



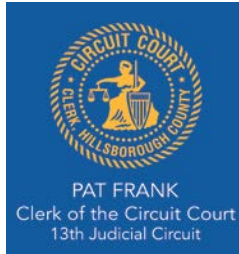
PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

County Audit Department

**Quarterly Status Report of Audit Recommendations and
Board of County Commissioners' Management Action Plans
Quarter Ending December 31, 2015**

Report # 301

March 2, 2016



Date: March 2, 2016

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

From: Steve Hooper, CIA, CFE, CCSA, CGAP, Director of County Audit

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

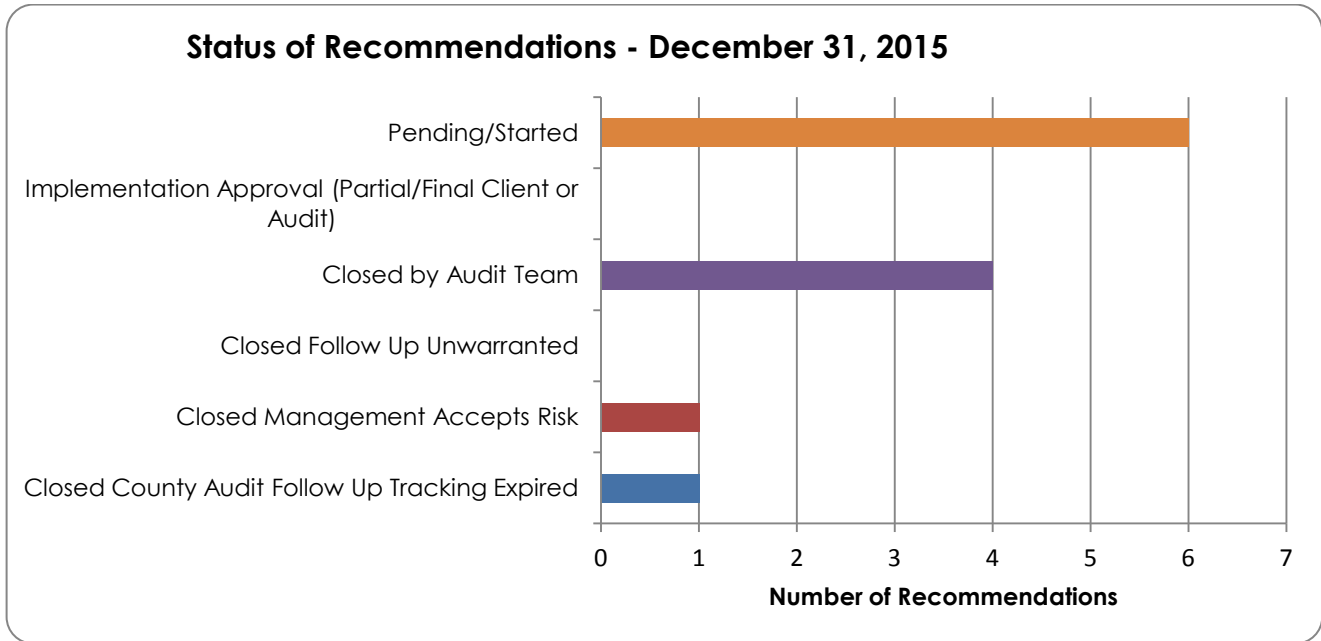
Dear Chairman Murman and Commissioners:

The County Audit Department prepared the attached quarterly report on the status of audit recommendations. Addressing these recommendations 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 Office of the Internal Auditor.

For the quarter ended December 31, 2015, the County Audit Department monitored management action for 12 recommendations. The County Audit Department closed 6 of these recommendations. The 6 remaining recommendations are in the pending/started stage of the monitoring life cycle and will carry forward to the second fiscal quarter. The table below shows the status summary as of December 31, 2015. The attached *Status of Audit Recommendations* report contains additional detail.



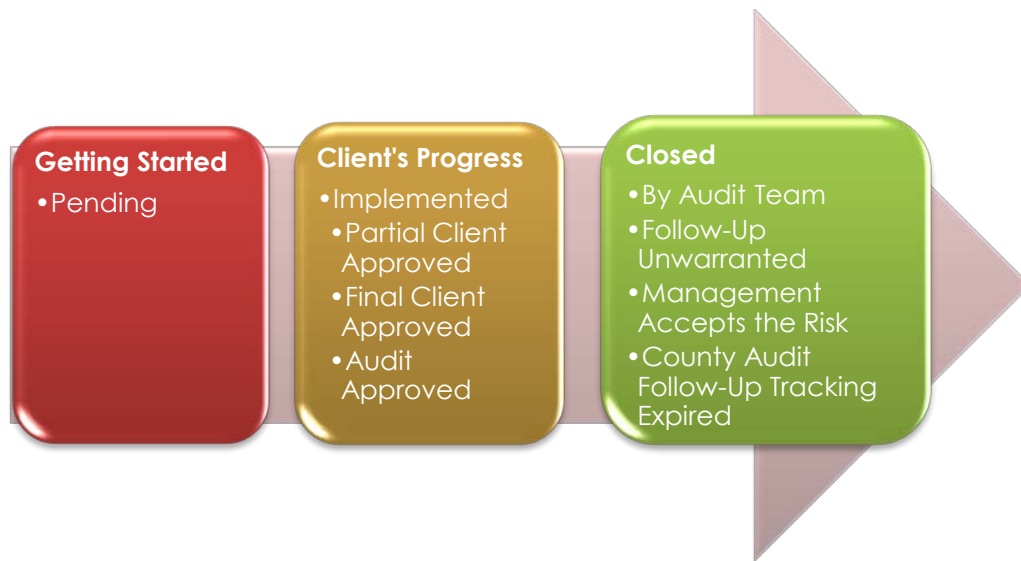
I appreciate this opportunity to be of service to the Board of County Commissioners. I will be pleased to respond to any questions that you may have concerning the attached report and to furnish you with any desired information.

- CC: Mike Merrill, County Administrator
 Greg Horwedel, Deputy County Administrator
 Lucia Garsys, Chief Development & Infrastructure Services Administrator
 Carl Harness, Chief Human Services Administrator
 Ramin Kouzehkanani, Chief Information & Innovation Officer
 Liana Lopez, Chief Communications Administrator
 Bonnie Wise, Chief Financial Administrator
 Dexter Barge, Assistant County Administrator
 Ron Barton, Assistant County Administrator
 Tom Fass, Assistant County Administrator
 Kevin Brickey, Performance Mgmt, Management & Budget
 Peggy Caskey, Office of the Internal Auditor
 Pat Frank, Clerk of the Circuit Court
 Dan Klein, Chief of Staff
 Rick Van Arsdall, Chief Deputy, Finance & Budget

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Steps in the Management Action Plan Monitoring Process



DEFINITIONS:

Pending = Indicates that the recommendation was 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 was 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 recommendation is greater than 12 months old, and corrective actions have not been implemented by client management. County Audit will no longer track the status of the implementation and has referred this item to the Office of the Internal Auditor for future follow up as desired.

Report #	260	268
Entity	Facilities Management Services	Information & Technology Services
Project Name	Facilities Inventory and Supplies Control Environment	Information and Technology Services Department's (ITS) Physical and Environmental Security Controls
Status	Closed - By Audit Team	Closed - County Audit Follow-Up Tracking Expired
Audit Report Date	4/23/2014	11/25/2014
Recommendation	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.	Consideration should be given to monitoring all forms of access to the main server room locations.
Estimated Implementation	1/1/2015	4/30/2016
Revised Implementation	2/15/2015	12/31/2015

Report #	281	286
Entity	Major Maintenance and Repair	Public Works
Project Name	Repair, Replacement, Renovation & Maintenance Program (R3M) Ops	PUBLIC WORKS INVENTORY AND SUPPLIES CONTROL ENVIRONMENT
Status	Started	Closed - By Audit Team
Audit Report Date	4/28/2015	5/6/2015
Recommendation	<p>Consideration should be given to:</p> <p>Developing and implementing a written guiding principle to establish criteria for R3M Program project dollar range. This may require revisiting the intent and purpose of the R3M Program regarding project size and duration. The directive should include re-enforcement to Section 5 of the Real Estate and Facilities Services' Policies and Procedures Manual . It requires all new project requests to be in writing, unless it is an emergency situation or a work stoppage situation. R3M should not be used for purposes inconsistent with the Policies and Procedures Manual's stated purpose.</p> <p>Implementing industry best practices of ranking the funded projects listed on the R3M Project Schedule and identifying project benefits in addition to estimated project work order costs, such as a reduction in future maintenance costs.</p> <p>Developing and implementing a process whereby personnel from the R3M Program and Operations and Maintenance (Facilities Services) communicates with each other on a regular basis. Sharing information between the two sections will be beneficial in coordinating work efforts.</p> <p>Increasing the dollar capacity of service contracts with stipulations that identify a specific percentage or dollar amount restricted to R3M Program funding. The remaining portion could be made available to others for non-R3M Program related work, payable from sources identified by the other party.</p>	<p>Consideration should be given to:</p> <ol style="list-style-type: none"> 1. Segregating incompatible duties or adding additional monitoring controls to provide a reasonable level of assurance that work is performed properly; 2. Performing unannounced periodic cycle counts; and 3. Improving the measurement method used to estimate sheeting material inventory.
Estimated Implementation	9/30/2015	9/30/2015
Revised Implementation	3/31/2016	NA

Report #	287	288	288
Entity	Fire Rescue	Recreation	Recreation
Project Name	Advanced Data Processing, Inc. Billing and Collections Agreement	PRCD Canoe/Kayak, Classroom/Shelter, and Vendor Fee Revenue Collections Control Environment	PRCD Canoe/Kayak, Classroom/Shelter, and Vendor Fee Revenue Collections Control Environment
Status	Closed - Management Accepts Risk	Closed - By Audit Team	Started
Audit Report Date	5/13/2015	5/15/2015	5/15/2015
Recommendation	<p>Consideration should be given to:</p> <ol style="list-style-type: none"> 1. Spot-checking samples of individual patient billings for accuracy. 2. Contracting with a collection agency for accounts that are aged over one year before writing off receivables as uncollectible. 	<p>To help ensure that all canoe/kayak ticket sales and ticket revenue is accounted for, consideration should be given to:</p> <ol style="list-style-type: none"> 1. Establishing a procedure for reconciling canoe/kayak ticket numbers issued to parks to ticket numbers sold and then providing timely research and resolution of any missing ticket numbers. 2. Performing unannounced monitoring of the canoe/kayak rentals to ensure that rentals have a ticket number documenting the sale. 3. Establishing a procedure to periodically reconcile canoe/kayak revenue recorded in the PRCD's Excel file record to the revenue amount recorded in the Oracle financial record. 	<p>To help ensure that all revenue is properly recorded and phone reservations and payments by mail are processed timely, consideration should be given to:</p> <ol style="list-style-type: none"> 1. Reconciling the revenue reported in RecTrac to the revenue reported in the Oracle financial record. 2. Cross training a second employee to process phone reservations and payments by mail when the employee normally assigned these responsibilities is unavailable. 3. Segregating the duties of payment collections and payment posting .
Estimated Implementation	9/30/2015	10/1/2015	5/31/2015
Revised Implementation	NA	NA	1/31/2016

Report #	288	289	292
Entity	Recreation	BOCC - Global	Public Works
Project Name	PRCD Canoe/Kayak, Classroom/Shelter, and Vendor Fee Revenue Collections Control Environment	Employee Travel Advances	Tree Trimming & Disposal Service Contract Management
Status	Started	Pending	Pending
Audit Report Date	5/15/2015	6/30/2015	9/14/2015
Recommendation	<p>Consideration should be given to establishing controls to ensure:</p> <ol style="list-style-type: none"> 1. Vendor permits are properly recorded in the Access database. 2. Duties are segregated between payment collection and posting of the payments. 3. Vendor fees are correctly listed on the PRCD's website. 4. Vendor permits are properly completed. 5. Vendor fees are properly collected. 6. Revenue recorded in the Access database reconciles to the revenue recorded in the Oracle financial record. 	<p>The County has opportunities to improve its controls over employee travel advances. Consideration should be given to:</p> <ol style="list-style-type: none"> 1. Improving the tracking of Pre-Trip Authorization forms to help ensure that all approved forms are properly entered into the system and closed out after completion or cancelation of travel. 2. Either updating the travel policy requirements or enforcing the requirement for timely filing of the request reimbursement. 	<p>Consideration should be given to improving the contract management control process. Implementing a written procedure to document the contract management work flow. Requiring the contractor and the OFC to sign all quote sheets. Requiring a higher level of management or supervision, to certify all inspection reports and include the report as support documentation for the payment process.</p>
Estimated Implementation	5/31/2015	9/1/2015	1/15/2016
Revised Implementation	1/31/2016	NA	NA

Report #	294	297
Entity	BOCC - Global	Parks, Recreation & Conservation Services
Project Name	Cash Handling Accountability Fiscal Year 2015	Parks and Recreation Department's Mowing Services Outsourcing Cost Analysis
Status	Closed - By Audit Team	Pending
Audit Report Date	10/6/2015	10/27/2015
Recommendation	Consideration should be given to Pet Resources continuing to work collaboratively with the County Finance Department, Revenue Section to account for the missing change fund and enhance the cash handling control environment by more closely monitoring change funds. No response is due to the County Audit Department.	To enhance overall operations, consideration should be given to: 1. Following through with the County's solicitation for mowing and chemical application services that were included in the original Agreement. 2. Working with the Procurement Services Department to ensure a thorough review of each bid participant's capabilities before awarding the bid. The contractor should provide adequate and sufficient documentation showing that it can satisfy the objectives of the agreement with the County.
Estimated Implementation	NA	12/31/2015
Revised Implementation	NA	NA