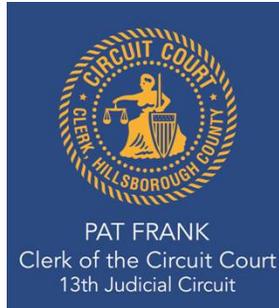**County Audit Department**

**Quarterly Status Report of Audit Recommendations and
Board of County Commissioners' Management Action Plans**

Report # 269

September 30, 2014

Date: November 13, 2014

To: 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
         The Honorable Stacy White

From: Peggy Caskey, CIA, CISA, CFE, Director of County Audit

Subject: Quarterly status report of audit recommendations and Board of County
         Commissioners' management action plans

Dear Commissioners:

The County Audit Department prepared the attached quarterly report on the status of audit recommendations and management action plans. Implementing the management action plans will enhance the Board of County Commissioners' overall operations and mitigate risks to the organization.

As a result of audit testing, it is common practice for the County Audit Department to make a recommendation based on the auditor's observations and conclusions. The recommendation calls for action to correct an existing condition or improve operations. The recommendation may suggest an approach to correct or enhance performance as a guide for management in achieving a desired result.

In compliance with the Institute of Internal Auditors Standard 2500, the County Audit Department monitors management's action plans for up to 12 months after the audit report issuance date (or longer if authorized by the Director of County Audit). At the end of the monitoring time period, any management action plan whose implementation has not yet reached the "audit approved" step in the monitoring life cycle is reported to the County Internal Auditor.

During the first nine months of calendar year 2014, the County Audit Department monitored 48 management action plans. The County Audit Department closed 25 of these plans. The remaining 23 plans that are in the pending or implemented stage of the monitoring life cycle are being carrying forward to the fourth quarter. The attached *Audit Recommendations and Management Action Plans* report contains specific information about each management action plan. The table below shows a status summary:

Status of Management's Action Plans - September 30, 2014

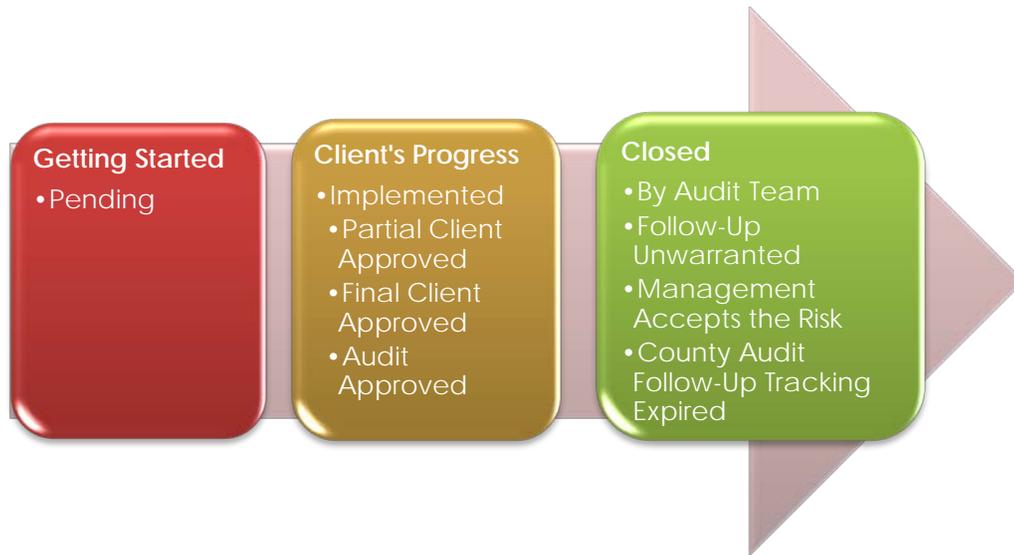| Category	Number of Management Action Plans
Pending	21
Implementation Approval (Partial/Final Client or Audit)	2
Closed by Audit Team	18
Closed Follow Up Unwarranted	2
Closed Management Accepts Risk	0
Closed County Audit Follow Up Tracking Expired	5

I appreciate this opportunity to be of service to the Board of County Commissioners. I will be pleased to respond to any questions that you may have concerning the attached report and to furnish you with any desired information.

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

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Steps in the Management Action Plan Monitoring Process

Getting Started	Client's Progress	Closed
• Pending	• Implemented • Partial Client Approved • Final Client Approved • Audit Approved	• By Audit Team • Follow-Up Unwarranted • Management Accepts the Risk • County Audit Follow-Up Tracking Expired

DEFINITIONS:

Pending = Indicates that the recommendation was recently sent to TeamCentral and client management has not yet started implementation.

Implemented = Indicates that the recommendation was implemented but the recommendation has not yet been approved by the client and the Audit Team.

Partial Client Approval = Indicates that the recommendation received one or more client approvals, but not yet final client management approval.

Final Client Approval = Indicates that the recommendation received final client management approval and is now ready for the Audit Team to approve or reject the implementation.

Audit Approval = Indicates that the recommendation received the Audit Team's approval and is now ready to be tested and closed.

Closed = Indicates that the County Audit Department stopped monitoring.

By Audit Team = Indicates that the Audit Team reviewed or verified the actions taken to implement the recommendation and the recommendation is closed.

Follow-Up Unwarranted = Indicates that the recommendation closed by the Audit Team because the concern is no longer applicable or no corrective action is needed.

Management Accepts Risk = Indicates that the recommendation was closed by the Audit Team because client management accepted the risk exposure and is not implementing the recommendation.

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 during the monitoring period.

Project Code	239
Entity	Public Works
Project Name	HNTB General Engineering Consultant Agreement
Status	Closed - County Audit Follow-Up Tracking Expired
Audit Report Date	11/8/2012
Recommendation	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: 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.
Response	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.
Estimated Implementation	3/4/2014
Revised Implementation	0
Days from report issue date	691
Close Date	7/28/2014

Project Code	**239**
Entity	**Public Works**
Project Name	**HNTB General Engineering Consultant Agreement**
Status	Closed - County Audit Follow-Up Tracking Expired
Audit Report Date	11/8/2012
Recommendation	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.
Response	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.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	691
Close Date	7/17/2014

Project Code	<u>239</u>
Entity	**Public Works**
Project Name	<u>**HNTB General Engineering Consultant Agreement**</u>
Status	Closed - County Audit Follow-Up Tracking Expired
Audit Report Date	11/8/2012
Recommendation	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: 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.
Response	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.
Estimated Implementation	3/4/2014
Revised Implementation	0
Days from report issue date	691
Close Date	7/28/2014

Project Code	239
Entity	Public Works
Project Name	HNTB General Engineering Consultant Agreement
Status	Closed - County Audit Follow-Up Tracking Expired
Audit Report Date	11/8/2012
Recommendation	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.
Response	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.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	691
Close Date	7/18/2014

Project Code	239
Entity	Public Works
Project Name	HNTB General Engineering Consultant Agreement
Status	Closed - County Audit Follow-Up Tracking Expired
Audit Report Date	11/8/2012
Recommendation	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. 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.
Response	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.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	691
Close Date	7/18/2014

Project Code	240
Entity	Public Utilities
Project Name	Public Utilities Solid Waste Management Group: Environment & Landfill Audit
Status	Closed - By Audit Team
Audit Report Date	11/8/2012
Recommendation	The Public Utilities Department's management should: 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 2. Consider making changes in their business processes to improve the cash collections process at the Southeast County Landfill.
Response	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. 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.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	691
Close Date	7/1/2014

Project Code	242
Entity	Public Utilities
Project Name	Public Utilities Department Account Information Management System (AIMS)
Status	Closed - By Audit Team
Audit Report Date	12/27/2012
Recommendation	To provide adequate monitoring of employee account changes, consideration should be given to the following: 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.
Response	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.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	642
Close Date	7/1/2014

Project Code	242
Entity	**Public Utilities**
Project Name	**Public Utilities Department Account Information Management System (AIMS)**
Status	Closed - By Audit Team
Audit Report Date	12/27/2012
Recommendation	To ensure procedures for customer refunds are adequately documented, communicated, understood and adhered to, consideration should be given to the following: 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	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	2/4/2014
Revised Implementation	0
Days from report issue date	642
Close Date	7/1/2014

Project Code	**242**
Entity	**Public Utilities**
Project Name	**Public Utilities Department Account Information Management System (AIMS)**
Status	Closed - By Audit Team
Audit Report Date	12/27/2012
Recommendation	To ensure AIMS configuration changes are adequately documented, consideration should be given to the following. 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.
Response	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.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	642
Close Date	7/2/2014

Project Code	242
Entity	Public Utilities
Project Name	Public Utilities Department Account Information Management System (AIMS)
Status	Closed - By Audit Team
Audit Report Date	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.
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.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	642
Close Date	6/27/2014

Project Code	<u>242</u>
Entity	**Public Utilities**
Project Name	**Public Utilities Department Account Information Management System (AIMS)**
Status	Closed - By Audit Team
Audit Report Date	12/27/2012
Recommendation	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 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	2/5/2014
Revised Implementation	0
Days from report issue date	642
Close Date	7/18/2014

Project Code	247
Entity	**Development Services**
Project Name	**Development Services**
Status	Pending
Audit Report Date	5/30/2013
Recommendation	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.
Response	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.
Estimated Implementation	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	**247**
Entity	**Development Services**
Project Name	**Development Services**
Status	Pending
Audit Report Date	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.
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.
Estimated Implementation	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	**247**
Entity	**Development Services**
Project Name	**Development Services**
Status	Pending
Audit Report Date	5/30/2013
Recommendation	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	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	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	<u>247</u>
Entity	**Development Services**
Project Name	**<u>Development Services</u>**
Status	Pending
Audit Report Date	5/30/2013
Recommendation	Consideration should be given to implementing a control that detects expired permits and monitors for their resolution.
Response	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. 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. 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.
Estimated Implementation	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	247
Entity	Development Services
Project Name	Development Services
Status	Pending
Audit Report Date	5/30/2013
Recommendation	Consideration should be given to partnering with law enforcement to implement a proactive approach to detect unlicensed contractors.
Response	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	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	**247**
Entity	**Development Services**
Project Name	**Development Services**
Status	Pending
Audit Report Date	5/30/2013
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.
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.
Estimated Implementation	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	<u>247</u>
Entity	<u>Development Services</u>
Project Name	<u>Development Services</u>
Status	Pending
Audit Report Date	5/30/2013
Recommendation	Consideration should be given to adopting a policy that prohibits driver distractions while operating a County owned vehicle.
Response	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.
Estimated Implementation	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	247
Entity	Development Services
Project Name	Development Services
Status	Pending
Audit Report Date	5/30/2013
Recommendation	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	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	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	247
Entity	Development Services
Project Name	Development Services
Status	Pending
Audit Report Date	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.
Response	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. 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. 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 effectives in turning these products out.
Estimated Implementation	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	**247**
Entity	**Development Services**
Project Name	**Development Services**
Status	Pending
Audit Report Date	5/30/2013
Recommendation	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	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	2/5/2014
Revised Implementation	0
Days from report issue date	488
Close Date	0

Project Code	<u>248</u>
Entity	**Neighborhood Stabilization Program**
Project Name	**Affordable Housing Services' Neighborhood Stabilization Program**
Status	Closed - By Audit Team
Audit Report Date	7/31/2013
Recommendation	Consideration should be given to: 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	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	1/31/2014
Revised Implementation	0
Days from report issue date	426
Close Date	9/24/2014

Project Code	248
Entity	Neighborhood Stabilization Program
Project Name	Affordable Housing Services' Neighborhood Stabilization Program
Status	Closed - By Audit Team
Audit Report Date	7/31/2013
Recommendation	Consideration should be given to obtaining legal counsel regarding the Department's recourse in holding housing partners responsible for meeting their contractual requirements.
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.
Estimated Implementation	1/31/2014
Revised Implementation	0
Days from report issue date	426
Close Date	9/24/2014

Project Code	**251**
Entity	**CCNA**
Project Name	**Consultant Competitive Negotiation Act (CCNA) Procurement Process Audit**
Status	Pending
Audit Report Date	11/21/2013
Recommendation	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	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	1/31/2014
Revised Implementation	0
Days from report issue date	313
Close Date	0

Project Code	<u>252</u>
Entity	Code Enforcement
Project Name	Code Enforcement
Status	Closed - By Audit Team
Audit Report Date	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.
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.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	313
Close Date	9/24/2014

Project Code	<u>252</u>
Entity	**Code Enforcement**
Project Name	**Code Enforcement**
Status	Closed - By Audit Team
Audit Report Date	11/21/2013
Recommendation	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: · 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. 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.
Response	1. Completed. The Substantial Damage Estimator Program discussed in Audit Finding number one satisfies the recommendation above. 2. Completed. The Substantial Damage Estimator Program discussed in Audit Finding number one satisfies the recommendation above.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	313
Close Date	9/24/2014

Project Code	<u>254</u>
Entity	**Public Utilities**
Project Name	**PCL Construction - South County Advanced Wastewater Treatment Plant Expansion**
Status	Closed - By Audit Team
Audit Report Date	12/12/2013
Recommendation	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.
Response	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. 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.
Estimated Implementation	1/31/2014
Revised Implementation	0
Days from report issue date	292
Close Date	7/17/2014

Project Code	255
Entity	**Purchase Card Activity**
Project Name	**Purchasing Card Program**
Status	Closed - By Audit Team
Audit Report Date	1/2/2014
Recommendation	Consideration should be given to ensuring that the established approval requirements are met prior to making purchasing card purchases. 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.
Response	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.
Estimated Implementation	3/4/2014
Revised Implementation	0
Days from report issue date	271
Close Date	7/25/2014

Project Code	<u>**255**</u>
Entity	**Purchase Card Activity**
Project Name	<u>**Purchasing Card Program**</u>
Status	Closed - By Audit Team
Audit Report Date	1/2/2014
Recommendation	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. The Purchasing Card Procedure could also be enhanced if it defined a "frequent purchase" and identified a criteria and procedure for handling exceptions.
Response	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. The 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.
Estimated Implementation	2/4/2014
Revised Implementation	0
Days from report issue date	271
Close Date	7/25/2014

Project Code	258
Entity	**Family and Aging Services**
Project Name	**Crisis Center Baker Act Transportation Services**
Status	Pending
Audit Report Date	4/23/2014
Recommendation	Consideration should be given to: · Monitoring the Crisis Center's performance on all services provided in conjunction with the Agreement. · Continuing to implement the annual monitoring plan developed by the Department to periodically test the Crisis Center's compliance with contract requirements. · Ensuring that the Crisis Center is collecting and submitting the appropriate documentation in accordance with the Agreement. · Clarifying the contract language to ensure that the requirements of the Agreement align with the desired process or procedure.
Response	Annual monitoring will test the Crisis Center's compliance with the contract requirements and verify that the Crisis Center is collecting and submitting the appropriate documentation in accordance with the Agreement. Monitoring is performed annually, at a minimum. The Crisis Center's success in meeting the performance standard is monitored on a monthly basis with submission of the monthly invoice. Performance standards will also be verified during the annual monitoring visits. Contract modifications have been requested as follows: 1) Change the language on page TS-3, 7. Performance Standard, 7.1.1 (and any other references to this performance standard) to read: In each month, 80% of transports billed to the County will have a response time …. ("...." were verbatim from client's replies) 2) Change the language on page TS-4, 8. Reports, 8.2(and any other references to a Baker Act form requirement) to read: ….The CONTRACTOR shall retain all run reports generated by the CONTRACTOR and copies of any completed Baker Act Form, including but not limited to CF-MH 3100, CF-MH 3052a, CF-MH 3052b, CF-MH 3032 or any other Baker Act Form mandatory or recommended as shown Florida Department of Children and Families website at http://myflfamilies.com/service-programs/mental-health/baker-act-forms …. 3) Change any references to 'call receipt time' in relation to calculating the performance standard to read 'dispatch time.'
Estimated Implementation	8/30/2014
Revised Implementation	10/31/2014
Days from report issue date	160
Close Date	0

Project Code	**258**
Entity	**Family and Aging Services**
Project Name	**Crisis Center Baker Act Transportation Services**
Status	Pending
Audit Report Date	4/23/2014
Recommendation	Consideration should be given to:

·   Including steps in the annual monitoring plan to ensure that the County is the payor of last resort and that any credits due the County were appropriately applied.

·   Clarifying the contract language to ensure that the requirements of the Agreement align with the desired process and procedure. |
| Response | Adequate controls are in place consistent with healthcare industry standards. Government and commercial health care plans depend upon the provider due to the complexity of medical billing to ensure accuracy and accountability of their health care provider claims and for ensuring that they bill the appropriate provider.

Although the County is dependent upon the receipt of credits and the Crisis Center's self reporting of the receipt of third party payments, it is important to note that providers would be subject to fines and penalties (up to and including the loss of their license to operate) for retaining any overpayments made by Hillsborough County - due to Medicaid or Medicare payments received. The Crisis Center is diligent in providing credits to the County to clear any credit balance accounts due to third party payments received after the County has paid, which ensures full compliance with federal law and statutes.

Steps are included in the annual monitoring plan to verify that any available third party payors are billed/or considered and the County is the payor of last resort. Additionally, the monitoring plan will review and verify that any credits due the County were appropriately applied. |
Estimated Implementation	8/30/2014
Revised Implementation	10/31/2014
Days from report issue date	160
Close Date	0

32

Project Code	<u>258</u>
Entity	**Family and Aging Services**
Project Name	**Crisis Center Baker Act Transportation Services**
Status	Pending
Audit Report Date	4/23/2014
Recommendation	Consideration should be given to: · Establishing an additional method to verify the accuracy and appropriateness of the information provided by the Crisis Center prior to payment. · Continue implementing an annual monitoring plan to periodically test the Crisis Center's compliance with contract requirements. · Clarifying the contract language to ensure that the requirements of the Agreement align with the desired process and procedure.
Response	Accuracy and appropriateness of the information provided by the Crisis Center with the monthly billing will be verified during the annual monitoring visits.
Estimated Implementation	8/30/2014
Revised Implementation	10/31/2014
Days from report issue date	160
Close Date	0

Project Code	259
Entity	Fleet Management
Project Name	Fuel Procurement and Inventory Process
Status	Closed - By Audit Team
Audit Report Date	4/23/2014
Recommendation	RECOMMENDATION: Consideration should be given to: a. ensuring that all invoices are properly approved for payment; b. providing training to Fleet's staff to ensure that proper supporting documentation is maintained on file (including bills of lading); c. ensuring supporting documentation is legible and capable of substantiating the provided information on the vendor's invoice; and d. maintaining supporting documentation in compliance with F.S. 206.12.
Response	a. Fleet Management has established an internal Fleet Invoice Processing Memorandum, dated February 27th , 2014, which highlight's step by step procedures for ensuring invoices are properly processed and approved for payment. This process will continue to be monitored for accuracy and improvement. b. All personnel involved in the processing of invoices have been instructed on the importance of maintaining invoices and bills of lading for increased accountability. Furthermore, Fleet Management has now assumed full responsibility for the processing and control of invoices and all supporting documentation. This process is designed to ensure Fleet Management retains sole responsibility throughout the invoice processing lifecycle for improved accountability. c. Fleet Management will continue to work with vendors to ensure support documentation is legible. Additionally, Fleet Management will ensure all copies uploaded are legible and support the associated invoices. d. Fleet Management will continue adherence with F.S. 206.12 that states, " Each person shall maintain and keep such record of motor fuel received, used, transferred, sold, and delivered within this state by such person, together with invoices, bills of lading, and other pertinent records and papers, as may be required by the department for the reasonable administration of the motor fuel tax laws of this state" and has refocused its efforts to ensure all personnel involved in maintaining support documents are familiar with F.S. 206.12 requirements.
Estimated Implementation	4/28/2014
Revised Implementation	0
Days from report issue date	160
Close Date	9/29/2014

Project Code	<u>**259**</u>
Entity	**Fleet Management**
Project Name	<u>**Fuel Procurement and Inventory Process**</u>
Status	Closed - By Audit Team
Audit Report Date	4/23/2014
Recommendation	Consideration should be given to ensuring the fuel inventory information is recorded correctly on the fuel inventory spreadsheets and bills of lading are signed by the site supervisor for receipting the delivery of fuel.
Response	Fleet Management has a requirement in its Fuel Duties Procedure to monitor all fuel inventory spreadsheets, the Fleet Fuel Manager will increase the review frequency of supporting documentation and inventory spreadsheet reviews, to ensure omissions and/or mistakes do not occur. Additionally, the Driver was briefed on the importance of properly documenting inventory spreadsheet and bill of lading documentation.
Estimated Implementation	4/28/2014
Revised Implementation	0
Days from report issue date	160
Close Date	9/30/2014

Project Code	259
Entity	Fleet Management
Project Name	Fuel Procurement and Inventory Process
Status	Closed - By Audit Team
Audit Report Date	4/23/2014
Recommendation	Consideration should be given to ensuring that the fuel inventory information is recorded correctly on the fuel inventory spreadsheets so that fuel inventory is accurately accounted for.
Response	Fleet Management has a requirement in its Fuel Duties Procedure to monitor all fuel inventory spreadsheets, The Fleet Fuel Manager will increase the frequency of inventory spreadsheet reviews, to ensure omissions and errors are corrected. Additionally, the driver responsible for recording information correctly on the fuel inventory spreadsheets entering the information was provided additional training.
Estimated Implementation	4/28/2014
Revised Implementation	0
Days from report issue date	160
Close Date	9/29/2014

Project Code	**259**
Entity	**Fleet Management**
Project Name	**Fuel Procurement and Inventory Process**
Status	Implemented - Final Client Approved
Audit Report Date	4/23/2014
Recommendation	Consideration should be given to monitoring the driver's spreadsheet data entries and observing the driver's physical inventory measurements to ensure they are properly recorded and measured.
Response	Fleet Management has a requirement in its Fuel Duties Procedure to monitor all fuel inventory spreadsheets, the Fleet Fuel Manager will increase reviews of the inventory spreadsheets to help ensure omissions and errors are corrected. Additionally, Fleet Management is in the process of procuring a new truck, which will be equipped with an automatic tank gauge for improved accuracy and safety.
Estimated Implementation	10/31/2014
Revised Implementation	0
Days from report issue date	160
Close Date	9/29/2014

Project Code	260
Entity	**Facilities Management Services**
Project Name	**Facilities Inventory and Supplies Control Environment**
Status	Pending
Audit Report Date	4/23/2014
Recommendation	1. To mitigate segregation of duties risks, consideration should be given to assigning the MP2 system's continuous monitoring and reporting capabilities to a non storeroom employee. For example, the MP2 system is capable of reporting data entry errors (unusual inventory amounts or values), inventory overages and shortages, changes in perpetual inventory records, comparing materials checked out of inventory on a work order to materials installed, and identifying inventory write-offs and adjustments.
Response	The Corrective Action planned for each part of the recommendations, follows: 1. Quality Control Checking — Understanding that this recommendation is made up of two (2) components: a. Assigning of a non-storeroom person to carry out verification and double-checking of data integrity and, b. Codifying and establishing error checking reports and processes to provide quality assurance and control. A resource has been included in the FY15 budget request to hire a person to serve in a larger capacity for work management and reporting. It is intended that a percentage of that person's time will be devoted to conducting non-storeroom data verification. Facilities recognizes the importance of putting into place several of the suggested error reporting processes, and includes these in the Corrective Action Plan below. Detailed procedures will be developed to periodically (either daily or weekly) generate various "double check" reports and validate the report contents against source documents (procurement/invoice documents), Work Orders (WO's), or inventory transaction data. Daily Cycle counts will be considered part of this QA/QC process, though discussed separately in #2 below.
Estimated Implementation	1/1/2015
Revised Implementation	0
Days from report issue date	160
Close Date	0

Project Code	**260**
Entity	**Facilities Management Services**
Project Name	**Facilities Inventory and Supplies Control Environment**
Status	Pending
Audit Report Date	4/23/2014
Recommendation	2. To mitigate segregation of duties risks, consideration should be given to assigning the MP2 system's continuous monitoring and reporting capabilities to a non storeroom employee. For example, the MP2 system is capable of reporting data entry errors (unusual inventory amounts or values), inventory overages and shortages, changes in perpetual inventory records, comparing materials checked out of inventory on a work order to materials installed, and identifying inventory write-offs and adjustments.
Response	2. Cycle Counts — At the time of the audit, management was "made aware of" the capabilities mentioned. However, upon further investigation, the reported capability may not exist in the current implementation of MP2. The software provider, Infor has offered to explore this need and internally confer on the possibility of such a capability being provided as a customized modification. Pending a positive and cost-effective response from Infor, Facilities will implement other means to meet this objective (see Corrective Action Plan). Processes for auto-generating random selections outside of MP2 will be implemented and used to generate regular lists of items (part numbers) for daily cycle counts. Facilities anticipates that the use of Excel ® or Access ® will make this possible, allowing both the categorization and cycle count sheets for the randomly selected items.
Estimated Implementation	9/30/2014
Revised Implementation	0
Days from report issue date	160
Close Date	0

Project Code	<u>260</u>
Entity	**Facilities Management Services**
Project Name	<u>**Facilities Inventory and Supplies Control Environment**</u>
Status	Pending
Audit Report Date	4/23/2014
Recommendation	3. Consideration should be given to updating standard operating procedures to provide guidance on how to investigate and handle inventory count non reconciling differences.
Response	3 . Updating SOP's — The need to update Standard Operating Procedures (SOP's) for storeroom activities was previously identified by management and begun prior to the Audit. Facilities will codify all of the processes addressed in the Finding and add them to the Storeroom SOP, including investigation of non reconciling differences in inventory counts.
Estimated Implementation	9/30/2014
Revised Implementation	0
Days from report issue date	160
Close Date	0

Project Code	260
Entity	Facilities Management Services
Project Name	Facilities Inventory and Supplies Control Environment
Status	Pending
Audit Report Date	4/23/2014
Recommendation	4. Consideration should be given to conducting a formal review to identify and dispose of obsolete inventory.
Response	4. Obsolete Inventory — The current SOP addresses the process for formally approving obsolete items for removal from the inventory. The methodology for regularly identifying such items and actually removing from the inventory is not addressed within the SOP. Facilities will develop one, or more, procedures and to add them to the updated SOP (3., above).
Estimated Implementation	9/30/2014
Revised Implementation	0
Days from report issue date	160
Close Date	0

Project Code	**261**
Entity	**Health Care Services**
Project Name	**DACCO Deliverables Contract Compliance Audit**
Status	Closed - By Audit Team
Audit Report Date	5/13/2014
Recommendation	Consideration should be given to: 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	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.
Estimated Implementation	4/30/2014
Revised Implementation	0
Days from report issue date	140
Close Date	9/17/2014

Project Code	261
Entity	Health Care Services
Project Name	DACCO Deliverables Contract Compliance Audit
Status	Implemented
Audit Report Date	5/13/2014
Recommendation	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.
Response	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.
Estimated Implementation	9/30/2014
Revised Implementation	0
Days from report issue date	140
Close Date	0

Project Code	<u>262</u>
Entity	**Fleet Services**
Project Name	<u>**Genuine Parts Company (NAPA) Pricing Contract Compliance**</u>
Status	Closed - By Audit Team
Audit Report Date	5/13/2014
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	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 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	0
Days from report issue date	140
Close Date	9/12/2014

Project Code	263
Entity	County Finance Payables
Project Name	Prompt Payment Act Compliance
Status	Closed - Follow Up unwarranted
Audit Report Date	7/7/2014
Recommendation	Recommendation: Audit test results did not identify any material concerns that require management's corrective action.
Response	0
Estimated Implementation	7/7/2014
Revised Implementation	0
Days from report issue date	85
Close Date	7/7/2014

Project Code	<u>264</u>
Entity	**Code Compliance Inspection /Burglar Alarm**
Project Name	<u>**Code Compliance Inspections**</u>
Status	Pending
Audit Report Date	7/17/2014
Recommendation	Consideration should be given to developing and implementing a procedure where the receipting of payments and bank deposit are safeguarded by dual controls and utilizing a new scanner that is capable of handling various document sizes.
Response	A new scanner that is capable of handling various document sizes has been purchased and will be online on 07/07/14. In addition a "dual control" plan has been developed and implemented for the purpose of safeguarding the receipting of payments and bank deposits. A policy establishing guidelines and procedures will be completed by 08/01/14.
Estimated Implementation	8/1/2014
Revised Implementation	0
Days from report issue date	75
Close Date	0

Project Code	265
Entity	Construction & Maintenance
Project Name	PRCD Maintenance Inventory & Supplies Control Environment
Status	Pending
Audit Report Date	9/18/2014
Recommendation	Management at both storeroom locations has the following opportunities to improve overall inventory operations. Consideration should be given to: 1. Developing written procedures. In the procedures , define the inventory management process and steps to be performed to help ensure that physical inventory and perpetual inventory records are managed properly including procedures to address identification and disposal of obsolete inventory. 2. Segregating incompatible duties or adding additional monitoring controls to provide assurance that work is being properly performed. Currently, the storekeepers are responsible for ordering, receiving, recording, stocking, and issuing inventory as well as maintaining the perpetual inventory records and reconciling physical inventory counts. 3. Improving the storerooms' procedures for tracking inventory usage. Manual forms are used to record items taken from inventory. The current process does not provide assurance that all removed items are recorded or that the information is timely and completely entered into the perpetual inventory system's records.
Response	1. Written policies and procedures shall be implemented to ensure compliance with segregated duties and shall include weekly cycle counts, supervisor's responsibilities, store keeper's responsibilities, purchasing guidelines, inventory adds, moves and changes guidelines, and annual inventory guidelines. 2. Training on the new procedures and guidelines shall be conducted with store keepers and supervisors, after the policies and procedures have been written, to ensure everyone is aware and onboard with the changes. 3. Quotes have been received for handheld computer scanners to create a more efficient process of receiving and decrementing parts inventory. Fiscal and Support Services has been contacted to secure the funding for FY15.
Estimated Implementation	1/1/2015
Revised Implementation	0
Days from report issue date	12
Close Date	0

Project Code	**265 Cont'd**
Entity	**Construction & Maintenance**
Project Name	**PRCD Maintenance Inventory & Supplies Control Environment**
Status	Pending
Audit Report Date	9/18/2014
Recommendation	4.　　Improving recordkeeping procedures for items added to inventory or used on a project. The current process requires a worker or storekeeper to manually record the addition of inventory items and the use of items on a project. The current process does not provide assurance that this information is recorded accurately, completely, and timely. The Unit I Storekeeper purchases inventory items on his purchasing card. He is responsible for entering these items into the perpetual inventory system records. The Audit Team and storeroom management reviewed a sample of 157 purchasing card transactions and found that 50 of the 157 items (or 32%) had not been entered into the perpetual inventory system records. The Unit II Storekeeper's purchasing card usage was not tested because the control weakness had already been identified. Additional testing was not necessary. 5.　　Improving the use of technology.　Storeroom personnel rely on manual forms and manual inventory counts to monitor the inventory usage and the perpetual inventory amounts. To improve the efficiency and accuracy of the inventory records and inventory counts, storeroom management could make use of electronic bar code scanners. Per Storeroom management the Department's MP2 system has a module available for using scanners. This may require the module to be activated. Consideration should be given to the cost benefit of incurring the cost of purchasing scanners and the costs related to implementing this tool.
Response	See issue response on previous page.
Estimated Implementation	1/1/2015
Revised Implementation	0
Days from report issue date	12
Close Date	0

Project Code	265
Entity	Construction & Maintenance
Project Name	PRCD Maintenance Inventory & Supplies Control Environment
Status	Pending
Audit Report Date	9/18/2014
Recommendation	Consideration should be given to limiting storeroom key access to only those personnel responsible for maintaining the inventory storeroom.
Response	1. Keys have been removed from all non-supervisors and placed in a lock box to be signed out for emergencies. 2. Supervisors will continue to keep their keys due to afterhours and weekend calls for emergency service. 3. Alternative solutions to enhance security are being researched. Solutions may include swipe card entry locks, security cameras inside the store room, or biometric entry solutions.
Estimated Implementation	3/1/2015
Revised Implementation	0
Days from report issue date	12
Close Date	0

Project Code	<u>265</u>
Entity	**Construction & Maintenance**
Project Name	<u>PRCD Maintenance Inventory & Supplies Control Environment</u>
Status	Closed - Follow Up Unwarranted
Audit Report Date	9/18/2014
Recommendation	Audit testing results did not identify any material concerns that required management's corrective action.
Response	No response required by the Client.
Estimated Implementation	1/1/2015
Revised Implementation	0
Days from report issue date	12
Close Date	0