

PALM BEACH COUNTY
BOARD of COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: 08/14/2012

Consent Regular
 Public Hearing

Department:

Submitted By: Internal Auditor's Office

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: Audit recommendation follow-up report for period ending September 30, 2011 reviewed and approved by the Audit Committee at its May 30, 2012 meeting.

Summary: Ordinance 2010-007 requires the Internal Auditor to issue semi-annual reports on the status of open audit recommendations to the Board of County Commissioners, the Audit Committee and county management. The report is being submitted to the Board of County Commissioners as required by the Ordinance. Countywide (PFK)

Background and Policy Issues: N/A

Attachments:

Audit recommendation follow-up report as identified above.

Recommended by:

Joseph F. Bergeron
Internal Auditor

3 July 2012
Date

Recommended by:

pot [Signature]
County Administrator

7/27/12
Date



Office of the County Internal Auditor

Audit Recommendation

Follow –Up Report

Status Update as of

September 30, 2011



***Approved by Audit Committee
May 30, 2012***

Issued May 30, 2012



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Board of County
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DATE: March 28, 2012
TO: The Audit Committee
FROM: Joseph F. Bergeron, Internal Auditor
SUBJECT: Recommendation Follow-Up Report

Attached is the Internal Auditor's Recommendation Follow-Up Report providing the status of audit recommendations as of September 30, 2011. We plan to report on audit recommendations semiannually for periods ending March 31 and September 30. We plan to provide the reports to the Audit Committee at its meeting following the cut-off dates. We will submit the reports to the BCC following Audit Committee review.

The report contains a Summary Status of Audit Recommendations followed by:

- Exhibit 1 Audit Recommendations Open at Beginning of the April 1, 2011 through September 30, 2011 Reporting Period
- Exhibit 2 Audit Recommendations Issued During the April 1, 2011 through September 30, 2011 Reporting Period
- Exhibit 3 Open Audit Recommendations by County Department at September 30, 2011
- Exhibit 4 Summary Aging of Open Audit Recommendations
- Exhibit 5 Audit Recommendations Submitted for Audit Committee Consideration
- Exhibit 6 Audit Recommendations Closed During the April 1, 2011 through September 30, 2011 Reporting Period
- Exhibit 7 Listing of Open Audit Recommendations as of September 30, 2011 that have had follow-up work
- Exhibit 8 Listing of Open Audit Recommendations for which follow-up had not yet been scheduled at September 30, 2011

The purpose of this report is to keep the Audit Committee, the BCC and County Administration informed of the status of recommendations made by the Internal Auditor's Office. We welcome any suggestions to improve this report to enhance oversight of Internal Auditor Office operation.

Exhibit 5 includes recommendations that are at least two years old or which have had final management action without correcting the underlying condition where we believe additional action is necessary.

SUMMARY STATUS OF AUDIT RECOMMENDATIONS

SEPTEMBER 30, 2011

As of September 30, 2011, the Internal Auditor's Database of Audit Recommendations showed that management actions had not been completed on 65 recommendations. These recommendations are considered as "Open". Of those 65 open recommendations, follow-up has been conducted on 20 showing that management action has started but was not yet complete. The other 45 open recommendations are scheduled for follow-up in the future and no audit evaluation has been conducted at this time.

Changes in the inventory of Audit Recommendations during the period April 1, 2011 through September 30, 2011 are shown below:

Open Audit Recommendations as of March 31, 2011	150
Additional Audit Recommendations resulting from Audit Reports Issued from April 1 through September 30, 2011	35
Audit Recommendations Completed April 1 through September 30, 2011	120
Open Audit Recommendations as of September 30, 2011	65

Recommendation follow-up work is generally conducted within one year of report issuance or earlier if management indicates that final action is expected to occur. Follow-up is done to determine the following:

- Was the recommendation implemented as agreed to by management? Or, if not, did alternative management action(s) correct the identified deficiency (ies)?
- Was the underlying cause (condition) corrected?

Sufficient audit evidence is developed to support a conclusion as to implementation of the recommendation and correction of the underlying cause (condition). If final management action has been taken on all audit recommendations in an audit report, the recommendations are considered "Complete" and are included in the current report, but not in future reports.

If management action(s) are not complete on any or all of the audit recommendations in an audit report, they are included in this report as "In Process" and another audit follow-up will be scheduled. In those cases where final management action has been taken and the underlying cause (condition) has not been corrected, we show this recommendation as Completed, Not Implemented. These recommendations are included within Exhibit 5 for Audit Committee consideration.

**Exhibit 1: Audit Recommendations Open at Beginning of Reporting Period
April 1, 2011 Through September 30, 2011**

Report	Number of Open Audit Recommendations Beginning of Reporting Period	Final Management Action Taken During Reporting Period	Number of Open Audit Recommendations End of Reporting Period
07-02 Office of Community Revitalization Countywide Community Revitalization Pgm	1	1	0
07-11 Community Services Department Financially Assisted Agencies	3	2	1
07-23 Facilities Development and Operations Property & Real Estate Management Division	2	1	1
09-02 Public Safety Animal Care & Control	8	8	0
09-05 Criminal Justice Commission Grant Administration	1	1	0
09-16 Planning, Zoning, & Building Code Enforcement	1	1	0
09-22 Fire Rescue Overtime	2	1	1
09-24 Parks & Recreation Recreation Services Division	3	3	0
09-25 Facilities Development and Operations Facilities Management Division	3	3	0
09-26 Office of Equal Opportunity Employment, Housing and Other Programs	3	3	0
09-29 Palm Tran Bus Advertising	4	4	0
09-30 Office of Small Business Assistance SBE Program	5	5	0
10-01 Office of Financial Management & Budget Financial Management Division	2	2	0
10-02 Environmental Resources Management Environmental Enhancement & Restoration	1	1	0
10-06 Community Services Department Ryan White Program	7	5	2
10-07 Purchasing Warehouse Operations	5	2	3
10-10 Housing & Community Development Fiscal Management Section	3	3	0
10-11 Office of Financial Management & Budget Contract Development & Control	1	1	0
10-12 County Library Branch Operations	1	1	0
10-13 Airports Car Rental Concessions	3	3	0
10-15 Engineering & Public Works Engineering Services Annual Contracts & Survey	3	3	0
10-17 Engineering & Public Works Land Development Division	4	3	1

**Exhibit 1: Audit Recommendations Open at Beginning of Reporting Period
April 1, 2011 Through September 30, 2011**

Report	Number of Open Audit Recommendations Beginning of Reporting Period	Final Management Action Taken During Reporting Period	Number of Open Audit Recommendations End of Reporting Period
10-18 Human Resources			
Employee Donation of Vacation Leave PPM	3	3	0
10-19 Engineering & Public Works			
Engineering Services MSTU	7	7	0
10-20 Water Utilities			
ARRA Internal Controls Review	6	6	0
10-21 Human Resources			
Controlled Substances Drug Testing	3	3	0
10-22 Administration			
ARAMARK Food & Beverage Contract	2	2	0
10-23 Fire Rescue			
Bureau of Safety Services	2	0	2
10-25 Facilities Development & Operations			
ARRA Internal Controls Review	1	1	0
10-25 Palm Tran			
ARRA Internal Controls Review	2	2	0
11-01 Community Services Department			
Human Services	1	1	0
11-03 Administration			
Global Spectrum	2	0	2
11-04 Community Services Department			
ARRA Internal Controls & Reporting	2	2	0
11-04 Facilities Development & Operations			
ARRA Internal Controls & Reporting	2	2	0
11-05 Administration			
Follow-up on Countywide PPM CW-O-001	3	1	2
11-08 Environmental Resources Management			
Resources Protection	3	3	0
11-09 Housing & Community Development			
Commission on Affordable Housing	9	0	9
11-10 County Library			
Main Library Follow-up on Previous Recomm	5	4	1
11-11 Administration			
Performance Measures Countywide	5	5	0
11-12 Parks & Recreation			
Special Facilities	1	1	0
11-13 Airports			
Parking Pass Usage	7	7	0
11-14 Information Systems Services			
Voice Services	4	0	4
11-15 Office of Financial Management & Budget			
Public Service Tax - Electricity & Franchise Fees	1	1	0
11-15 Planning, Zoning, & Building			
Public Service Tax - Electricity & Franchise Fees	2	0	2

**Exhibit 1: Audit Recommendations Open at Beginning of Reporting Period
April 1, 2011 Through September 30, 2011**

Report	Number of Open Audit Recommendations Beginning of Reporting Period	Final Management Action Taken During Reporting Period	Number of Open Audit Recommendations End of Reporting Period
<u>11-16</u> Public Safety Justice Services Division	2	0	2
<u>11-17</u> Planning, Zoning, & Building Contractor Certification	1	1	0
<u>11-20</u> Palm Tran IT Systems	2	0	2
<u>11-21</u> Palm Tran Transportation Disadvantaged Bus Pass Pgm	6	5	1
Total	150	114	36

**Exhibit 2: Audit Recommendations Issued During the April 1, 2011 Through
September 30, 2011 Reporting Period**

Report	Number of Audit Recommendations Issued this Reporting Period	Final Management Action Taken During Reporting Period	Number of Open Audit Recommendations End of Reporting Period
11-22 Administration			
Countywide Audit of Take Home Vehicles	4	0	4
11-23 Parks & Recreation			
Osprey Point Golf Course Cash & Revenue Controls	2	0	2
11-24 Information Systems Services			
WAN Agreements/Public Sector & Non-profits	4	1	3
11-26 Housing & Community Development			
ARRA Internal Controls & Reporting	4	0	4
11-28 Risk Management			
Prescriptions	2	0	2
11-30 Office of Financial Management & Budget			
Public Service Tax - FPU	2	2	0
11-31 County Attorney			
Interdepartmental Billings	2	1	1
11-31 Office of Financial Management & Budget			
Interdepartmental Billings	3	0	3
11-32 Water Utilities			
Inventory Warehouse	8	0	8
11-33 Administration			
Consultants Overhead Rates	1	0	1
11-34 Office of Financial Management & Budget			
Public Service Tax - Ferrellgas	3	2	1
Total	35	6	29

**Exhibit 3: Open Audit Recommendations
by County Department
as of September 30, 2011**

Department	Number of Open Recommendations
Administration	9
Community Services Department	3
County Attorney	1
County Library	1
Engineering & Public Works	1
Facilities Development & Operations	1
Fire Rescue	3
Housing & Community Development	13
Information Systems Services	7
Office of Financial Management & Budget	4
Palm Tran	3
Parks & Recreation	2
Planning, Zoning, & Building	2
Public Safety	2
Purchasing Department	3
Risk Management	2
Water Utilities	8
Total Open Recommendations	65

Exhibit 4: Summary Aging of Open Audit Recommendations

Timeframe	Inventory at Beginning of Period (Exhibit 1)	Issued During this Period (Exhibit 2)	Closed During this Period (Exhibits 1 & 2)	In Process (Exhibit 7)	Follow-up Not Yet Scheduled (Exhibit 8)	Open at End of Period (Exhibits 7 & 8)
0 - 3 Months	0	14	1	0	13	13
3 - 6 Months	0	21	5	3	13	16
6 - 12 Months	58	0	33	6	19	25
1 - 2 Years	56	0	48	8	0	8
Over 2 Years	36	0	33	3	0	3
Total	150	35	120	20	45	65

Exhibit 5: Audit Recommendations
Submitted for Audit Committee Consideration

**Recommendations for which Final Management Action Has Been Taken
Without Resolving the Underlying Condition**

Audit Report #10-17 Engineering Land Development Division Issued June 2010	
Audit Recommendations and Management Response	Status on Follow-up and Internal Audit Comments
<p>3. The Land Development Division Director should eliminate the password override option and have users contact a system administrator to reset their password if unable to access the system.</p> <p><i>The Land Development Division Director agreed with this recommendation, stating that the password override option had been eliminated.</i></p>	<p>Audit follow up in 2011 showed that the password override option had not been eliminated. The Land Development Division Director stated that there was no option available to authenticate the password of non-County users. She made a management decision to maintain the status quo.</p> <p><u>Internal Audit Comment</u> In our view, all users, temporary and permanent, should require password authentication to access the EPermit system. The Land Development Division Director should further consult with the ISS Department Director to design a solution to this issue.</p>
Audit Report # 11-11 Administration Performance Measures Countywide Issued December 8, 2010	
Audit Recommendations and Management Responses	Status on Follow-up and Internal Audit Comments
<p>1. The County Administrator should task the Office of Management and Budget Director to review and evaluate the HOP initiative. The evaluation should include, to the extent possible, the benefits and costs of the initiative, and lessons learned. Based on this evaluation, the Office of Management and Budget should propose alternatives for the County Administrator to consider in furthering the performance measure initiative in the County.</p>	<p>Audit follow up in 2011 showed that action had not been taken to review and evaluate prior HOP effort at improving performance measures. In a positive move, however, the OFMB Department Director tasked Budget Analysts to work with County departments to improve the quality of the performance measures. Our testing shows that Budget Analysts communicated with their respective departments for the FY 2012 budget to work</p>

Exhibit 5: Audit Recommendations
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<p><i>The County Administrator agreed with this recommendation. Although there has been no official HOP procedure in place since the elimination of the Management Section of OFMB, there was an increased awareness of performance measures and their implications during the FY 2011 budget development process. For FY2012, the intent is to establish a more formalized process.</i></p>	<p>on improving the quality of performance measures.</p>
<p>3. The County Administrator should reinforce to County departments and agencies, the need for continuing improvement in the quality of performance measures. Departments/agencies should be required to increasingly establish measures of effectiveness and efficiencies, including service delivery and customer satisfaction, rather than of workload.</p> <p><i>The County Administrator agreed there is a need to improve the quality of performance measures being reported and will endeavor to include more efficiency/effectiveness measures. However, in times of workforce reductions, measures of workload for remaining staff take on added meaning and, as such, we do not choose to de-emphasize workload measures at this time. Budget Division staff working with the departments will strive to develop an appropriate blend of both types of performance measures during the upcoming budget development process.</i></p>	<p>Audit follow up in 2011 showed that Budget Analysts working with departments increased the percentage of efficiency measures in the FY 2012 budget to 32 percent versus 19 percent in the FY2010 budget. Effectiveness measures declined to 8 percent from the previous 10 percent.</p>
<p>4. The County Administrator should consider and distinguish between performance measures which are necessary to ensure sound management of County operations and those performance measures appropriate for public information as part of regular periodic reporting. In this regard, municipalities and counties in the U.S. have developed so-called Citizen Performance Measures, sometimes referred to as ‘Dashboards’ to facilitate citizen participation in government performance</p>	<p>Audit follow up work in 2011 showed that action was not taken to implement this recommendation. The OFMB Department Director told us that there has been no effort to attempt to incorporate citizen performance measures or ‘Dashboards’ into County performance measures.</p>

Exhibit 5: Audit Recommendations
Submitted for Audit Committee Consideration

<p>measures.</p> <p><i>The County Administrator agreed with the recommendation and, as stated in response to Recommendation (3), will work together to improve performance measure reporting.</i></p>	
	<p><u>Internal Audit Comment</u></p> <p>In our view, Palm Beach County does not have an overall strategy to improve the quality of performance measures. The effort on the part of Budget Analysts has had some positive effect on the percentage of performance measures addressing efficiency, however, effectiveness measures have not increased. The County Administrator should take a lead role in introducing a long-range program designed to improve performance measures, including additional reporting requirements and review.</p>

Exhibit 5: Audit Recommendations
Submitted for Audit Committee Consideration

Recommendations Which Have Been Open Longer Than Two Years

<p>Audit Report # 07-11 Community Services Financially Assisted Agencies Issued June 20, 2007</p>	
<p>Audit Recommendations and Management Response</p>	<p>Status on Follow-up and Internal Audit Comments</p>
<p>4. The CSD Manager of Planning and Evaluation should ensure that all Program Monitors maintain adequate documentation of site visits and other FAA contacts in agency files.</p> <p><i>The Department Director agreed with the recommendation and stated the change had been implemented with the 2007 contract site monitoring which began in February, 2007. All site monitoring will be appropriately documented. A letter to the agency stating the date of the site monitoring as well as a follow up document to the agency outlining the findings of the site monitoring will be sent by the program monitor and kept in each agency's contract file.</i></p>	<p>In process. Our testing showed that although site visit reports were prepared, some were not in accordance with PPM CSO-110 as required. Manager stated corrective action to be completed by March 1, 2012.</p> <p><u>Internal Audit Comment</u></p> <p>Management action has substantially addressed the audit recommendation and underlying condition. However, as some site visit reports are still not adequately documented, we will schedule an additional follow up based on management's projected target completion date.</p>

Exhibit 5: Audit Recommendations
Submitted for Audit Committee Consideration

Audit Report # 07-23 Facilities Development and Operations Department Issued September 12, 2007	
Audit Recommendations and Management Response	Status on Follow-up and Internal Audit Comments
<p>1. The Department Director should review issues involved in the Division not carrying out responsibilities assigned in PPM CW-L-023 and CW-L-024 including the extent that other County departments administer leases within the Division's responsibility.</p> <p><i>The Department Director agreed that the Division had not strictly complied with requirements but stated that the PPMs in question were antiquated and did not reflect the decentralization that has occurred over time. Further the PPMs contain requirements which are not appropriate for the types of leases the County negotiates currently. The proposed revisions to the PPMs were expected to be February 2008.</i></p>	<p>Audit follow up in 2008 found that the BCC had established a Property Review Committee in August 2010 which required that the PPM be redrafted. The Department Director believed that the PPM should be complete by September 2010.</p> <p>Audit follow up in 2011 show no change from the previous follow up with the County wide PPM still not having been approved/implemented.</p> <p><u>Internal Audit Comment</u></p> <p>This audit recommendation has been outstanding for more than three years. Although the Department has faced difficulty due to a new Property Review Committee being formed, we have not been advised of progress on implementation. We will continue to follow up on this during the next round of audit follow ups.</p>

Exhibit 5: Audit Recommendations
Submitted for Audit Committee Consideration

Audit Report #09-22 Fire Rescue Overtime Issued June 10, 2009	
Audit Recommendations and Management Response	Status on Follow-up and Internal Audit Comments
<p>1. The Fire Rescue Department Administrator should ensure that overtime assignments and verification of overtime worked is documented in accordance with Operational Procedure I-54. Specifically, he should ensure that:</p> <ul style="list-style-type: none"> • District Chiefs document the personnel assigned in accordance with the Overtime Computer Program, and limit use of “Skipped, DC did not try” to those situations included in the Operational Procedure. • All personnel earning overtime to individually submit Employee Requests and limit the authority of District Chiefs to sign as both authorizing and approving officials. • Station log books are maintained to show all time in and out for personnel working overtime. <p><i>The Fire Rescue Department Administrator agreed with the finding and recommendation. The Fire Rescue Administrator stated that steps had already been taken to strengthen controls by reemphasizing to station chiefs and others the need to follow Operational Procedure I-54 in regard to documenting the reason for staff selection for overtime, and to document the log books as required. He also indicated that ‘spot checks’ would be done periodically to ensure that personnel are complying with the policies and procedures. As to Employee Leave Request related to overtime, the Fire Rescue Administrator stated that two options would be explored to address the notification and approval requirements mentioned in the recommendation. Finally, as</i></p>	<p>Audit follow up work in 2010 showed that an ISS-developed system was being implemented to attempt to implement the audit recommendation and ensure that overtime assignments were in accord with policy. The auditor noted however that the “Skipped, DC did not try” was still being utilized and that further work was needed on the system.</p> <p>Audit follow up work in 2011 shows that the ISS-developed system was judged not workable and it was decided to procure an off-the-shelf system. According to Department officials, a new system was procured in September 2011 with implementation scheduled for March 2012.</p> <p><u>Internal Audit Comments</u></p> <p>Management has been attempting to correct the audit-identified deficiency for over two years. The purchase of the new software should help implement the necessary changes. Internal Audit will follow up on this action during our next round of audit follow-ups.</p>

Exhibit 5: Audit Recommendations
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<p><i>to Station Log Books, the Fire Rescue Administrator stated that the Fire Rescue Operations Division would be performing periodic checks of station log books and that Department policy would be updated to more clearly reflect this requirement.</i></p>	
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Exhibit 6
Audit Recommendations Closed During
The April 1, 2011 to September 30, 2011 Reporting Period

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>07-02 Office of Community Revitalization <i>Countywide Community Revitalization Program</i></p>	
<p>Report issued 3/14/07 Recommendation #2 open after follow up in 2009 and 2010.</p>	
<p>#2 The OCR Manager should develop PPMs that include the current checklists being used as well as documentation requirements and payment procedures for each of the programs.</p>	<p>Completed. Our testing shows that PPMs have been completed including checklists and payment procedures.</p>
<p>07-11 Community Services <i>Financially Assisted Agencies</i></p>	
<p>Report issued 6/20/07 Recommendations #1 and #2 open after follow ups in 2008 and 2010.</p>	
<p>#1 The Director, CSD should ensure that CSD staff identifies the cause of the noted anomaly and has the respective agency correct it. He should also ensure that staff closely scrutinizes the FAA outcome measurement results and reports these results to the BCC annually during the budget process as they evaluate and consider the continued funding of each FAA.</p>	<p>Completed. Our testing shows that the anomaly had not reoccurred and agency had corrected error. Documentation was provided to show BCC has been given information on outcome measures.</p>
<p>#2 The Director, CSD should establish a grace period for quarterly report submissions, during which staff would remind delinquent agencies of the time requirements and penalty for non-compliance. At expiration of the grace period, CSD should enforce the contractual provision to hold funding until required reports are submitted.</p>	<p>Completed. Department modified internal PPM CSO-116 established August 2010 providing for a grace period of three weeks.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
07-23 Facilities Development and Operations <i>Property and Real Estate Management Division</i>	
Report issued 9/12/07 Recommendation #2 open after follow ups in 2008 and 2010.	
#2 The Department Director should also ensure that the Division develop and issue internal PPMs as required by Countywide PPM CW-O-001.	Completed. Division Procedures and Guidelines Booklet issued June 2011.
09-02 Public Safety <i>Animal Care and Control Division</i>	
Report issued 12/17/08 Recommendations #1, #2, #3, #4, #5, #6, #7, and #8 open after follow up in 2010.	
#1 The Division Director should establish procedures requiring reconciliation of tags issued to veterinary offices with receipts for tag sales from those offices.	Completed. Management established alternative process to account for tags.
#2 The Division Director should ensure that the MOA requirements for veterinary offices are consistent with internal procedures in areas such as billings and assessment of penalties for late payments.	Completed. Management implemented procedures to consistently bill veterinary offices and comply with County Ordinance.
#3 The Division Director should also consider whether there is a continuing need to actually bill veterinary offices monthly.	Completed. Management modified procedure as result of audit. As of October 2011 this function has been outsourced.
#4 The Division Director should evaluate the procedures being followed in preparing deposits covered by PPM FB-F-004, determine the need for each, and revise the PPM as necessary.	Completed. Management evaluated procedures and determined all procedures were necessary. Outsourcing as of October 2011 will lead to further PPM revisions.
#5 The Division Director should require that Spay Shuttle staff account for all sequential receipts when submitting revenue receipts to Accounting for deposit. A new procedure should be developed addressing this responsibility for the Spay Shuttle staff.	Completed. Management requires sequential receipts and our testing validated process.

Audit Report Number, Title and Recommendation(s)	Implementation Status
#6 The Division Director should consider having Spay Shuttle customers remit fees due at the Customer Service desk rather than having Spay Shuttle staff collect revenues, adding additional computerization controls and accountability to the process currently in use.	Completed. Management requires spay shuttle customers to remit fees at the Customer Service desk.
#7 The Division Director should develop procedures governing the physical security of controlled substances in the Clinic.	Completed. Management updated PPM CL-O-023 on controlled substances in September 2008.
#8 The Division Director should also develop a process which ensures that all State of Florida monitoring reports are reviewed by both the Clinic Veterinarian and the Animal Care and Control Director.	Completed. Management developed process to ensure Division Director is aware of monitoring reports.
09-05 Criminal Justice Commission Grant Administration	
Report Issued 12/17/08 Recommendation #2 open after follow-up in 2010.	
#2 The Secretariat Executive Director should ensure that documentation is provided by the City of Boynton Beach on the calculations used to compute the City's in-kind contribution for Fiscal Years 2007 and 2008. The supporting documentation should be reliable and current. In addition, the participating municipalities should be required to support the in-kind contribution to the Youth Violence Prevention Project.	Completed. Secretariat Executive Director obtained evidence of calculations used to support in-kind contributions. Other municipalities also supported in-kind contributions as required.
09-16 Planning, Zoning and Building Code Enforcement Division	
Report Issued 6/10/2009 Recommendation #1 open after follow-up in 2010.	
#1 The Code Enforcement Director should reemphasize the need for Code Enforcement staff to follow established documentation and recording standards and guidelines in working each case. The Code Enforcement Director should institute a review process for case file documentation and system records by the Senior Code Enforcement Officer of each team to ensure that the PPM guidelines are complied with.	Completed. The Code Enforcement Director revised procedures to clarify reporting and documentation requirements. Our testing shows that the process has been implemented and was functional.

Audit Report Number, Title and Recommendation(s)	Implementation Status
09-22 Fire Rescue <i>Overtime</i>	
Report Issued 6/10/2009 Recommendations #2 open after follow up in 2010.	
#2 The Fire Rescue Department Administrator should ensure verification of overtime authorized with overtime actually worked.	Completed. Our testing show that reconciliations are now performed of overtime authorized and that actually worked.
09-24 Parks & Recreation <i>Recreation Services Division</i>	
Report Issued 9/09/2009 First follow up	
#1 The Recreation Services Division Director should consult with the County Attorney's Office to determine whether to retain or to modify the current Agreement language relating to financial statements and board member listings. If the decision is made to retain such provisions, the Recreation Services Division Director should ensure that all Sports Providers comply with the requirements.	Completed. Revised Sports Provider Agreement was implemented requiring financial statements and board member listings. A new Facility Handbook was issued July 2011.
#2 The Recreation Services Division Director should ensure that providers using outsourced vendors obtain written approval for concession operations, and provide evidence of the required liability insurance coverage.	Completed. This was included in new Agreement and Handbook noted above.
#3 The Recreation Services Division Director should consult with the County Attorney for the Department to discuss whether the term volunteer organization needs to be clarified and whether there is a need to further clarify compensation of administrative officers. In addition, discussion should be held as to whether food permit and licensing requirements found in some County contracts are applicable to the not for profit food concession operators.	Completed. Division consulted with County Attorney which resulted in changes to Sports Provider Agreement. Revised Handbook was issued July 2011. Our testing shows that changes have been implemented.

Audit Report Number, Title and Recommendation(s)	Implementation Status
09-25 Facilities Development and Operations <i>Facilities Management Division</i>	
Report Issued 9/09/2009 First follow up	
#1 The Division Director should develop a Divisional PPM specifying requirements for Contract Evaluators to monitor and evaluate custodial and lawn service vendor performance. The PPM should standardize the requirements for all regions to allow consistent monitoring and documentation needs.	Completed. Division Director implemented PPM effective October 2009 that implemented audit recommendation. PPM standardized requirements.
#2 The Division Director should ensure that all PMs are performed according to the established schedule. In those cases where it is not possible to complete the PMs, the Director should establish internal controls and procedures to ensure that the incomplete PMs are completed in a timely fashion.	Completed. Division Director implemented changes to system requiring explanations for overdue PMs and monthly reporting to identify all problem and overdue projects and work orders.
#3 The Division Director should ensure uniformity by regions in the classification and documentation for PMs open more than 60 days. Regions should be required to enter the reason(s) for PMs being outstanding for this length of time, and regions should act uniformly in the handling of vendor-related PMs.	Completed. Division Director requires monthly report from Division Directors on all overdue projects and work orders.
09-26 Office of Equal Opportunity <i>Equal Employment, Fair Housing and Other Programs</i>	
Report Issued 9/09/2009 First follow up	
#1 The Office of Equal Opportunity Director should ensure that the methodology and record keeping of performance results required to be reported to OFMB for budget purposes are accurate and reliable.	Completed. Our testing shows that methodology and recording keeping of performance measures have been modified and reported results are accurate and reliable.
#2 The Office of Equal Opportunity Director should review the performance measures being used for OEO and Fair Housing programs and consider using measures more indicative of program efficiency and/or effectiveness.	Completed. OEO Director modified performance measures to include efficiency measures.

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>#3 The Office of Equal Opportunity Director should ensure that plans to use available reserve funds in lieu of County general funds are implemented.</p>	<p>Completed. OEO Director used reserve funds and balance has been reduced from \$1.9 million in FY2009 to \$278,000 in FY2012.</p>
<p>09-29 Palm Tran <i>Bus Advertising</i></p>	
<p>Report Issued 9/09/2009 First follow up</p>	
<p>#1 The Executive Director should obtain the CPA report from the Contractor for the contract period ended July 31, 2008 and due by October 29, 2008 and reconcile the report to the Contractor's Gross Billing reports.</p>	<p>Completed. Palm Tran decided not to require reports for prior years; however, audit report for FY2011 complies with requirements.</p>
<p>#2 The Executive Director should ensure that the CPA report from the Contractor for the contract period ending July 31, 2009 and due by October 29, 2009 is received and reconciled to the Contractor's Gross Billing Reports.</p>	<p>Completed. Palm Tran decided not to require reports for prior years; however, audit report for FY2011 under new contract complies with CPA report requirements.</p>
<p>#3 The Executive Director should ensure that the Contractor's statement of gross billings is signed and contains required certification language.</p>	<p>Completed. Palm Tran showed evidence that statements were signed and contained required language.</p>
<p>#4 The Executive Director should ensure that rates, rate adjustments and any deviations from rates approved in the contract are approved.</p>	<p>Completed. Our testing shows that rates, rate adjustments, and deviations are approved.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
09-30 Office of Small Business Assistance SBE Program	
Report Issued 9/09/2009 First follow up	
#1 The Deputy County Administrator should ensure that efforts to implement an information system capable of accurately and reliably reporting performance information on the M/WBE and SBE programs be given high priority by (1) ensuring sufficient funding is available to complete system development and testing, (2) requiring the establishment of internal controls and documentation within the ISS-developed system, (3) requiring departments to assign appropriate priority and resources to the effort, and (4) ensuring County-wide controls to verify information provided to OSBA.	Completed. Audit follow up shows that the information system is substantially complete and is providing reliable and accurate information on M/WBE participation. Funding and other constraints have been overcome.
#2 The OSBA Director should ensure, to the extent practicable, that revisions to the SBE Ordinance and PPM CW-O-043 are made as planned.	Completed. Both the SBE Ordinance and PPM CW-O-043 have been revised.
#3 The OSBA Director should review, on a sample basis, recertification approvals and require additional information to support the contractor/vendor continuing to meet the certification requirements contained in the SBE Ordinance. We also suggest that the OSBA Director maintain documentation on any review(s) of the sample selected.	Completed. Our testing shows that OSBA now requires additional information for all re-certifications, expanding on the audit recommendation.
#4 The OSBA Director should prepare periodic reports to the Deputy County Administrator on the progress made in ensuring that information on County awards and payment applications are provided to OSBA.	Completed. Although formal reports had not been submitted, we were told by OSBA Acting Director that frequent contact had been made between OSBA and Deputy County Administrator to ensure that reliable system (Recommendation 1) was implemented.
#5 The OSBA Director should ensure site visits are conducted during the performance of a project for SBE sub-contractors/consultants. The results of the site visits should document the SBE sub-contractor/consultant being utilized and the work being performed.	Completed. Audit follow up shows that although the Deputy County Administrator did not agree that it was OSBA responsibility to perform site visits, the Acting Director has, in 2011, instituted a program of site visits.

Audit Report Number, Title and Recommendation(s)	Implementation Status
10-01 Office of Financial Management & Budget <i>Financial Management Division</i>	
Report Issued 12/07/2009 First follow up	
#1 The Financial Management Division Director should ensure that Penn Credit Corporation submits the contractually required annual audited financial schedules to ensure all monies due the County have been accounted for and reflected in compliance with the contracts.	Completed. Our testing showed that annual audited financial schedules were in compliance with contract requirements. Also, amounts were reconciled to County accounting records.
#2 The OFMB Director and Financial Management Division Director should review and revise, if necessary, PPM CW-F-048 considering the duties that the Collections Coordinator has assumed and the likelihood that responsibilities now assigned by the PPM may be performed in the future.	Completed. PPM CW-F-048 was revised April 2010 to better align with current practices of County Collections Coordinator.
10-02 Environmental Resources Management <i>Environmental Enhancement & Restoration</i>	
Report Issued 12/07/2009 First follow up	
#1 The Division Director should issue and implement division level procedures related to the Sea Turtle Lighting Program inspection and enforcement activities. These procedures should reflect the requirements of the Ordinance and include a review process for case file documentation and system records to ensure that guidelines are being complied with.	Completed. Division Director implemented a new PPM governing the Sea Turtle Lighting Program in November 2010. New PPM addresses areas of audit concern and was applied to the 2011 Sea Turtle season, showing increased documentation and system records for compliance.

Audit Report Number, Title and Recommendation(s)	Implementation Status
10-06 Community Services Department Ryan White Program	
Report Issued 03/17/2010 First follow up	
<p>#1 The Community Services Department Director should develop and issue PPMs governing program and fiscal monitoring to be performed by its Ryan White support staff. The PPM should specify, at a minimum, the documentation required for both the once-a-year agency-wide reviews and the individual monitoring visits, frequency and number of client files required for site visits, specific items to be included in any checklists developed, supervisory review requirements, and follow up actions on any issues disclosed on both the annual and the interim monitoring visits. Procedures should also include a comparison of selected provider reimbursement requests which are compared to actual client file notes to ensure services billed and paid by the Department have been provided.</p>	<p>Completed. The Department Director developed a new PPM revising the prior monitoring tools. This was implemented beginning January 2010. Our testing show that PPM requirements have been implemented.</p>
<p>#2 The Community Services Department Director should ensure that the Quality Management Coordinator performs the duties required of the position, including data collection, reports, and evaluation of standards.</p>	<p>Completed. The Department Director developed a new Quality Management work plan addressing the duties of the Quality Management Coordinator. Also, the Program Manager is now required to monitor her performance.</p>
<p>#5 The Community Services Department Director should review CAP's billing for case management services in order to resolve the questioned cost of \$19,810. The Department Director should also consider expanding the review to cover the entire grant year for all clients eligible for Medicaid PAC to determine the existence, if any, of other improper billing.</p>	<p>Completed. The Department Director sought clarification of this issue from the State Medicaid Office. The State Office found that the \$19,810 charge was appropriate.</p>
<p>#6 The Community Services Department Director should review the provision of support services to the CARE Council taking into consideration the potential for conflict of interest situations due to the same provider performing both support services to the CARE Council as well as primary care to clients. Consideration should be given to providing the support services through staff employed by the Department.</p>	<p>Completed. The Department Director has brought the support services function in-house, thereby eliminating the potential conflict of interest.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>#7 The Community Services Department Director should discuss with the Office of Financial Management and Budget Director and the County Attorney, the participation of the Contract Coordination Division Director in the review process of provider contracts. Consideration should be given to having another person assigned responsibility for review of contracts involving his spouse.</p>	<p>Completed. The Department Director discussed the issue with other County departments. The issue has been resolved as the person involved is no longer associated with the contracted agency.</p>
<p>10-07 Purchasing <i>Warehouse Operations</i></p>	
<p>Report Issued 03/17/2010 First follow up</p>	
<p>#2 The Warehouse Manager should ensure proper segregation of duties for Storekeepers involved in warehouse operations. This should include modifying the security role in the Advantage accounting system for the Storekeepers to 'Validate Only' for SRQs. Modifying the security role would help prevent the processing of an SRQ without review and reduce the risk of error or fraud.</p>	<p>Completed. Department Director acted to have roles and responsibilities modified to ensure segregation of duties.</p>
<p>#5 The Warehouse Manager should require all departments requesting paycheck delivery to either 1) designate a person or persons authorized to accept paychecks and have them sign for the paychecks upon delivery or, 2) send a memo or e-mail message to the Warehouse Manager stating the department will accept responsibility for the delivery of their paychecks. In addition, a periodic review of the Storekeeper's log sheets for proper signatures and dates should be conducted to ensure accurate documentation of all paycheck deliveries.</p>	<p>Completed. Department Director implemented procedure requiring signature from person who typically receives mail in each County department.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
10-10 Housing & Community Development <i>Fiscal Management Section</i>	
Report Issued 03/17/2010 Recommendations #1, #2, #4 still open.	
<p>#1 The HCD Director should ensure that the Fiscal Management Section improve loan administration through compliance with Departmental PPMs. In regard to repayable loans, the Fiscal Management Section should:</p> <ul style="list-style-type: none"> (a) Provide annual statements to clients; (b) Issue delinquency notices and apply late charges as set forth in the PPMs. (c) Prepare monthly status reports of all loans, including those that are delinquent. (d) Record loans accurately in the MAX system and prepare postings in a timely manner. 	Completed. HCD has issued PPMs for the servicing of Repayable and Cash Flow Dependent Loans. These address the issues discussed in the audit recommendation.
<p>#2 The HCD Director should ensure that the Fiscal Management Section comply with Departmental PPMs as well as requirements of the Mortgage and Security Agreement and Promissory Notes relative to cash flow dependent loans by:</p> <ul style="list-style-type: none"> (a) Ensuring that clients submit certified Cash Flow Statements annually in a timely manner. (b) Forwarding all certified Cash Flow Statements to OFMB, requesting a determination letter, and following up on any determination letters not received. (c) Demanding payment from clients for whom payment required determinations were received from OFMB. 	Completed. HCD has instituted procedures to ensure that staff complies with Departmental PPMs. New tracking systems have been implemented, including additional coordination with OFMB.
<p>#4 The HCD Director should ensure periodic follow-up with the County Attorney's Office on all cases referred. We suggest a tracking sheet be used to record the date(s) that actions are referred with target dates for follow-up.</p>	Completed. HCD has followed up on all cases referred to the County Attorney's Office.

Audit Report Number, Title and Recommendation(s)	Implementation Status
10-11 Office of Financial Management & Budget <i>Contract Development & Control</i>	
Report Issued 06/23/2010 First follow up	
#1 The CDC Director should consider available options in order to maintain an accurate and current contract register. If staffing is a recurrent issue, the CDC Director should determine whether staff assigned to other functions can be used to help maintain the contract register. If staff is not available, the CDC Director should discuss the matter with the OFMB Director and determine other steps that may be taken.	Completed. CDC Director realigned staff positions to achieve better efficiency. Our testing showed that contract register was accurate and current.
10-12 County Library <i>Branch Operations</i>	
Report Issued 06/23/2010 First follow up	
#1 The Library Department Director should require couriers to enter the date on the log during pickup and delivery of bank bags between branch libraries and the Library Annex. The security vendor should also be required to enter the date in the customer receipt book during pickup of bank bags from the Library Annex. In addition, internal PPM CLL-300 entitled Courier Service should be updated to require a date be entered by both parties when receiving and delivering bank bags.	Completed. Our testing showed dates entered on courier log and customer receipt book. PPM amended to require dates to be entered.
10-13 Airports <i>Car Rental Concessions</i>	
Report Issued 06/23/2010 First follow up	
#1 The Airports Department Director should ensure that Car Rental companies submit audit reports that meet the terms of the Agreement.	Completed. Our testing shows that audit reports submitted by companies since our audit report have met terms of Agreement.
#2 The Airports Department Director should ensure that audit reports submitted contain all Schedules required by the Agreement.	Completed. Our testing shows that audit reports submitted by companies since our audit report have included all required schedules.

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>#3 The Airports Department Director should ensure that \$1,068.96 is collected from National Car Rental of Palm Beach and that recoupment fees charged by the car rental company are included in Gross Revenue calculations as specified in the Agreement.</p>	<p>Completed. Department collected amount of \$1,068.96.</p>
<p>10-15 Engineering & Public Works <i>Engineering Services Annual Contracts & Survey</i></p>	
<p>Report Issued 06/23/2010 First follow up</p>	
<p>#1 The Engineering Services Division Director should ensure that the determination of the initial performance bond required of contractors is documented. We suggest that a Division PPM be prepared outlining the procedures to be followed by staff in estimating the amount of the performance bond required for each annual contract.</p>	<p>Completed. Division developed PPM on performance bonds and our testing show requirements have been implemented on current contracts.</p>
<p>#2 The Engineering Services Division Director should ensure that adequate information is received from County departments and divisions to enable monitoring of performance bond requirements as contained in the contract.</p>	<p>Completed. Division developed and implemented CW-O-082 which has provided greater oversight of use of annual contracts.</p>
<p>#3 The Engineering Service Division Director should consult with the Office of Financial Management and Budget Director regarding revision of Countywide PPM CW-F-056 to include authorization and guidance for departure from the PPMs requirement for performance bonds in the case of annual contracts.</p>	<p>Completed. Division revised PPM CW-F-056 to allow for departure from PPM requirements for performance bonds for annual contracts.</p>
<p>10-17 Engineering & Public Works <i>Land Development Division</i></p>	
<p>Report Issued 06/23/2010 First follow up</p>	
<p>#2 The Land Development Division Director should limit the number of users with administrator level access to users with administrative responsibilities and delete or make inactive users no longer using the system. Users required to update code tables should be given update access only to the table(s) needed.</p>	<p>Completed. Land Development Division Director has reduced the number of administer-level users to three from seven.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>#3 The Land Development Division Director should eliminate the password override option and have users contact a system administrator to reset their password if unable to access the system.</p>	<p>Completed. Not implemented. Land Development Division Director told us that there is currently no option available to authenticate the password of non-County users. She made management decision to continue status quo and assume risk. See Exhibit 5 for more information.</p>
<p>#4 The Land Development Division Director should implement internal controls in the ePermits system's drainage review process to prevent the generation of a Drainage Review Report if the application fee has not been paid. The control could be applied prior to the assignment of the drainage review or prior to the generation of the Drainage Review Report document.</p>	<p>Completed. Our testing shows that the Drainage Review Report is not generated unless permit fee is paid.</p>
<p>10-18 Human Resources <i>Employee Donation of Vacation Leave PPM</i></p>	
<p>Report Issued 06/23/2010 First follow up</p>	
<p>#1 The Human Resources Department Director should ensure that actions requested of the ISS department to restore accountability for donated leave are completed in a timely manner.</p>	<p>Completed. ISS Department Director confirmed that full audit trail of HRIS has been completed. The audit trail identifies the persons making donations of leave.</p>
<p>#2 The Human Resources Department Director should ensure that the Department's Manager of Compensation and Records reviews all actions taken by staff involving changes to leave balances, including donations of vacation leave.</p>	<p>Completed. Our testing shows that document processing includes written approval by Manager of Compensation and Records.</p>
<p>#3 The Department Director should review the policy matters discussed in the "Other Matters" section of this report and consider whether further study or actions are warranted.</p>	<p>Completed. The Department Director issued revised PPM in September 2011 addressing most of the issues discussed in the audit report. Management considered but decided not to implement two of the reports suggestions.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
10-19 Engineering & Public Works <i>Engineering Services MSTU</i>	
Report Issued 06/23/2010 First follow up	
#1 The County Engineer should evaluate current Department practices and procedures regarding combination or consolidation of MSTU petitioned projects and seek direction from the BCC regarding same.	Completed. Deputy County Engineer disagreed with audit recommendation suggesting that the BCC should be consulted in regard to combining or consolidating projects.
#2 The County Engineer should reemphasize the need for Department staff to ensure that project scopes as identified in consultants' documentation match the approved project scopes.	Completed. Deputy County Engineer stated that this was discussed at monthly division head meeting. No other evidence provided.
#3 The County Engineer should consider formalizing Department practice into a written policy regarding initiating petitions by staff.	Completed. Deputy County Engineer stated that she did not believe that staff routinely initiated petitions and thus no action was necessary.
#4 The County Engineer should reemphasize the need for Department staff to comply with the requirements of Countywide PPM CW-F-050 and ensure that appropriate approvals are obtained prior to authorizing consulting work to begin.	Completed. Deputy County Engineer stated that this was discussed at monthly division head meeting. No other evidence provided.
#5 The Engineering Services Division Director should ensure that changes to construction contracts are supported by approved change orders and that important decisions made about road design and construction are put into writing in a timely manner and made a part of the project file(s).	Completed. PPM ESO-032A was developed which includes requirement for written decisions to be made part of the project file.
#6 The Engineering Services Division Director should ensure that MSTU petitions sent to property owners comply with County Ordinance No. 94-11.	Completed. Our testing shows that a recent petition contained requirements complying with County Ordinance 94-11.
#7 The Engineering Services Division Director should obtain clarification from the County Attorney as to the requirements of Section 26-30 of the Ordinance as to approval of petitions and ensure that such approvals are documented in the Division files.	Completed. Our testing shows evidence of County Attorney review and approval of new MSTU format.

Audit Report Number, Title and Recommendation(s)	Implementation Status
10-20 Water Utilities ARRA Internal Controls Review	
Report Issued 06/23/2010 First follow up	
#1 The WUD Department Director should request the County Attorney's Office to research the potential for WUD to be held responsible for any penalties imposed by federal agencies for violations of the Davis Bacon Act.	Completed. WUD informed us that after consultation with County Attorney, it was decided that Palm Beach County was not responsible for penalties.
#2 The WUD Department Director should ensure that the appropriate Davis-Bacon wage determination is being used to monitor wages being paid to workers covered by the Act.	Completed. Follow-on contract contained appropriate DB wage requirement.
#3 The WUD Department Director should ensure that all categories of workers being employed on the Pahokee and South Bay projects are covered by a Davis-Bacon Wage Determination.	Completed. Our testing of a current contract shows that all categories of workers being employed at site were covered by a DB Wage Determination.
#4 The WUD Department Director should ensure that contractors and subcontractors are made aware that the Palm Beach County Living Wage Ordinance and the Small Business Enterprise requirements do not apply to contacts funded by the Federal Government where the Davis-Bacon Act prevails.	Completed. Provisions are now contained in contracts to make contractors aware of requirements.
#5 The WUD Department Director should ensure that all potential violations of the Davis Bacon Act as may be brought out in interviews are appropriately resolved by complete follow up with the workers.	Completed. Our testing shows further actions taken by WUD when interviews demonstrate difference in wages paid and that on DB schedule.
#6 The WUD Department Director should ensure that posters displaying the appropriate Davis Bacon wage determination are displayed at job sites by contractors and subcontractors.	Completed. WUD informed us that posters are now routinely monitored at job sites. Visit to job site(s) was not performed.

Audit Report Number, Title and Recommendation(s)	Implementation Status
10-21 Human Resources <i>Controlled Substances Drug Testing</i>	
Report Issued 09/15/2010 First follow up	
#1 The Human Resources Department Director should ensure that only the minimum required number of employees be selected for random drug and alcohol testing.	Completed. Department provided listing showing only occupied positions were scheduled for testing.
#2 The Human Resources Department Director should periodically review department procedures to determine the risk that employees subject to testing may be made aware of testing requirements prior to being directed to travel to the laboratory for testing.	Completed. Department provided evidence of coordinating with Risk Management Department to limit testing information to those having a need to know.
#3 The Human Resources Department Director should notify departments that “early” appointments are available by the lab by notification which may reduce employee time in obtaining required testing.	Completed. Department provided evidence that information on early appointments is made available.
10-22 Administration <i>ARAMARK Food & Beverage Contract</i>	
Report Issued 09/15/2010 containing 2 recommendations. Recommendation #2 closed upon report issuance.	
#1 The Deputy County Administrator should either enforce the requirements in Article 7.13 regarding Furnishing and Equipment Inventory Control or amend the Agreement terms allowing Aramark to continue their current practice in regard to smallware purchases.	Completed. Management action was not required as contractor (Aramark) did not receive follow on contract.
#2 The Deputy County Administrator should complete documentation of internal controls for monitoring the material financial and programmatic provisions of the County’s agreement with Aramark.	Completed. This recommendation was closed upon report issuance based on Internal Audit review of final PPM.
10-23 Fire Rescue <i>Bureau of Safety Services</i>	
Report Issued 09/15/2010 First follow up	

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>#2 The Bureau of Safety Service Deputy Chief should establish and implement internal controls to ensure that fire inspections are billed in accordance with the Code.</p>	<p>In Process. New software system has been purchased and, according to Department official, should be implemented by December 2011.</p>
<p>10-25 Facilities Development & Operations ARRA Internal Controls Review</p>	
<p>Report Issued 09/15/2010 First follow up</p>	
<p>#2 The Facilities Development and Operations Department Director should ensure that PPM FDO-001 is implemented for each of the phases of the construction contract.</p>	<p>Completed. PPM FDO-001 was modified December 2011 including a checklist for project managers.</p>
<p>10-25 Palm Tran ARRA Internal Controls Review</p>	
<p>Report Issued 09/15/2010 First follow up (Note: This report was issued with Facilities Development and Operations shown above as joint auditee)</p>	
<p>#1 The Palm Tran Executive Director needs to obtain the specific FTA requirements applicable to compliance with the Davis Bacon Act and communicate such requirements to FDO for use in the construction contract for Security Guard Stations.</p>	<p>Completed. Executive Director documented FTA requirements and forwarded to FDO. These have been incorporated into FDO contracts.</p>
<p>#3 The Palm Tran Executive Director should ensure that outside entities receiving funds from the FTA grant for construction, such as the City of Delray Beach, comply with the specific requirements of the FTA grant relative to Davis Bacon Act requirements.</p>	<p>Completed. Executive Director documented City of Delray Beach implementation of contract and monitoring by Palm Tran.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-01 Community Services Department <i>Human Services</i>	
Report Issued 12/08/2010 First follow up	
#1 The Human Services Division Director should reevaluate the program requirements of the PPM, including the approval and review processes for cases and case file documentation and system records by the Case Work Supervisors, to see if they reflect the Division’s goals and workload prioritization. The Director should then either change/modify/eliminate the requirement of the PPM or re-emphasize to Division staff the need for compliance with the program requirements established in the PPMs.	Completed. PPMs have been revised. Our testing shows implementation at field offices. PPMs address areas of audit concern.
11-04 Community Services Department <i>ARRA Internal Controls & Reporting</i>	
Report Issued 12/08/2010 containing 2 recommendations. First follow up	
#1 The Community Services Department Director should ensure that ARRA reports are reviewed at the Department level prior to being submitted to the Federal Government or State agencies.	Completed. Our testing shows Department review of ARRA reports prior to submission to grant authorities.
#2 The Community Services Department Director should design and implement an outreach program to ensure that all recipients of ARRA funds, including other County departments, municipalities, and businesses, report accurate and complete information for reporting to the Federal Government.	Completed. Department provided support to show outreach effort to recipients of ARRA funds.
11-04 Facilities Development & Operations <i>ARRA Internal Controls & Reporting</i>	
Report Issued 12/08/2010 First follow up (Note: This report was issued with Community Services shown above as joint auditee)	
#3 The Facilities and Operations Department Director should ensure that the Budget Availability Statement is modified to allow user departments to better identify the source of funding for the project.	Completed. Budget Availability Statement was modified that allows flexibility in identifying source of funds..

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>#4 The Facilities and Operations Department Director should ensure that PPM FDO-001 is amended to include all or portions of pertinent provisions of FDO's internal document entitled: "Federal Grant Administration Manual." This should provide users with added information as to procedures used by FDO to comply with all federal requirements.</p>	<p>Completed. PPM FDO-001 amended to provide added information on procedures to comply with federal requirements.</p>
<p>11-05 Administration <i>Follow-up on Countywide PPM CW-O-001</i></p>	
<p>Report Issued 12/08/2010 First follow up</p>	
<p>#3 The County Administrator should ensure that Committee Charter or other document contains criteria for when the Committee should review a PPM prior to his review/approval.</p>	<p>Completed. Countywide PPM CW-O-001 was revised to have Committee review all revisions to PPMs.</p>
<p>11-08 Environmental Resources Management <i>Resources Protection</i></p>	
<p>Report Issued 12/08/2010 Recommendation #4 closed upon report issuance. First follow up</p>	
<p>#1 The Resources Protection Division Director should ensure that reports required to be submitted by permittees are received on time and in full compliance with the permit.</p>	<p>Completed. The Division Director revised the applicable SOPs which included all elements included in audit finding. A contact log database has been established and our testing showed that reports were on time.</p>
<p>#2 The Resources Protection Division Director should develop written policies and procedures for following up on any identified non-compliance with permits.</p>	<p>Completed. The Division Director revised the SOPs to include policies and procedures for follow up on non-compliance.</p>
<p>#3 The Resources Protection Division Director should ensure that those permittees requiring a bond are current.</p>	<p>Completed. The Division Director revised the SOPs which now require the bond status of each permittee to be reviewed monthly. Our testing showed that this review had been performed.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>11-10 County Library <i>Main Library Follow-up on Previous Recommendations</i></p>	
<p>Report Issued 12/08/2010 First follow up</p>	
<p>#1 The Library Department Director should ensure that the PPM for the Acquisitions Section is finalized and approved.</p>	<p>Completed. PPM was issued January 2011.</p>
<p>#2 The Library Department Director should ensure that appropriate staff is assigned to manage the Department's fine collections efforts.</p>	<p>Completed. Staff has been assigned to manage fine collections.</p>
<p>#3 The Library Department Director should ensure that staff coordinates with the collection agency to review outstanding fines and determine which, if any, are uncollectible.</p>	<p>Completed. PPM included coordination responsibilities.</p>
<p>#5 The Library Director should ensure that a PPM is developed and implemented to include policies and procedures for collection and coordination of efforts between the collection agency and the Department once patron account information has been turned over for collection.</p>	<p>Completed. PPM implemented July 2011. Policies and Procedures were clarified.</p>
<p>11-11 Administration <i>Performance Measures Countywide</i></p>	
<p>Report Issued 12/08/2010</p>	
<p>#1 The County Administrator should task the Office of Financial Management and Budget Director to review and evaluate the HOP initiative. The evaluation should include, to the extent possible, the benefits and costs of the initiative, and lessons learned. Based on this evaluation, the OFMB Director should propose alternatives for the County Administrator to consider in furthering the performance measure initiative in the County.</p>	<p>Completed. Not Implemented. Management opted to have OFMB Budget Analysts work with respective County departments to encourage more efficiency and effectiveness measures. See Exhibit 5 for more information.</p>
<p>#2 The County Administrator should consider the County participating in the efforts of the Florida Benchmarking Consortium as a means of gaining up-to-date information on performance measures and how they are being used in other Florida counties. In this regard, the Consortium collects annual local government performance data from its membership in 14 service areas such as code enforcement, fire rescue, parks and</p>	<p>Completed. Management joined the Consortium and, according to OFMB Director, will make use of local government performance information as needed.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>recreation, and purchasing. This information should prove useful in establishing appropriate ‘benchmarks’ in Palm Beach County.</p>	
<p>#3 The County Administrator should reinforce to County departments and agencies, the need for continuing improvement in the quality of performance measures. Departments/agencies should be required to increasingly establish measures of effectiveness and efficiencies, including service delivery and customer satisfaction, rather than of workload.</p>	<p>Completed. Not Implemented. Management did not establish goals for establishing efficiency and effectiveness measures. However, comparison of performance measures in FY12 vs. FY 10 budget showed improvement, with efficiency measures rising to 32 percent vs. 19 percent. Effectiveness measures decreased from 10 percent to 8 percent. See Exhibit 5 for more information.</p>
<p>#4 The County Administrator should consider and distinguish between performance measures which are necessary to ensure sound management of County operations and those performance measures appropriate for public information as part of regular periodic reporting. In this regard, municipalities and counties in the U.S. have developed so-called Citizen Performance Measures, sometimes referred to as ‘Dashboards’ to facilitate citizen participation in government performance measures.</p>	<p>Completed. Not Implemented. Management chose not to develop citizen-based performance measures. See Exhibit 5 for more information.</p>
<p>#5 The County Administrator should designate a senior County official, at the Assistant County Administrator level or above, to direct the County’s effort to improve its performance measurement system.</p>	<p>Completed. Not Implemented. Management selected alternative action to have OFMB Department Director lead efforts. See Exhibit 5 for more information.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-12 Parks & Recreation <i>Special Facilities</i>	
Report Issued 12/08/2010 First follow up	
#1 The Parks and Recreation Department Director should include internal controls addressing the six areas identified in the finding in the new PPM and/or SOP.	Completed. Department Director implemented PPM GO-F-005 in December 2010 addressing the audit recommendations and has implemented same at golf facilities.
11-13 Airports <i>Parking Pass Usage</i>	
Report Issued 12/08/2010 First follow up	
#1 The Airport Department Director should ensure that Parking Cards provided to VIPs and other groups are used for official business only. In this regard, the Airports Department Director should review the results of our tests, provided separately from this report, and obtain information on the reason(s) for the overnight use of Parking Cards.	Completed. Airport Department Director cancelled all usage of VIP cards and established new procedures for issuance of employee passes. Audit follow up showed that Airport Director had inquired of 100% of VIP users of 6 or more nights parking and received confirmation from each user as to the business purpose for the stay.
#2 The Airport Department Director should require payment for any and all uses of VIP and other group Parking Cards which were not in support of official duties.	Completed. Airport Department Director obtained reimbursement from 7 VIP card holders for personal use as a result of testing reported above.

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>#3 The Airport Department Director should design and implement internal controls to ensure that use of VIP and other group Parking Cards are used for official business only. Options include periodic spot surveillance, summary reports by card user or group, and periodic self-certification by card holders.</p>	<p>Completed. Audit follow up showed that additional controls have been implemented including reviews of all parking pass usage of more than 72 hours. Also, VIP cards have been eliminated.</p>
<p>#4 The Airports Department Director should ensure that the Anti-Passback control designed to allow for accountability for access to parking facilities is reinstated for all Parking Card holders, including VIP card holders.</p>	<p>Completed. Audit follow up showed that Anti-Passback control has been reinstated and, based on audit test, has been activated.</p>
<p>#5 The Airports Department Director should ensure that controls are established to periodically review the status of VIP and other agency Parking Card holders and revoke the cards of those no longer entitled to access the parking facilities.</p>	<p>Completed. Audit follow up showed that PPM AF-F-029 dated August 2011 has been issued requiring periodic review to determine parking cards are still required.</p>
<p>#6 The Airports Department Director should prepare a PPM concerning the airport parking facilities access cards. This PPM should, at a minimum, contain criteria for all card issuance, address the basis for use of the cards, responsibility of card holders, and controls exercised to ensure compliance with the PPM.</p>	<p>Completed. Audit follow up showed that PPM AF-F-029 dated August 2009 was issued which includes an annual review of all Parking Card holders.</p>
<p>#7 The Airports Department Director should obtain the approval of the County Administrator for the PPM relating to airport access cards as it relates to overall County business interests, and should be issued in the form of a Countywide PPM.</p>	<p>Completed. Audit follow up showed that the VIP series of Parking Cards had been eliminated, therefore, reducing the need for a Countywide PPM. A Department PPM was issued in August 2011.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-15 Office of Financial Management & Budget <i>Public Service Tax - Electricity & Franchise Fees</i>	
Report Issued 03/16/2011 containing 1 recommendation for OFMB. (Note: This report was issued with PZB as a joint auditee.)	
#3 The Office of Financial Management and Budget Director should ensure that PPM CW-F-035 is revised to include the process by which PZB may comply with the requirement for quarterly address listings to electricity providers.	Completed. The PPM was revised and includes appropriate language.
11-17 Planning, Zoning, & Building <i>Contractor Certification</i>	
Report Issued 03/16/2011 First follow up	
#1 The Division Director should ensure that all applications for reciprocity and examination are reviewed and approved before the application is submitted to the Construction Industry Licensing Board for approval.	Completed. Our testing shows applications were reviewed and approved.
11-21 Palm Tran <i>Transportation Disadvantaged Bus Pass Pgm</i>	
Report Issued 03/16/2011 First follow up	
#1 The PTC Director should ensure that participating agencies comply with PTC Policy and Procedures Manual concerning (a) photo identification, (b) income verification, and (c) eligibility/registration requirements.	Completed. The PTC Director developed added guidelines for eligibility, clarifying requirements for photo ID and income verification.
#2 The PTC Director should consult with the County Attorney's Office about participating agencies providing TD bus passes to 'undocumented' workers. If 'undocumented' workers are found to be ineligible for TD bus passes, the PTC Director should amend the PTC PPM which does not address this issue.	Completed. The PTC Director adopted policies being used by the County's Community Services Department. A client's legal status is being used to determine eligibility.
#3 The PTC Director should ensure that agencies establish internal controls to comply with PTC criteria for issue of new TD bus passes, and enforce the PTC requirement of having to return expired passes prior to being issued a new one.	Completed. The PTC Director discussed requirements with participating agencies and

Audit Report Number, Title and Recommendation(s)	Implementation Status
	has added internal controls to ensure compliance. Our testing of agency compliance forms showed that the added controls have been implemented.
#4 The PTC Director should enforce the guideline for agencies to return expired TD bus passes at the 75 percent level and require written justification when the guideline is not met in any given month.	Completed. The PTC Director has increased its review of agency compliance with the 75 percent level return. Our testing showed that the revised compliance forms were being completed as required.
#5 The PTC Director should either require agencies to submit documentation to PTC headquarters monthly showing compliance with the issuance of new passes and meeting the 75 percent guideline, or increase its field visits to ensure compliance.	Completed. The PTC Director has added one staff person to conduct field audits of participating agencies.
11-24 Information Systems Services WAN Agreements/Public Sector & Non-profits	
Report Issued 06/15/2011	
#4 The ISS Department Director should review with the BCC and Office of Financial Management and Budget (OFMB) the propriety of treating revenues received through these network services interlocal agreements as departmental revenues. Unlike other departments receiving revenues produced after countywide investment in capital facilities, ISS incurs substantially no costs associated with the production of these revenues. We believe consideration should be given to treating these revenues as countywide and not department specific.	Completed. The ISS Department Director stated that he had reviewed the issue with OFMB and it was decided that no change would be made to the way in which revenues are treated. He stated that the issue was not discussed with the BCC.

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-30 Office of Financial Management & Budget <i>Public Service Tax – FPU</i>	
Report Issued 09/21/2011	
#1 The OFMB Department Director should issue a Notice of Proposed Assessment to Florida Public Utilities Company for \$46,996.18 and Flo-Gas Corporation for \$26,395.39 due to the County, as provided for in Section 166.234, Florida Statutes.	Completed. Letter was sent and payment was received in October, 2011.
#2 The OFMB Department Director should issue a Notice of Proposed Assessment to Florida Public Utilities Company for \$1751.47 due to the County, as provided for in Section 166.2.34, Florida Statutes.	Completed. Letter was sent and payment was received in October, 2011.
11-31 County Attorney <i>Interdepartmental Billings</i>	
Report Issued 09/21/2011 (Note: This report was issued with OFMB shown above as joint auditee).	
#5 The County Attorney should ensure that actual billing rates are charged to departments for services rendered. In this regard, the County Attorney may want to consider eliminating charges to each department and come under the auspices of the County’s Full Cost Allocation Plan where its expenses would be included in the overall Plan or seeking an exception to the full cost requirement of the PPM.	Completed. This recommendation was closed with report issuance based on the County Attorney’s assertion that, while the billing rates were calculated based on actual costs, the rates charged were adjusted to reflect the County Attorney’s opinion on what charges were reasonable. The County Attorney also stated any unbilled costs would be recovered through the indirect cost plan. We agreed with the position stated by the County Attorney.

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-34 Office of Financial Management & Budget <i>Public Service Tax - Ferrellgas</i>	
Report Issued 09/21/2011	
#1 The OFMB Director should notify Ferrellgas of the results of this audit and suggest the Company use a database that will provide more consistent and accurate listings of jurisdictions for the Public Service Tax.	Completed. Ferrellgas was notified in July, 2011.
#3 The OFMB Director should notify Ferrellgas of the results of this audit and suggest the Company review all exemptions to ensure that organizations are qualified for exemption under County Ordinance 89-13.	Completed. Ferrellgas was notified in July, 2011.

Exhibit 7
Listing of Open Audit Recommendations
For Which Follow up Has Been Performed
As of September 30, 2011

Audit Report Number, Title and Recommendation(s)	Implementation Status
07-11 Community Services <i>Financially Assisted Agencies</i>	
Report originally issued 6/20/07 Recommendation #4 open after follow ups in 2008 and 2010.	
#4 The CSD Manager of Planning and Evaluation should ensure that all Program Monitors maintain adequate documentation of site visits and other FAA contacts in agency files.	In process. Our testing showed that although site visit reports were prepared, some were not in accordance with PPM CSO-110 as required. Manager stated corrective action to be completed by March 1, 2012.
07-23 Facilities Development and Operations <i>Property and Real Estate Management Division</i>	
Report issued 9/12/07 Recommendation #1 open after follow ups in 2008 and 2010.	
#1 The Department Director should review issues involved in Division not carrying out responsibilities assigned in CW PPM CW-L-023 and CW-L-024, including the extent that other County departments administer leases within the Division's responsibility.	In process. Department. Director expects Countywide PPMs to be completed February 2012.
09-22 Fire Rescue <i>Overtime</i>	
Report Issued 6/10/2009 Recommendation #1 open after follow up in 2010.	
#1 The Fire Recue Department Administrator should ensure that overtime assignments and verification of overtime worked is documented in accordance with Operational Procedure I-54. Specifically, he should ensure that: <ul style="list-style-type: none"> • District Chiefs document the personnel assigned in 	In Process. Fire Rescue Administrator stated that original plan to implement an in-house system did not work properly. New system

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>accordance with the Overtime Computer Program, and limit use of ‘Skipped DC did not try’ to those situations included in the Operational Procedure.</p> <ul style="list-style-type: none"> • All personnel earning overtime to individually submit Employee Leave Requests, and limit the authority of District Chiefs to sign as both authorizing and approving officials. • Station log books are maintained to show all time in and out for personnel working overtime. 	<p>was purchased (Telestaff) in September 2011 and should be implemented by March 2012.</p>
<p>10-06 Community Services Department <i>Ryan White Program</i></p>	
<p>Report Issued 03/17/2010 First follow up</p>	
<p>#3 The Community Services Department Director should ensure that contracted agencies comply with the law in determining client eligibility and ensuring that Ryan White funds are the payer of last resort. In this regard, he should follow-up on the results of the Treasure Coast Health Council study made in regards to Ryan White Part B, and consider the potential for applicability to Ryan White Part A funding.</p>	<p>In Process. The Department Director revised the contract with agencies to better delineate the requirements for eligibility. Enhancements to the “Careware” database are still required. Department officials told us that the target completion date is March 2012.</p>
<p>#4 The Community Services Department Director should ensure that program monitors specifically address client eligibility in their program oversight function. In this regard, monitors need to go beyond the supporting documentation in the file such a paystubs, and other income determination, and review the ‘due diligence’ exercised by case management agencies in carrying out the law regarding the Ryan White payer of last resort requirement.</p>	<p>In Process. The “Careware” database discussed in Recommendation 3 will help fully implement this recommendation. Department officials told us that the target completion date is March 2012.</p>

Audit Report Number, Title and Recommendation(s)	Implementation Status
10-07 Purchasing <i>Warehouse Operations</i>	
Report Issued 03/17/2010 First follow up	
#1 The Warehouse Manager should ensure that written policies and procedures are issued for its warehouse operations function as required by PPM CW-O-001. Written policies and procedures should include guidelines for ordering, receiving, storing, and issuing of stock items from the Warehouse.	In Process. Department Director estimated completion of PPMs by March 2012.
#3 The Purchasing Department Director should study the issue of cost effectiveness of warehouse operations considering the issues contained in this report and the impact of the move to the new warehouse in 2010. Issues include whether (a) full cost recovery should be considered in warehouse pricing, (b) cost savings extend to other items not included in our sample, (c) governmental agencies other than those under the BCC should be charged for supplies and storage, and (d) County departments and agencies should be able to buy supplies from vendors rather than the warehouse, thus reducing the number of items needed to be stored at the warehouse.	In process. Department Director told us that additional time is needed to conduct study. She estimated a revised completion date as March 2012.
#4 The Purchasing Department Director should develop written policies and procedures for the storage of items in the Warehouse. These procedures should include who can store items in the Warehouse, how to request storage space and any restrictions on types of items the Warehouse will store.	In process. Department Director stated that PPMs should be completed by March 2012.
10-17 Engineering & Public Works <i>Land Development Division</i>	
Report Issued 06/23/2010 First follow up	
#1 The Land Development Division Director should ensure that a report is generated by the ePermits system when modifications are made to user access. The report should identify the status (active or inactive), level of access, assigned role(s), and agency for all users in the security table highlighting the records modified and identifying the date of the modification and the user id used to make the modification.	In process. Our testing shows that the Land Development Division Director is provided information on certain types of changes, but not others. Final implementation is expected December 2011.

Audit Report Number, Title and Recommendation(s)	Implementation Status
10-23 Fire Rescue <i>Bureau of Safety Services</i>	
Report Issued 09/15/2010 First follow up	
#1 The Bureau of Safety Service Deputy Chief should establish internal control procedures to ensure that false alarm activations are billed in accordance with the Code.	In Process. New software system has been purchased and, according to Department official, should be implemented by December 2011.
#2 The Bureau of Safety Service Deputy Chief should establish and implement internal controls to ensure that fire inspections are billed in accordance with the Code.	In Process. New software system has been purchased and, according to Department official, should be implemented by December 2011.
11-03 Administration <i>Global Spectrum</i>	
Report Issued 12/08/2010 First follow up	
#1 The Deputy County Administrator should modify the requirement to submit the Operations Manual for review and approval annually.	In process. Deputy County Administrator decided not to amend contract which was in its final year. She expects to include new provisions in RFP when issued next year.
#2 The Deputy County Administrator should amend the requirements of the annual audit removing the requirement for a letter from the accounting firm expressing its opinion as to the effectiveness of internal controls.	In process. Deputy County Administrator decided not to amend contract which was in its final year. She expects to include new provisions in RFP when issued next year.

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-05 Administration <i>Follow-up on Countywide PPM CW-O-001</i>	
Report Issued 12/08/2010 First follow up	
#1 The Assistant County Administrator should ensure that follow-up is made of all PPMs that are still shown as under review/revision by departments, particularly those where efforts have been ongoing for more than one year.	In Process. Audit follow up showed that 80 percent of Countywide PPMs have been updated as required at August 2011. However, there were still 48 or 20 percent of PPMs still not updated. Management did not meet the target date. New target date set by the Assistant County Administrator is December 31, 2011.
#2 The Assistant County Administrator should ensure that instructions are provided to all departments regarding the need to include target dates for review/revision of PPMs and follow-up periodically to see that the time frames are met or reasons provided for any extension.	In Process. Audit follow up showed that instructions were provided to departments for review/revision. However, 20 percent of PPMs were still non-compliant with County policy at August 2011. New target date set by Assistant County Administrator is December 31, 2011.
11-10 County Library <i>Main Library Follow-up on Previous Recommendations</i>	
Report Issued 12/08/2010 First follow up	
#4 The Library Department Director should ensure that an accounts receivable account is established in the County's financial system for fines and comply with requirements of PPM CW-F-048 regarding reports to the County's Debt Collection Coordinator.	In process. Library Department Director to request exemption from PPM requirement by December 2011.

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-21 Palm Tran <i>Transportation Disadvantaged Bus Pass Pgm</i>	
Report Issued 03/16/2011 First follow up	
#6 The PTC Director should consult with Palm Tran’s Information Technology Department and/or Palm Beach County’s Information System Services Department to develop and implement a computer-assisted or web-based data base to be used by PTC and all participating agencies.	In Process. Audit follow up showed that Palm Tran and the ISS department have been reviewing a database developed by another not-for-profit agency. However, it will take additional time for the review to be completed. According to Palm Tran, further information should be available by January 2012.
11-24 Information Systems Services WAN Agreements/Public Sector & Non-profits	
Report Issued 06/15/2011 First follow up	
#1 The ISS Department Director should present to the BCC a business plan and rate structure on providing broadband services to public sector and non-profit organizations. The business plan should include, at a minimum, policy(ies) that apply to the program, criteria for entering into agreements, establishment of standardized terms and conditions, and reimbursement rates for connection fees and other services to be provided.	In process. The ISS Department Director stated that a business plan would be presented to the BCC by the end of November 2011.
#2 The ISS Department Director should perform a comprehensive review of all current agreements and prepare, for BCC review and approval, amendments necessary due to (a) changes that may have been made subsequent to BCC approval as in the case of the School Board, and (b) inclusion of erroneous and misleading payment provisions.	In process. The ISS Department Director stated that the review would be part of what is presented to the BCC by the end of November 2011.
#3 The ISS Department Director should ensure that the standardized rate structure is supported by methodology as to the manner in which such rate(s) were established. In this regard, the ISS Department Director should consider the use of an outside rate consultant to define ‘competiveness’ of the proposed rates.	In Process. The ISS Department Director stated that the rate structure methodology would be part of the presentation to the BCC by the end of November 2011.

Exhibit 8
Listing of Open Audit Recommendations
For Which Follow up Had Not Yet Been Scheduled
As of September 30, 2011

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-09 Housing & Community Development <i>Commission on Affordable Housing</i>	
Report Issued 12/08/2010	
#1 The HCD Department Director should ensure that reports are submitted as required by the PBC Affordable Housing Ordinance and Resolution R94-158.	
#2 The HCD Department Director should ensure that the required Homebuyer Education Certificates are obtained for the two NSP-1 loans approved without this evidence.	
#3 The HCD Department Director should ensure that reviews are made of the two NSP-1 loans approved when (a) household size was not adequately verified, and (b) the loan amount was in excess of NSP-1 guidelines. If either of the two reviews shows that the recipients were ineligible or that the amount loaned was excessive, the HCD Department Director should act to remedy the errors.	
#4 The HCD Department Director should ensure that a review is made of eligibility for an expanded sample of SHIP, HOME, and NSP-1 loans. We will review the results of this expanded sample when performing our follow-up on prior audit recommendations.	
#5 The HCD Department Director should ensure that follow-up actions on the remaining 130 SHIP program recipients are completed in a timely manner, and that any recipient found to be ineligible be referred to the County Attorney's Office for evaluation as to whether action is appropriate.	
#6 The HCD Department Director should ensure that timely action is taken to refer the three SHIP program recipients found to no longer be eligible for the loans to the County Attorney's Office.	

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>#7 The HCD Department Director should ensure that monitoring is performed for the entire SHIP and HOME program portfolios. This would involve follow-up on portfolios encompassing more than 2,000 loans valued at more than \$50 million.</p>	
<p>#8 The HCD Department Director should ensure that SHIP and HOME loan portfolios are monitored and the results of these actions are tracked and recorded using automated systems such as a fully functional database. The present use of spreadsheets is not sufficient to track results timely and accurately.</p>	
<p>#9 The HCD Department Director should ensure that foreclosure information tracked for the SHIP and HOME programs is complete, accurate and up-to-date. He should eliminate the backlog of lis pendens and foreclosures needing to be added to the spreadsheet, and coordinate with the County Attorney's Office to ensure that all notices are received.</p>	
<p>11-14 Information Systems Services <i>Voice Services</i></p>	
<p>Report Issued 03/16/2011 containing 4 recommendations.</p>	
<p>#1 The ISS Department Director should require the individual receiving the loaner device to sign for and date the loaner log at the time of issue and when the loaner device is returned, as evidence of the change in custody and timeframe of the loan.</p>	
<p>#2 The ISS Department Director should modify the PPM to allow the monitoring of loaner device usage by ISS and charge the borrowing department for device usage only when notable abuse is found.</p>	
<p>#3 The ISS Department Director should ensure that changes in ownership/status of cellular communication devices is communicated to the Sierra Gold Call Management systems administrator to ensure accurate reporting to the departments.</p>	
<p>#4 The ISS Department Director should ensure that a copy of the Statement of Use form is submitted as required.</p>	

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-15 Planning, Zoning and Building <i>Public Service Tax - Electricity & Franchise Fees</i>	
Report Issued 03/16/2011 containing 2 recommendations for PZB action.	
#1 The Planning, Zoning and Building Department Director should ensure that Lake Worth Utilities is provided a current listing of addresses for levying the Public Service Tax.	
#2 The Planning, Zoning and Building Department Director should ensure that address listing are made available to electricity providers quarterly as required by Florida Statute. Address listings may be made available to providers through notification that the current address listing is available on the County or other website.	
11-16 Public Safety <i>Justice Services Division</i>	
Report Issued 03/16/2011	
#1 The Justice Services Division Director should evaluate the statistical reporting information distributed by the Pre-Trial and SOR Manager to determine if the report recipients should receive either “revisions” or quarterly reports which update variances to the original monthly reports.	
#2 The Justice Services Division Director should ensure that the job description for the Volunteer Coordinator reflects actual job responsibilities and duties. This would include the addition of case management duties if the Volunteer Coordinator is responsible for this function.	

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-20 Palm Tran IT Systems	
Report Issued 03/16/2011	
<p>#1 The Palm Tran Executive Director should ensure compliance with County Security Policy Manual System Access Control and Access Privileges Policies (CWO-59- 17.0) and COBIT standards. These should include:</p> <ul style="list-style-type: none"> • Complete, accurate and timely tracking of the in/out off all backup media inventory. • Backup media inventory is protected from physical and environmental hazards during transit and storage. • A periodic onsite inspection of the offsite storage facility and of backup media inventory at the facility. 	
<p>#2 The Palm Tran Executive Director should implement the use of an asset management system for all software assets (licenses) owned and used by Palm Tran. This should include the three components of the COBIT standard: Asset Register; Asset Labeling; and Asset Status Reporting.</p>	
11-22 Administration Countywide Audit of Take Home Vehicles	
Report Issued 06/15/2011 First follow up	
<p>#1 The County Administrator should ensure that all employees assigned 24-hour vehicles meet the criteria specified in Countywide PPM CW-O-021, i.e., the assignment is of benefit to the County and not made as a benefit of employment or convenience to the individual. Actions to achieve this objective could include:</p> <ul style="list-style-type: none"> • Reviewing/Updating PPM CW-O-021 to comply with PPM CW-O-001 entitled “Policies and Procedures Memoranda” dated February 2010 requiring review/update every five years; • Designating a senior County official overall responsibility for program administration and compliance. • Requiring an analysis of the costs related to the commute portion of 24-hour vehicles, including, among others, fuel, maintenance, vehicle devaluation, and risk (accident cost). Analysis could lead to consideration of alternatives to 24-hour vehicle assignment, such as limiting use of vehicles to non- 	

Audit Report Number, Title and Recommendation(s)	Implementation Status
take home use only, or eliminating vehicles used primarily for personal commuting purposes.	
#2 The County Administrator should ensure that assignments of 24-hour vehicles to employees are maintained centrally, and that all departments having such assignments be required to periodically report to this central management official.	
#3 The County Administrator should ensure that all assignments of 24-hour vehicles are reported to the Clerk and Comptroller's Payroll Department to comply with Internal Revenue Service requirements.	
#4 The County Administrator should obtain a legal opinion from the County Attorney's Office as to the status of FR assigned 24-hour vehicles and any requirement for these assignments to be reported to the Clerk and Comptroller's Payroll Department.	

11-23 Parks and Recreation Osprey Point Golf Course Cash and Revenue Controls	
Report Issued June 16, 2011 First follow up	
#1 The Special Facilities Division Director should ensure that Osprey Point Managers instruct staff in how to record golfers on the daily required Starter Reports. The Division Director should also have the Golf Course Manager perform random daily reconciliations from the Point of Sale System showing number of paid rounds to the Starter Reports to ensure only paid golfers are playing the course. The Golf Course Manager should also reconcile the original Starter Receipts produced by the Point of Sale System against the Starter's paperwork turned in to ensure they are collecting those receipts as required in PPM GO-F-005	
#2 The Special Facilities Division Director should ensure that Liability Waivers are signed by golfers using carts and that Starters are collecting these forms and turning them in with daily required paperwork. The Golf Course Manager should reconcile the numbers of Liability Waivers for selected days each week to ensure all golf cart users are producing readable signatures, signing the forms, and that Starters are ensuring all applicable users are completing the Waivers as required in internal policies to protect the County.	

Audit Report Number, Title and Recommendation(s)	Implementation Status
11-26 Housing & Community Development <i>ARRA Internal Controls & Reporting</i>	
Report Issued 06/15/2011	
#1 The HCD Department Director should ensure that efforts are made to correct the error made on the federal CDBG-R report for the quarter ended September 30, 2010.	
#2 The HCD Director should ensure that senior management review all data to be included in reports to the federal government prior to final submission of the report.	
#3 The HCD Department Director should ensure that a written agreement between the Department and EDO is prepared to address EDO's administrative requirements. The agreement should include provisions relating to the statement of work, records and reports, and program income.	
#4 The HCD Department Director should ensure that additional PPMs are expeditiously developed for the ARRA grants to guide staff in program implementation and compliance with the grant agreements.	
11-28 Risk Management <i>Prescriptions</i>	
Report Issued 09/21/2011	
#1 The Risk Management Department Director should design and implement an outreach or educational program such as that implemented in Orange and Hillsborough counties, informing Palm Beach County employees of the participating company programs for generic drug prescriptions. Information to be provided could consist of handouts, information of participating company internet sites, and charts showing popular use prescriptions and the savings that could accrue to employees as well as to the County.	
#2 The Risk Management Department Director should design and implement a formal follow-up program to determine the effectiveness of its outreach or educational program. This could consist of trend analyses of the County/employee cost of filling generic drug prescriptions, as well as employee surveys obtaining information on whether employees are using the alternative	

Audit Report Number, Title and Recommendation(s)	Implementation Status
programs and the reasons for employee participation or lack of participation.	
11-31 Office of Financial Management & Budget <i>Interdepartmental Billings</i>	
Report Issued 09/21/2011	
#1 The OFMB Department Director should ensure that departmental interdepartmental billing procedures submitted to OFMB as required by PPM CW-F-044 are reviewed and approved.	
#2 The OFMB Department Director should ensure that departmental interdepartmental billing rate calculations submitted to OFMB as required by PPM CW-F-044 are reviewed and approved.	
#3 The OFMB Director should reconsider the changes proposed to PPM CW-F-041 and continue its responsibilities for review and approval of both procedures and annual billing rates.	
11-31 County Attorney <i>Interdepartmental Billings</i>	
Report Issued 09/21/2011 (Note: This report was issued with OFMB shown above as joint auditee).	
#4 The County Attorney should either seek an exception to the PPM requirement for use of full cost in developing interdepartmental billing rates or ensure compliance with PPM CW-F-044 by submitting actual billing rates to OFMB for review and approval annually.	
11-32 Water Utilities <i>Inventory Warehouse</i>	
Report Issued 09/21/2011	
#1 The WUD Director should take steps to ensure that that records of inventory are periodically compared to on hand quantities and that adjustments are made as necessary to the records.	
#2 The WUD Director should ensure that discrepancies found during the periodic counts are investigated, documented and that appropriate management action is taken.	

Audit Report Number, Title and Recommendation(s)	Implementation Status
<p>#3 The WUD Director should ensure that inventories are periodically examined for obsolete items and that those items are properly segregated, disposed of and that records are appropriately updated.</p>	
<p>#4 The WUD Director should establish a Department policy addressing obsolete, damaged or surplus items. The policy should address the requirements of Countywide PPM CW-F-059 and establish how that policy will be implemented in WUD.</p>	
<p>#5 The WUD Director should ensure that changes to stock requisitions which occur after initial supervisory approval are also approved before stock issuance. The WUD Director should take actions to ensure that stock shortages or stock outs are minimized and that inventory ordering procedures incorporate consideration of stock utilization levels and order fulfillment lead times.</p>	
<p>#6 The WUD Director should ensure that all tools and equipment assigned to the tool rooms are controlled and accounted for.</p>	
<p>#7 The WUD Director should review and update as necessary PPM L-008 and ensure that Warehouse staff comply with the requirements of that PPM.</p>	
<p>#8 The WUD Director should research its history of past issuance of tools and ensure that all tools issued have been returned. Further research should be performed in cases where tools remain unaccounted for.</p>	
<p>11-33 Administration <i>Consultants Overhead Rates</i></p>	
<p>Report Issued 09/21/2011</p>	
<p>#1 The County Administrator should consider revising PPM CW-O-066 to:</p> <ul style="list-style-type: none"> • Require departments providing consultant services under federal or state grants to comply with the requirements set forth in their agreements. Departments should implement a PPM that meets the requirements of the grantor(s). • Require departments providing consultant services using funds from other than federal/state sources, i.e., County (ad-valorem or other) funds, to implement a PPM to help ensure compliance with Florida Statute 287.055 requiring that consultant contracts be fair, competitive, and 	

Audit Report Number, Title and Recommendation(s)	Implementation Status
reasonable. Department PPMs should specifically identify how the Statute requirement for making a detailed cost analysis is to be met.	
11-34 Office of Financial Management & Budget <i>Public Service Tax - Ferrellgas</i>	
Report Issued 09/21/2011	
#2 The OFMB Director should consider modifying the County Ordinance 89-13 to specifically identify the acceptable databases to be used by companies supplying gas subject to the County's Public Service Tax. Databases that could be acceptable include PAPA, PZB and the State of Florida.	