts in AIMS will be flagged with an "Employee Account" alert for those staff with AIMS change capability. 3. Automated monthly reports will be developed for management level review of "Employee Account" flagged accounts. 	<ol style="list-style-type: none"> 1. The "AIMS Refund Report Procedures" document outlining process and criteria used to verify refund eligibility was added to the Accounting Team's business processes on November 9, 2012. 2. All Public Utilities Department staff members responsible for Accounts Payable refund reviews will be adequately trained on "AIMS Refund Report Procedures" 3. Compliance will be monitored monthly by reviewing reports in directory: \WRS-BSOC\ GROUPS\AIMS FINANCIALS\AIMS FINANCIALS FY(yy)\REFUNDS\REFUNDS(mmyyyy) and documented by email approval notification to the Clerk of the Circuit Court's staff.
Estimated Implementation	1 - 2/1/2013 3 - 3/1/2013 2 - 3/1/2013	1 - 11/9/2012 3 - 2/1/2013 2 - 2/1/2013
Revised Implementation		
Days from report issue date	550	550
Close Date		

Project Code	242	248
Entity	Public Utilities	Affordable Housing
Project Name	AIMS	Affordable Housing Services Neighborhood Stabilization Program
Status	Implemented - Final Client Approved	Pending
Audit Report Date	12/27/2012	7/31/2013
Recommendation	<p>To ensure AIMS configuration changes are adequately documented, consideration should be given to the following.</p> <ol style="list-style-type: none"> 1. Establish a process to capture a record of the complete configuration change process and approvals. 2. Document the review and approval of sign-off forms for configuration changes at the weekly System Administration and System Support meetings. 	<p>Consideration should be given to:</p> <ol style="list-style-type: none"> 1. Reviewing NSP property sales to ensure that all mortgages have been satisfied and recorded for the correct amounts. As a due diligence, the Department should consider extending its review to other programs' files where mortgages are held and routinely satisfied; and 2. Ensuring all required documents are in the files prior to converting them into an electronic record.
Response	<ol style="list-style-type: none"> 1. The "AIMS Configuration Changes" business process was updated October 31, 2012, to include documentation of configuration change process and approvals for milestones in Development, Testing and Production environments. 2. The AIMS Systems Analyst and Principle Business Analyst will update the configuration change documents with their electronic signatures or automated log entry indicating their review and approval during the System Administration and System Support meetings, when a configuration change is required; followed by a monthly review by the AIMS System Administration Section Manager. 	<ol style="list-style-type: none"> 1. The Department will continue to review all program files, including the noted NSP files, to insure required documentation is available in each file. It should be noted that a HUD audit conducted in June and our annual external firm financial audit conducted in April of this year verified this office's file management as complete. 2. All hard copy files for First Time Homebuyer Down Payment Assistance and files for Homeowner Rehabilitation maintained by Affordable Housing since 1985 have been scanned into the DocuVantage Electronic document management system. As files are scanned, they are checked to insure completeness and correct order of documentation. This same process will be followed with the NSP single and multi-family project files as well as the public service and public infrastructure project files.
Estimated Implementation	<p>1 - 10/31/2012 2 - 3/1/2013</p>	<p>1 - 12/31/2013 2 - 6/30/2014</p>
Revised Implementation		
Days from report issue date	550	396
Close Date		

Project Code	248	247
Entity	Affordable Housing	Developmental Services
Project Name	Affordable Housing Services Neighborhood Stabilization Program	Developmental Services
Status	Pending	Pending
Audit Report Date	7/31/2013	5/30/2013
Recommendation	Consideration should be given to obtaining legal counsel regarding the Department's recourse in holding housing partners responsible for meeting their contractual requirements.	Consideration should be given to taking measures to reduce the average number of permit inspections per inspector per day. This may include increasing the inspector staffing level and/or using outside private providers to assist when there is a high volume of inspection activities.
Response	If needed, the Department will consult with the County's legal counsel in support of contract compliance as recommended. All single family homes owned by the non-profit housing partners have been sold to homeowners or are under contract for sale. For any future single family home purchases in the NSP program, the Department will consider past performance of housing partners for property management before assigning any property over to a housing partner for management and sale.	The County's current contract that allows for the use of private providers for building inspections has been expanded to add three additional vendors. The department is also filling two vacant inspector positions and transferring and re-classifying three more positions within the Infrastructure and Development Team to supplement the increasing demand for building inspections. However, while the Insurance Services Office (ISO) figure is a potential benchmark, the number of inspections that can be effectively performed varies greatly by the type of construction and development activity being inspected. It should also be noted that a short survey of some of our neighbors found that the average was 15-20 inspections per day. With the current volume of requests (>900/day), reducing to a level of 10 inspections per inspector per day, may be an unattainable goal.
Estimated Implementation	3/31/2014	1/1/2012
Revised Implementation		
Days from report issue date	396	396
Close Date		

Project Code	247	247
Entity	Developmental Services	Developmental Services
Project Name	Developmental Services	Developmental Services
Status	Pending	Pending
Audit Report Date	5/30/2013	5/30/2013
Recommendation	Consideration should be given to implementing a written policy that denotes the acceptable number of days allowed to process residential and commercial building permit applications. Once established, management should implement monitoring controls to ensure productivity meets the standards.	As part of the software selection process, consideration should be given to ensuring that the new software's reporting capabilities can accurately calculate permit processing times.
Response	<p>Since this audit concluded in June 2012, many of these delays have been addressed and the issuance time for permits has been reduced significantly. The BOCC recently received a staff report on permit process time and a subsequent policy will be implemented.</p> <p>In April of 2013 the department brought on board a Center manager to specifically focus on services at The Center including the turnaround time for permits. This manager will be supported by a dedicated business analyst to improve business processes and data reporting of this information to ensure timely and efficient services.</p> <p>A survey of Orange, Manatee and Pasco counties found that the average turnaround times for permit issuance in those jurisdictions is between two and four weeks. In FY2011 Hillsborough County's average turnaround was 15.82 days, so far in FY2013 that number has been reduced to just over 9 days (in neither instance are we able to subtract the amount of time staff spent waiting for client corrections). Pending the Accela Automation software and procedural improvements will further speed the department's effectiveness in turning these products out.</p>	The department is currently using an outdated software called Permit Plus, this program has proven woefully inadequate to meet the needs of the County, as such staff began, prior to the conclusion of this audit, the process of replacing this software with a program called Accela Automation. Procurement has been completed and the implementation of Accela Automation software is already underway with an expected roll out date in December 2013. This software will allow for enhanced reporting and accurate accounting of workflow procedures.
Estimated Implementation	6/1/2013	12/31/2014
Revised Implementation		
Days from report issue date	396	396
Close Date		

Project Code	247	247
Entity	Developmental Services	Developmental Services
Project Name	Developmental Services	Developmental Services
Status	Pending	Pending
Audit Report Date	5/30/2013	5/30/2013
Recommendation	Consideration should be given to designing and implementing controls to ensure that only the fees that have been approved by the BOCC are charged to customers.	Consideration should be given to implementing an automated preventative control that verifies the active status of contractor licenses prior to issuance of a building permit.
Response	It was discovered that a \$4 fee was being charged for paint on new single family construction, and a \$5 fee for the submittal of notice of commencement. All fees currently being charged can be found on the BOCC approved fee schedule and staff has been provided with the approved BOCC fee schedule for building services.	Effective immediately the department will be running periodic reports to identify any contractors whose State license has expired as indicated in the department's records. Any records found where this date has passed will be flagged in the system and their ability to pull a permit through Hillsborough County will be placed on hold until such time as they have updated their information with proof of State licensure renewal. It should also be noted that any person who falsely holds themselves out as a licensed contractor violates State law and is subject to fines and or criminal prosecution.
Estimated Implementation	4/1/2013	6/10/2013
Revised Implementation		
Days from report issue date	396	396
Close Date		

Project Code	247	247
Entity	Developmental Services	Developmental Services
Project Name	Developmental Services	Developmental Services
Status	Pending	Pending
Audit Report Date	5/30/2013	5/30/2013
Recommendation	Consideration should be given to implementing a control that detects expired permits and monitors for their resolution.	Consideration should be given to partnering with law enforcement to implement a proactive approach to detect unlicensed contractors.
Response	<p>The Department's software is able to easily identify expired permits, however resolving these defaulted permits would require considerable resources for minimal benefit. While some efforts are being made to resolve expired permits the department accepts the minimal risk associated with these unresolved issues.</p> <p>A permit may expire where no work was performed and could logically be cancelled, however a permit may also expire because inspections were not requested on the work performed. In the latter case this permit should not be cancelled, however determining which case would require an inspection of the site to determine if the permit should be cancelled or continued. Staff is currently unable to meet the full demand for inspections with current staffing; performing several thousand additional inspections for expired permits does not provide additional information useful to the permitting process.</p> <p>There is however a mechanism in place to resolve some expired permits; as new permits are applied for a check is done to see if the contractor has any outstanding expired permits, if records show multiple expired permits the contractor is required to submit an action plan to address the expired permits. Additionally, as tips are reported to the department, enforcement action is taken to ensure the permitting process is completed.</p>	The County has entered into an arrangement with the Hillsborough County Sheriff's Department to utilize environmental deputies to aid in the enforcement of construction by unlicensed contractors.
Estimated Implementation	5/1/2013	3/1/2013
Revised Implementation		
Days from report issue date	396	396
Close Date		

Project Code	247	247	247	251
Entity	Developmental Services	Developmental Services	Developmental Services	Business and Support Services
Project Name	Developmental Services	Developmental Services	Developmental Services	CCNA
Status	Pending	Pending	Pending	Pending
Audit Report Date	5/30/2013	5/30/2013	5/30/2013	11/21/2013
Recommendation	To ensure complete and accurate records, and confidentiality of sensitive personal information, consideration should be given to implementing policies and processes for retaining contractor license application documents.	Consideration should be given to adopting a policy that prohibits driver distractions while operating a County owned vehicle.	Consideration should be given to complying with Administrative Directive MS-15, Responsibilities and Procedures for Implementing the Fraudulent Misconduct Policy , by providing all employees training on the BOCC Fraudulent Misconduct Policy, and the procedures for reporting and addressing fraudulent behavior.	Consideration should be given to: 1. Converting the guide sheet into a checklist where each required document is marked off or initialed when the document is placed in the file. 2. Implementing a review policy whereby a manager, supervisor, or other Procurement employee reviews CCNA contract binders for completeness. This review procedure could be applied on a department wide basis to other County documentation files.
Response	These records are now stored in a secure area until they are shipped out to the records warehouse for retention. When they have reached their retention period, as defined by the State, these records will be disposed. A written policy will be developed and provided to staff, regarding the storage and retention of this information.	The County Executive Team will assign staff to review possible approaches to minimizing driver distractions while operating county vehicles and consider whether implementing a formal policy is appropriate.	Staff will coordinate with Human Resources and the executive team to expand the availability of this mandatory training, employees and managers will be scheduled for training as it becomes available.	1. Business and Support Services - Procurement will convert the current guide sheet into a checklist where each required document is marked off or initialed by the analyst when the document is placed in file. 2. Procurement will create a department wide contract file review procedure and develop a new memorandum whereby each contract binder reviewed will be documented as it occurs.
Estimated Implementation	1 - 4/1/2013 2 - 6/1/2013	1/1/2014	Ongoing	1 - 11/27/2013 2 - 12/19/2013
Revised Implementation				
Days from report issue date	396	396	396	221
Close Date				

Project Code	252	252
Entity	Code Enforcement	Code Enforcement
Project Name	Code Enforcement - Demolition	Code Enforcement - Demolition
Status	Pending	Pending
Audit Report Date	11/21/2013	11/21/2013
Recommendation	Consideration should be given to revising the condemnation eligibility procedure to include the methodology used to comply with Chapter 81-388, Laws of Florida.	<p>1. Consideration should be given to ensure that the control weaknesses identified in Audit Comments 1 and 2 are formally documented in Departmental Policy CE-19 and the Policy is approved by the Department Director. The policy should include:</p> <ul style="list-style-type: none"> · How the square footage costs are assessed. · How reasonable estimated repair costs are calculated and verified. · A policy statement that corresponds with the condemnation eligibility procedure recommended in Audit Comment 1. <p>2. Consideration should be given to revising the calculations used on the condemnation report to ensure that they are properly formulated and yield the intended result.</p>
Response	The department has recently converted to utilizing the Substantial Damage Estimator program which is currently in use and approved by FEMA to calculate the estimated amount of damage to verify whether repair/replacement costs will or will not exceed the 50% value of the restored structure. This will be the standard for determining whether a damaged structure meets the condemnation criteria in Chapter 81-388, Laws of Florida.	<p>1. Completed. The Substantial Damage Estimator Program discussed in Audit Finding number one satisfies the recommendation above.</p> <p>2. Completed. The Substantial Damage Estimator Program discussed in Audit Finding number one satisfies the recommendation above.</p>
Estimated Implementation	10/1/2013	1 - 10/22/2013 2 - 10/22/2013
Revised Implementation		
Days from report issue date	221	221
Close Date		

Project Code	254	255
Entity	Public Utilities	Purchasing Card Activity
Project Name	PCL	Purchasing Card Program
Status	Implemented - Partial Client Approved	Implemented - Partial Client Approved
Audit Report Date	12/12/2013	1/2/2014
Recommendation	<p>Consideration should be given to requiring the CDM Smith onsite inspector to provide photo support documentation for each activity contained in the Daily Progress Report. Consideration should be given to enhancing monitoring controls to include: establishing a foundation for monitoring, designing and executing monitoring procedures, and assessing and reporting the results. Consideration should be given to developing written procedures for monitoring the documentation of contractor/subcontractor work including: the expected frequency of reviews, what documentation is to be reviewed, how the documentation should be reviewed, and how issues or concerns should be documented, monitored, and resolved.</p>	<p>Consideration should be given to ensuring that purchasing cards that are part of both the emergency card program and have a routine profile, are only active for employees who make frequent purchases of commodities or services.</p> <p>The Purchasing Card Procedure could also be enhanced if it defined a "frequent purchase" and identified a criteria and procedure for handling exceptions.</p>
Response	<p>CDM Smith's inspection team is being directed to include photo documentation of each activity described in their daily reports. This requirement will go into effect Monday, November 18, 2013.</p> <p>The Public Utilities Department has developed procedures to strengthen internal controls with a focus on improving monitoring and documentation of contractor work. These procedures will include expected frequency of reviews, documentation to be reviewed, how documentation is to be reviewed and how issues will be documented, monitored and resolved. This procedure will be completed and implemented by Monday, November 25, 2013.</p>	<p>Business & Support Services – Procurement enhanced the "Inactive Card Program" on October 9, 2013 to ensure cards that are part of both the Emergency PCard Program and have a "Routine Profile" are being monitored for usage. The Inactive Card Program was initially implemented on July 9, 2003. When cardholders with a "Routine Usage" profile have not used their cards at least once in a three-month period or have never used their cards since issuance, a report is sent to Department Directors / Agency Heads notifying them. Business & Support Services – Procurement requests these cards be relinquished unless the Department Director / Agency Head can provide justification for continued use. Business & Support Services – Procurement defines a "frequent purchase" as using a card at least once in a three-month period. Enhancement to the Inactive Card Program was launched on October 9, 2013. By January 31, 2014, the Procurement Manual will be updated to include the definition of a "frequent purchase" and the Inactive Card Program process.</p>
Estimated Implementation	11/25/2013	1/31/2014
Revised Implementation		
Days from report issue date	200	179
Close Date		

Project Code	255	261
Entity	Purchasing Card Activity	Health Care Services
Project Name	Purchasing Card Program	DACCO Deliverables Contract Compliance Audit
Status	Implemented - Partial Client Approved	Pending
Audit Report Date	1/2/2014	5/13/2014
Recommendation	<p>Consideration should be given to ensuring that the established approval requirements are met prior to making purchasing card purchases.</p> <p>Consideration should also be given to enhancing the monitoring of commodities which require additional approvals to ensure that exceptions are detected timely and that appropriate corrective action is taken.</p>	<p>Consideration should be given to monitoring the accuracy of the client treatment days billed on monthly invoices; and conducting physical monitoring visits at DACCO, with a procedure to test a sample of invoices for accuracy and client eligibility.</p>
Response	<p>The importance of cardholders following the Purchasing Card Procedures has been strongly reinforced to all cardholders and Department Directors/Agency Heads through of thorough training, Purchasing Card bulletins and reports of infractions with recommended consequences. Additionally, Department Directors / Agency Heads are responsible for taking other appropriate action when employees violate Purchasing Card Procedures. Business & Support Services – Procurement will issue warnings to cardholders that do not comply with by the Purchasing Card Procedures and relevant Administrative Directives. By January 31, 2014, an infraction classification of “non compliance of additional approvals required by the Purchasing Card Procedures and relevant Administrative Directives” and action classification of “warning” will be added to the Procurement Manual.</p>	<p>Verifying the accuracy of client treatment days will be done with the annual monitoring. DACCO is currently scheduled for a monitoring visit in September 2014. The annual monitoring will include a random sampling from the client’s invoices to test for accuracy and client eligibility.</p>
Estimated Implementation	1/31/2014	9/30/2014
Revised Implementation		
Days from report issue date	179	48
Close Date		

Project Code	261
Entity	Health Care Services
Project Name	DACCO Deliverables Contract Compliance Audit
Status	Pending
Audit Report Date	5/13/2014
Recommendation	<p>Consideration should be given to:</p> <ol style="list-style-type: none"> 1. Implementing a process to follow up with DACCO on any identified administrative errors on invoices; 2. Improving controls for monitoring incident reports in the program; and 3. Implementing a quality assurance procedure over the scanning process to ensure documents saved in OnBase are complete and non public or HIPAA information is properly redacted.
Response	<p>Processes have been implemented to better identify and follow-up with DACCO on administrative errors found on the invoices. A list of common errors and invoice fields needing verification has been included with the procedure for reviewing DACCO invoices. Incident reports were not being received due to staffing changes within the FSS Contracts Section and the removal of the fax machine in that area. We have received the missing incident reports and DACCO has been instructed to fax all future incident reports to Department staff. The Department will forward copies of the reports to FSS Contracts for their files, as needed. Procedures have also been included in the invoice review procedure to check for incident reports. Through February 2014, all invoices were scanned into ONBASE by FSS Accounting staff. Since the invoices are now scanned by Department staff, we can directly oversee this process to ensure an accurate and legible scan. An electronic copy of the invoice is retained by the Department and the invoice is uploaded into ONBASE. The document will be reviewed to ensure that it is legible and complete when scanned and again at the time of upload to ONBASE. A final review to ensure that any confidential information is redacted will be done at the time of upload to ONBASE.</p>
Estimated Implementation	4/30/2014
Revised Implementation	
Days from report issue date	48
Close Date	

Project Code	262
Entity	Fleet Management
Project Name	Genuine Parts Company (NAPA) Pricing Contract Compliance
Status	Implemented
Audit Report Date	6/4/2014
Recommendation	Consideration should be given to formalizing the policy of procuring non-NAPA items costing less than \$300 in writing and obtaining Fleet Management's approval of said policy.
Response	<p>Fleet Management has established an internal written procedure titled "Parts Procurement Process" FM-02, which will go into effect on June 1, 2014. This document outlines the policies and procedures for procuring parts in accordance with the current Vehicle and Equipment Parts Management and Supply Agreement. As recommended, this document also outlines the policy of procuring non-NAPA items costing less than \$300 in writing and obtaining a Fleet Managers approval. "P. New Part Numbers</p> <ol style="list-style-type: none"> 1. NAPA will provide a copy of the invoice for all new non-NAPA catalog part numbers to a County manager. 2. For any new part with a cost of \$300 or more, NAPA will obtain 3 quotes and complete the New Item Form (Attach. 8). If item is a sole source or identified as a territorial item, these remarks need to be included on the New Item Form. 3. A County manager will either approve, with a full signature and printed name, or disapprove the form and return to NAPA. 4. If approved, NAPA will then issue the part in M5. 5. NAPA will submit all approved forms to the County office assistant for processing."
Estimated Implementation	6/1/2014
Revised Implementation	
Days from report issue date	26
Close Date	

Second Quarter Ending June 30, 2014
County Audit Department
Status of Open Audit Recommendations

STATUS DEFINITIONS:

- **Pending** = Indicates that the recommendation has been recently sent to TeamCentral and Client Management has not yet started implementation.
- **Started** = Indicates that Client Management has started the implementation process or has provided a partial status update.
- **Implemented** = Indicates that the recommendation has been implemented but the recommendation has not yet been approved by client Management.
- **Implemented – Partial Client Approval** = Indicates that the recommendation has received one or more Client approvals, but not final Client Management approval.
- **Implemented – Final Client Approval** = Indicates that the recommendation has received final Client Management approval and is now ready for the Audit Team to approve or reject the implementation.
- **Implemented – Audit Approval** = Indicates that the recommendation has received the Audit Team's Approval and is now ready to be tested and closed.
- **Closed – by Audit Team** = Indicates that the Audit Team has reviewed or verified the actions taken to implement a recommendation and the recommendation is closed.
- **Closed – Follow Up Unwarranted** = Indicates that the recommendation has been closed by the Audit Team because the comment is no longer applicable or no corrective action is needed.
- **Closed – Management Accepts Risk** = Indicates that the recommendation has been closed by the Audit Team because Client Management accepts the risk exposure and is NOT implementing the recommendation.
- **Closed – County Audit follow-up tracking expired** = Indicates that the target completion date for implementing the recommendation has passed and no actions have been taken by Client Management in the past 12 months.