

PALM BEACH COUNTY
BOARD of COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: **8/14/18**

[X] Consent [] Regular
[] Public Hearing

Department:

Submitted By: County Internal Auditor's Office

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file:

- A. Audit reports reviewed by the Audit Committee at its June 20, 2018 meeting as follows:
1. 18-04 Public Safety Department Animal Care & Control Division – *Internal Controls Review*
 2. 18-05 Administration/Multiple Departments – *Infrastructure Sales Surtax Program Review of Internal Controls*
- B. Audit recommendation status follow-up report as of May 15, 2018.

Summary: County Code Section 2-260.16 requires the Internal Audit Committee to review audit reports prior to issuance. County Code Section 2-463 requires the County Internal Auditor to send those reports to the Board of County Commissioners. At its meeting on June 20, 2018, the Committee reviewed and authorized distribution of the attached audit reports, as well as the Audit Recommendation Status Follow-up Report as of May 15, 2018. We are submitting these reports to the Board of County Commissioners as required by the County Code. Countywide (DB)

Background and Justification: At its June 20, 2018, meeting the Internal Audit Committee reviewed and authorized distribution of audit reports 18-04 and 18-05, and the Audit Recommendation Status Follow-up Report as of May 15, 2018. The Audit Recommendation Status Report “as of date” represents a new schedule approved by the Audit Committee at its December 2017 meeting. The new reporting schedule with “as of dates” of May 15 and November 15 will provide a more up-to-date report than the prior schedule which based reports as of the end of March and September.

Attachments:

1. Audit report 18-04 Public Safety Department Animal Care & Control Division – *Internal Controls Review*
2. 18-05 Administration/Multiple Departments – *Infrastructure Sales Surtax Program Review of Internal Controls*
3. Audit recommendation status follow-up report as of May 15, 2018

Recommended by:

Joseph H. Beynon
County Internal Auditor

12 July 2018
Date

Recommended by:

W. Baker
County Administrator

7/18/18
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	None				
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes _____ No _____
Does this item include the use of federal funds? Yes _____ No _____
Budget Account No.: Fund _____ Agency _____ Org. _____ Object _____
Program Number _____ Revenue Source _____

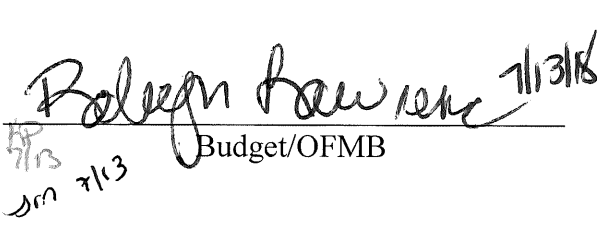
B. Recommended Sources of Funds/Summary of Fiscal Impact:

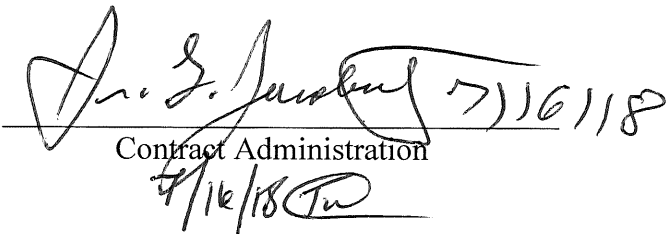
No fiscal impact

A. Department Fiscal Review:

III. REVIEW COMMENTS:

A. OFMB Fiscal and/or Contract Administration Comments:


Budget/OFMB
7/13/18


Contract Administration
7/16/18

B. Legal Sufficiency:


Assistant County Attorney
7/17/18

C. Other Department Review:

Department Director



Office of the County Internal Auditor
Audit Report #2018-04

Public Safety Department
Animal Care & Control Division
Internal Controls Review



*Reviewed by Audit Committee
June 20, 2018*

DATED MARCH 16, 2018

Stewardship – Accountability – Transparency

WHY WE CONDUCTED THIS AUDIT

We conducted this audit to address the following:

Did the Animal Care and Control Division Director establish effective	internal controls in place over the Clinic and Shelter Operations?
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WHAT WE FOUND

We found that the Animal Care & Control Division Director generally implemented effective management controls over the information technology function.

The report includes four findings. The findings address:

- | | |
|--|--|
| ➤ Division policies and procedures need to be updated; | ➤ Medicine and medical supply inventory management needs improvement; |
| | ➤ Internal controls over cash management operations needs improvement; and |
| | ➤ Access controls over restricted kennel functions in the Chameleon System need improvement. |

WHAT WE RECOMMEND

The audit report makes seven recommendations for improvement in the areas listed above.

DETAILED FINDING AND RECOMMENDATIONS

Finding 1: Division Policies and Procedures Need to be Updated

Countywide PPM CW-O-001 entitled "*Policy and Procedure Memoranda (PPMs)*" requires that all PPMs shall be kept current. It also requires that all Countywide PPMs be reviewed at least once every five years. While there is no similar review requirement for Department level PPMs and Standard Operating Procedures (SOPs), their directional guidance, and importance is similar and therefore the review requirement should be implemented as a best practice requirement.

The Division has 13 PPMs and 156 SOPs. Three PPMs and eleven SOPs have been updated in the last five years

Recommendations:

1. The ACC Director should ensure that all PPMs and SOPs older than five years are reviewed for appropriateness and revised as needed.
2. The ACC Director should establish a process that ensures this review is conducted as needed, with a maximum period between reviews being five years.

Management Comments and Our Evaluation

In replying to a draft of this audit report, the Department Director agreed with the finding and the recommendations. The Director stated that a Departmental PPM requiring annual reviews of Divisional PPMs was already in place at the time of audit. The Director also stated that the PPM would be revised to require the same five-year review cycle for Departmental PPMs as is required by Countywide PPM CW-O-001 for countywide PPMs. The Director also stated that work was already underway to update ACC PPMs and SOPs with a projected completion date of December 31, 2018.

We believe the Director's intended actions are responsive to the finding and recommendations.

Finding 2: Medicine and Medical Supplies Inventory Management System Needs Improvement.

Countywide PPM CW-F-059 entitled "*Inventory of Parts and Supplies*" requires departments with inventories having an average total value of \$10,000 or more to establish appropriate inventory records and conduct a physical inventory at least annually. The PPM also requires each department required to perform an annual year-end inventory to establish departmental procedures for controlling

and administering its inventory. The PPM also establishes guidelines for inventory management, which include inventory counts and record keeping, secure access to storage areas and the identification and segregation of obsolete inventory.

The “*United States Government Accountability Office’s Internal Control Standards*” require that “Assets such as cash, securities, supplies, inventories and equipment are periodically counted and compared to control records for exceptions.” Those standards require that policies and procedures be developed, implemented and communicated to all employees.

The Division uses a spreadsheet to track the inventory of medicines and medical supplies. The spreadsheet does not track the cost of inventory items nor the dates when the inventory items were acquired. ACC staff update the spreadsheet manually with no established frequency for the updates. The three most recent updates were done on September 6, 2017, November 11, 2017, and December 8, 2017. The spreadsheet contains no information on purchases, uses, or other inventory activity. The spreadsheet does contain expiration dates for each item. We tested ten drugs from current inventory and found one that was out-of-date. We also noted one drug where the expiration dates of drugs on hand did not match with the expiration dates maintained in the spreadsheet.

Recommendations:

3. **The ACC Director should develop a Divisional inventory management PPM for medicines, drugs and medical supplies as required by County Policy. The Divisional PPM should include the relevant elements identified in the County Policy.**
4. **The ACC Director should acquire and implement an automated inventory management system for the management of their inventory of Medical drugs and supplies**

Management Comments and Our Evaluation

In replying to a draft of this audit report, the Department Director agreed with the finding and the recommendations. The Director stated that the ACC Director is in the process of developing a Divisional inventory management PPM with a projected completion date of December 31, 2018. The Director stated that a request has been included in the FY 2019 budget for a new position to, in part, manage the Division’s drugs, medicines and medical supplies inventories. The Director also stated that an upgrade to the Chameleon System to allow implementation of the inventory management module is in process. The Director projected an implementation date for recommendation #4 of September 30, 2019 assuming the request for the new position is approved.

We believe the Director’s intended actions are responsive to the finding and

recommendations.

Finding 3: Internal Controls over Cash Operations Need Improvement

The “*United States Government Accountability Office’s Internal Control Standards*” require that appropriate policies and procedures be developed, implemented and communicated to all employees’ relating to the Cash Management processes. Best practices in this area include controls over the accountability, authorization and approval of cash and cash transactions; handling and safeguarding cash; acceptance and recording of payment transactions; review and reconciliation of cash transactions; and separation of duties.

We reviewed ACC’s internal controls over cash management and noted the following conditions during our review of cash management procedures:

- PPMs for ACC cash management procedures are out-of-date.
- Cashiers have the ability to change item prices during customer checkout so the receipt provided to the customer matches what the customer actually paid. (According to Department management, this practice was implemented to help customers overcome any financial barrier to adopting pets. Department policy encourages adoption over euthanasia for pets. The implementation of this policy allows customers to pay what they can, rather than requiring payment at fixed rates. Accordingly, cashiers modify the established prices for

adoption services based on customer input.)

- The safe and lockbox have different combinations. However, the combinations are known by many staff members.
- Access to the front office manager’s office is not restricted or controlled creating a potential for unauthorized access by front office staff or customers.
 - Cash drawers do not have locks.
- Receipts are not provided to every customer.
- Cash in cashier bags is being commingled.

We shared these observations with ACC management and the Director of the Public Safety Department’s Division of Finance and Administrative Services.

During the course of the audit, the Finance and Administrative Services (FAS) Division Director informed us of an incident relating to the cash management function. The FAS Division Director had initiated actions to review all the controls in place over their cash functions that included the review and revising of current procedures. The FAS Division Director requested our input relating to the control deficiencies and suggestions. We met with the FAS Division Director and her staff as well as observed a walkthrough of the new reconciliation and closeout process. We shared the above-mentioned control issues with the FAS Division Director and her staff. Most of these issues have also been identified by the FAS Division Director and her staff. The Department has been working diligently to revise the Cash

Management PPM, as well as to implement new controls to address the areas of concerns identified above.

Recommendation:

- 5. The FAS Director should continue the initiated actions to update and revise the Cash Management PPM and to implement the planned controls to address all the control issues identified.**

Management Comments and Our Evaluation

In replying to a draft of this audit report, the Department Director agreed with the finding and the recommendation. The Director stated that the Cash Management PPM has been updated and implemented to ensure cash management controls are in place.

We believe the Director's actions are responsive to the finding and recommendations.

Finding 4: Access Controls Over Restricted Kennel Function In Chameleon System Need Improvement

Countywide PPM CW-O-059 entitled "*Information Technology Security Policies - Section 22*" states "No user will be provided with system access which exceeds the needs of the position and job description." It further requires that "On an annual basis, application access rights will be reviewed for both business and technical users to ensure

they are appropriate and consistent with job functions."

ACC uses the Chameleon System to record and manage their various functions of the three sections of the division including the kennel operations. The system did not restrict any kennel staff from changing an animal's status to a "Petpal" status. An animal in this status is eligible to be released for adoption. ACC Management informed us that this is a restricted function only to be performed by the kennel supervisors or manager. The Chameleon system provides no variance reports identifying these transactions. The Chameleon system administrator told us that the Chameleon system has the capability to restrict users from this functionality. He also informed us that the system can generate variance reports for these transactions. Also, ACC Management does not have a formal process to review user access controls on an annual basis as required by PPM.

Recommendations:

- 6. The ACC Director should ensure that access to all Chameleon functions, especially restricted ones, be restricted to authorized users only based on the job requirements of each employee. Exception reporting and monitoring should be used in cases where access to restricted functions is not automated.**
- 7. The ACC Director should also institute an annual process to**

review the system access to the Chameleon system as required by County PPM.

Management Comments and Our Evaluation

In replying to a draft of this audit report, the Department Director agreed with the finding and the recommendations. The Director stated that an Information Specialist position

had been hired for ACC and that staff completed a review of Chameleon access and is in the process of making adjustments as necessary. The Director also stated that the restriction access will be completed by the end of May 2018.

We believe the Director’s intended actions are responsive to the finding and recommendations.

BACKGROUND

The mission of the Public Safety Department (PSD) is to enhance and improve the health, safety, welfare, and quality of life in Palm Beach County. PSD’s Animal Care and Control Division (ACC) is responsible for preventing and investigating animal cruelty; providing sheltering and medical care for impounded/unwanted animals; and prevention of unwanted pets. Services provided by ACC include, among others, rabies surveillance, testing, and tagging; sheltering of stray/unwanted animals; adoptions; low cost spay and neutering; and veterinary services. The Division operates with four sections: Clinic Operations, Shelter Operations, Field Operations and Community Relations. ACC operates one of the largest shelters in Florida. ACC provides services to the County’s unincorporated areas and 38 municipalities with a population exceeding 1.3 million people. The

Division has a Budget of \$10.2 million for Fiscal Year 2017 and accomplishes its mission with a staff of 109 employees. In Fiscal Year 2017, the Division estimates Revenues of \$2.9 million from fees for various services such as registrations, adoptions commercial permits and clinic services.

ACC’s Clinic Operations provides medical care and treatment to shelter animals, as well as administers the rabies vaccination, the spay/neuter and the euthanasia programs. For Fiscal Year 2017, the Clinic has a budget of \$315,684 for medicine, drugs and medical/surgical supplies, which include a number of controlled drugs. The Clinic’s functions and protocols have a number of regulatory requirements.

The Shelter Operation is the central focus of the Divisions operations. Its mission is to house, feed and care for

unwanted/stray animals and to prepare them for adoption. Shelter Operations is a 24-hour operation and shelters approximately 30,000 animals annually. Customer Service operations is responsible for servicing all the customers who seek the Division’s services. It is also responsible for the collection of all fees for these services.

Field Operations is the enforcement branch for ACC and covers all of Palm Beach County including all 38 municipalities. The Section investigates complaints of animal cruelty, rescues injured stray animals, and issues permits to and investigates all animal related commercial operations.

AUDIT SCOPE AND METHODOLOGY

This audit was part of the 2017 new business process annual audit plan as approved by the Audit Committee. The scope of the audit covered the Clinic and Shelter Operations functions of the Division. Our methodology included a review of the controls in place over the Clinic and Shelter operations processes and transactions for the period of April 2017 through November 2017.

To become familiar with the various functions performed at the ACC Division we obtained and reviewed Departmental and Countywide policies and procedures (PPMs), as well as the Division’s Standard Operating Procedures (SOPs). In addition, we interviewed management and staff involved in various processes and transactions. To meet our audit objective, our review and testing included observation, examination of existing system and file documents as well as analytical procedures applied to transactions for the clinic and shelter operations.

SAMPLING PLAN

Since our audit objective relates to the confirmation of the existence of the controls in place, no substantive testing was conducted. However, we selected judgmental samples of between two to five transactions for each identified control to test and confirm its existence.

MANAGEMENT AND AUDIT RESPONSIBILITIES

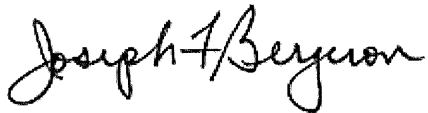
Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively, efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained.

Internal Audit is responsible for using professional judgment in establishing

the scope and methodology of our work, determining the tests and procedures to perform, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient,

appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Joseph F. Bergeron, CPA, CIA, CGAP
County Internal Auditor
March 16, 2018
W/P # 2017-10

ADMINISTRATIVE RESPONSE



Interoffice Correspondence

Department of Public Safety

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Palm Beach County Board of County Commissioners

Melissa McKinlay, Mayor

Mack Bernard, Vice Mayor

Hal R. Valeche

Paulette Burdick

Dave Kerner

Steven L. Abrams

Mary Lou Berger

County Administrator

Verdenia C. Baker

"An Equal Opportunity
Affirmative Action Employer"

Official Electronic Letterhead

To: Joe Bergeron, Internal Auditor
From: Stephanie Sejnoha, Director Public Safety Department
Date: April 18, 2018 *Sejnoha*
Subject: Response to Final Draft Audit Report on Review of Internal Controls Audit for the Division of Animal Care and Control

This is in response to the draft audit report on the review of internal controls audit for the Public Safety Department's Division of Animal Care and Control.

Below are the audit recommendations and our response to each:

Finding 1: Division Policies and Procedures Need to be Updated

Recommendation:

1. The ACC Director should ensure that all PPMs and SOPs older than five years are reviewed for appropriateness and revised as needed.
2. The ACC Director should establish a process that ensures this review is conducted as needed, with a maximum period between reviews being five years.

Department Response: The department agrees with the finding and recommendations. As a point of reference, a departmental PPM PSM-003 (see attached) was in place at the time of the audit, which required Divisional PPM's to be reviewed at least annually for modifications, deletions, additions, etc. However, this PPM will be revised to modify the review requirements from at least annually to at least every five years. ACC Director is in the process of updating the Divisions PPM's and SOP's to comply with Countywide PPM CW-O-001. The projected completion date is December 31, 2018.

Finding 2: Medicine and Medical Supplies Inventory Management System Needs Improvement

Recommendations:

- 3. The ACC Director should develop a Divisional inventory management PPM for medicines, drugs and medical supplies as required by County Policy. The Divisional PPM should include the relevant elements identified in the County Policy.**
- 4. The ACC Director should acquire and implement an automated inventory management system for the management of their inventory of Medical drugs and supplies.**

Department Response: The Department agrees with the finding and the recommendations. ACC Director is in the process of developing a Divisional inventory management PPM. The projected completion date for recommendation #3 is December 31, 2018. A request was included in the FY 2019 budget for a new position to, in part, manage the Division's drugs, medicines and medical supplies inventories. An upgrade to the Chameleon System to allow implementation of the inventory management module is in process. If the position is approved by the Board of County Commissioners, the projected completion date for recommendation #4 is September 30, 2019, since the position cannot be filled until January 2019. If the position is not approved, the management of the inventory will be delayed until the Division has sufficient staffing to provide the necessary support.

Finding 3: Internal Controls over Cash Operations Need Improvement

Recommendation:

- 5. The FAS Director should continue the initiated actions to update and revise the Cash Management PPM and to implement the planned controls to address all the control issues identified.**

Department Response: The Department agree with the finding and the recommendation. The Cash Management PPM has been updated and implemented to ensure cash management controls are in place.

Finding 4: Access Controls Over Restricted Kennel Function In Chameleon System Need Improvement

- 6. The ACC Director should ensure that access to all Chameleon functions, especially restricted ones, be restricted to authorized users only based on the job requirements of each employee. Exception reporting and monitoring should be used in cases where access to restricted functions is not automated.**
- 7. The ACC Director should also institute an annual process to review the system access to the Chameleon system as required by County PPM.**

Department Response: The Department agrees with the finding and the recommendations. With the recent hiring of the Information Specialist position to ACC complement, annual reviews of Chameleon access have been implemented. ACC staff completed a review of Chameleon access and is in the process of making necessary adjustments. The restriction access will be completed by the end of the May 2018. In addition, access will be limited to other areas than those mentioned in the audit, specifically legal classification of dogs and bite history.



Office of the County Internal Auditor
Audit Report #2018-05

Multiple Department

Infrastructure Sales Surtax Program

Review of Internal Controls



*Reviewed by Audit Committee
June 20, 2018*

DATED MAY 30, 2018

Stewardship – Accountability – Transparency

WHY WE CONDUCTED THIS AUDIT

We conducted this audit to address the following:

Describe and evaluate the internal control systems in place to ensure that the Infrastructure Sales Tax	(IST) Program is implemented as intended by the Board of County Commissioners.
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WHAT WE FOUND

The internal control systems in place to ensure that the Infrastructure Sales Tax Program is implemented as intended by	the Board of County Commissioners are appropriate and adequate.
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WHAT WE RECOMMEND

The audit report makes three recommendations for improvement in capital project reporting.	between the County’s accounting system and the IST project management system.
Recommendation #1 addresses information provided in IST project status reports.	Recommendation #3 addresses extending the capabilities of the IST project management system to all County capital project management efforts.
Recommendation #2 addresses developing an automated interface	

**DESCRIPTION AND EVALUATION OF CONTROLS IN PLACE
FOR THE IST PROGRAM**

Description:

The IST program includes several different processes:

- Project approval and funding,
- Procurement of the necessary services and contracts,
- Ongoing project management and monitoring which include payments and contract modifications,
- Reporting project progress, and
- Completing projects and closing the related budget accounts.

Project approval and funding is the sole province of the Board of County Commissioners (BCC). The various participating departments proposed projects that were vetted by reviews performed by independent third-party professionals. The BCC approved the proposed projects based on the recommendations of the independent third-party professionals and within the constraints of the projected funding for the program. The Office of Financial Management and Budget developed revenue projections based on historical collections of other sales tax revenues and estimates prepared by the State of Florida. The funding projections were conservative to allow for fluctuations in actual collections of sales tax revenues and variations in project costs over the life of the IST program. Projects were prioritized by staff with BCC direction

and a 10-year schedule of projects was developed. The BCC approved this final list in April 2016. Any change to a project budget or project schedule requires BCC approval other than for removing the residual budget from a completed project. Staff developed and put in place procedures to require review of proposed budget adjustments by the IST Citizen Oversight Committee prior to those adjustments being presented to the BCC for final approval.

Residual funding from completed projects is placed in departmental program reserves. Revenues collected beyond the amounts projected and budgeted are placed in a program level reserve. Transfers from these reserves require BCC approval after IST Committee review and recommendation for approval.

Procurements of construction, professional and other services necessary to implement IST program projects follow existing County policy and departmental practices. We have audited these processes at the participating departments and made no significant recommendations for improvements in internal controls related to those processes.

Each of the departments have their own processes for ongoing project management and monitoring. Contract

payments and contract modifications follow existing County policy. We have audited these processes at the participating departments making no recommendations for Engineering & Public Works and the Parks & Recreation Departments. However, our audit of the Facilities Development & Operations Department's capital project management process included five findings and nine recommendations to improve controls in the process. We believe that none of those findings will adversely affect the Department's implementation of the IST program in the areas of project management and monitoring, and contract payments and modifications.

The IST program imposed new requirements for reporting and transparency. These requirements flow from the requirement to provide the IST Citizen Oversight Committee program and project financial and status information to assist the Committee with its oversight responsibilities. The information provided to the Committee is also posted on the County's IST program web site (<http://www.onecountyonepenny.org/pbc.htm>).

The reporting procedures, along with the additional budget management procedures described above, are the new elements introduced into the capital project management process by the IST program. Reporting for the IST program includes budget, revenue and expenditure information at the program level and project level detail information. Program level revenue reports are prepared by OFMB using

information from the County's accounting system. Project level reporting is based on data input into the Prolog system. Projects are grouped in Prolog as either large capital projects (project budgets of \$1 million or more) or small capital projects (project budgets of less than \$1 million). Information included in the Prolog project status reports is essentially the same regardless of the project budget. Published project status reports differ only in the amount of project detail provided. Large capital project reports include a photograph of the project (if available) and a graph of the current budget. Large capital projects are on a single page, while small capital projects are two to a page.

The basic information provided for every project includes schedule, scope, budget, financial, small business enterprise (SBE) participation summary, and status notes. Each department has personnel assigned to develop and feed the necessary project information into Prolog. Generally, the personnel assigned include project managers and financial staff. All accounting information is entered into both the Prolog system and the County's accounting system. Non-financial project information is entered into the Prolog system only. Each department has its own approach to getting the data into Prolog. We discuss the different approaches below.

The Administrative Services Division (ASD) Director for the Engineering & Public Works (EPW) Department is responsible for input of all data into the

Prolog system for Departmental projects. The Assistant County Engineer reviews project status information prior to delivery to the ASD Director for input. The ASD Director enters accounting information into Prolog concurrently with sending accounting transaction to the Finance Department for entry into the County's accounting system. ASD staff enter procurement transactions for EPW projects into the County's accounting system. Finance Department staff enter payment transactions into the County's accounting system after review and approval by EPW staff.

Project managers of the Capital Improvements Division of the Facilities Development & Operations Department are responsible for all data input into the Prolog system (both financial and project status information). Accounting transaction information is handled by the Department's financial staff (primarily the Fiscal Manager II) and the Finance Department essentially the same way EPW handles accounting transactions. FDO staff also upload images of all invoices processed for payment for their IST projects into Prolog.

The Financial & Support Services Division (FSS) of the Parks & Recreation Department is responsible for all data input into the Prolog system. The Division's Financial Analyst III is the focal point for all data entry into Prolog. FSS also uploads images of all invoices processed for payment for their IST projects into Prolog.

Evaluation:

We believe the internal control systems in place to ensure that the Infrastructure Sales Tax Program is implemented as intended by the Board of County Commissioners are appropriate and reliable to ensure reasonable assurance that IST program projects will be delivered in accordance with BCC direction. This belief is rooted in our prior audits of the capital project management processes of the departments managing the projects. As noted previously, our prior audits of Engineering, Facilities and Parks reported no significant weaknesses in controls.

The project reporting process, as described above, is entirely new and represents an increase in the information available to users regarding projects covered by the IST reporting program. We believe the information provided in the published reports to be generally accurate and reliable. We base this belief in our review work addressing the processes implemented to ensure accuracy and reliability. However, financial summary information provided for individual projects reflects the total budget approved for a project throughout the planned life of the project. For example, the project summary report for the Palm Beach Sheriff's Office Headquarters R&R project shows a total project budget of \$33,379,645. The IST program funding for this project is \$32,700,000. The difference is funding provided in prior years from non-IST program sources. In addition, the IST program

funding is spread over five years from FY 2017 to FY 2021. There is no information included in the project summary addressing the timing of IST program funding availability. Similarly, the CR 880 Canal Bank Stabilization project is shown on the project report with a \$5,000,000 total. The IST program shows the same amount. However, the IST program funding is spread over eight years with \$1 million in FY 2017, \$2 million in FY 2018 and \$2 million in FY 2024. While not inaccurate, this information could be misunderstood by an unfamiliar user without appropriate disclosure in the Notes section of the report.

Entry of accounting information into Prolog is entirely manual and requires processing the information twice. First into the County's accounting system, and second into Prolog. The manual entry process into Prolog also requires a reconciliation between Prolog and the accounting system to ensure accuracy. Timing of entries into the two separate systems creates reconciling issues. The departments control when information is input into Prolog. The Finance Department controls when information is entered into the accounting system. A project was recently initiated to implement an interface between the two systems to eliminate the double entry and reconciliation work.

The departments implementing the IST program have different approaches to managing and monitoring their IST and non-IST projects. Prior to the advent of the Prolog system, FDO project managers maintained project status

information in paper project files. Periodic reports based on those project files were prepared. No electronic monitoring or tracking of project status was done. The FDO Department Director stated their intention to use Prolog for all project tracking, document management, and status reporting while a Department-wide information management system was developed. The Parks Department relies largely on FDO for implementation of their capital projects. Parks does have a work order system for managing Department maintenance projects and information regarding capital projects is entered into that system. Parks uses the County accounting system to maintain accounting information on its IST projects. The Engineering Department publishes an annual project status report on thoroughfare roads. The Department posts this report on its web site. OFMB publishes a semi-annual Capital Project and Reserve Status Report. This report contains a variety of information on capital projects including program level summaries on impact fees, program funding, contracts awarded, final payments made and "one-line" listings for each project showing the current budget, fiscal year spending to date, encumbrances, remaining balances and spending in prior years. This report is published on the Department's web site.

Recommendations:

1. The "Notes" section of the Monthly Infrastructure Sales Tax Project Report should include a comment indicating how much of the total

project budget is currently funded. Information on prior year and future year funding should also be provided.

2. The project to implement an automated interface between Prolog and the accounting system should be given the highest priority for development as this capability should eliminate the duplication of effort in entering the same data in both systems as well as eliminate the timing and reconciliation issues thus resulting in improved efficiency for program administration.
3. The County Administrator should require departments responsible for managing and implementing capital projects to use a project management system with capabilities similar to Prolog to facilitate periodic reporting of all capital projects.

Management Comments and Our Evaluation

In responding to a draft of this audit report, the Office of Financial Management and Budget (OFMB) Director provided a summary response for all parties involved in the IST process.

As to Recommendation #1, the OFMB Director stated that adding the information to each project would be a manual effort and that staff would continue to add the information when applicable.

As to Recommendation #2, the OFMB Director stated agreement with the recommendation and that staff had already begun work on developing an automated interface. The Director also stated that there are challenges linking a financial system and a project management system arising, in part, from the complexity of information maintained in the financial system.

As to Recommendation #3, the OFMB Director stated that staff disagrees with the recommendation. The OFMB Director stated that all departments associated with the IST program are using the same project management system (PROLOG) for IST projects. The OFMB Director also stated that departments that find value from a project management system currently use such a system and that other departments without project management systems are able to produce reports and track information.

We agree with the OFMB Director's comments as to Recommendations #1 and #2. We continue to believe that Recommendation #3 has merit and should be considered by County Administration. We recognize that management has the right to choose how capital projects will be managed and reported. We note that, in addition to the departments involved in the IST program, there are other departments managing capital improvement programs not included in the IST program. Each department managing capital programs decides what methodologies to use for project tracking and reporting resulting in

many approaches to tracking and reporting. This diversity may lead to inefficiencies.

BACKGROUND

The Infrastructure Sales Tax (IST) Program is a voter-approved approach to funding backlogged capital facility renewal and replacement, and new construction projects to keep up with growth. The voters approved a 1% addition to the local sales tax in a referendum held in November 2016. The 1% sales tax will be in place for a maximum of 10 years. Alternatively, the sales tax will sunset on December 31 of any calendar year if the cumulative sales tax distributions equal or exceed \$2.7 billion on or before September 1 of any calendar year. The Program focuses

on general government capital facilities including public building, parks, roads and bridges, drainage, and other general government infrastructure. The backlog stems from revenue shortfalls during the most recent recession and the extremely limited funding available for these types of projects.

The Board of County Commissioners (BCC) approved a very detailed list of County projects addressing backlogged infrastructure needs. Funding for projects by County department over the life of the IST program is:

Engineering & Public Works	\$196 million	312 projects
Facilities Development & Operations	\$346 million	25 projects
Parks & Recreation	\$125 million	199 projects
Palm Beach County Sheriff	<u>\$ 42 million</u>	<u>4 projects</u>
Total	\$709 million.	536 projects

The Engineering & Public Works (EPW) and Facilities Development & Operations (FDO) departments will manage and implement the majority of the approved IST Program projects. The Parks & Recreation (P&R) department and the Palm Beach County Sheriff's Office (PBSO) will manage and implement only selected projects for their own departments. FDO will manage and implement the balance of

the P&R and PBSO projects. A funding agreement with PBSO requires PBSO to forward invoices to FDO no more frequently than monthly. FDO will review those invoices to determine eligibility for IST funding and forward eligible items to the Finance Department (Finance) of the Clerk and Comptroller for payment. The Office of Financial Management and Budget (OFMB) will provide financial oversight for the entire

program. FDO is also responsible for coordinating program reporting for all projects with the assistance of Jacobs Project Management Company (Jacobs), a consultant retained to provide program management services to the General Government Capital Program (GGCP). The GGCP is a combination of the County's on-going 5 Year Capital Improvement Plan and the IST Program. Jacobs will also provide software (known as Prolog) to assist in managing and reporting projects.

The enabling legislation for the IST program (Ordinance 2016-032) also established a Palm Beach County Infrastructure Surtax Independent Citizen Oversight Committee (the Committee). The Committee's responsibilities are to ensure that the surtax proceeds are expended for the purposes set forth in the ordinance and in compliance with the County's surtax plan (adopted by the BCC 4 April 2017 as amended), to serve as an advisory and reporting body, and to provide annual reports to the BCC.

AUDIT SCOPE AND METHODOLOGY

This audit was part of the adopted 2017 annual audit work plan approved by the Audit Committee. The audit scope included a review of internal controls in place in the departments charged with implementing the IST program. The methodology included interviewing key officials in the various departments and interviewing key members of the Jacobs team as to their roles in project management and reporting. The

methodology also included developing a set of potential control objectives for the IST program, obtaining acknowledgement from the various interviewed individuals as to the applicability of those potential control objectives for each department, and identifying the controls in place within each department.

Potential control objectives for this program (the flip side of these objectives can be considered risks):

- No money is spent on unapproved projects
- Spending on approved projects does not exceed Board approved budget (BCC may adjust project budgets over time)
- All contracts are awarded pursuant to relevant County policies
- Contract modifications are made consistent with relevant County policies
- Project scheduling and implementation is consistent with Board approved priorities
- All payments are approved by duly authorized County staff
- All payments are supported by appropriate documentation
- Project status reports are accurate, timely, and distributed appropriately
- The Independent Citizen Oversight Committee functions as intended by County policy

- Residual budgets for completed projects are closed to appropriate accounts in a timely manner
- Revenue projections are reasonable and reflected in annual budgets
- Contingency plans are in place to adjust the overall program based on variances in the timing and amount of collections versus the projected revenues

Potential controls to implement control objectives:

- No money is spent on unapproved projects
 - Budget accounts are established only for approved projects at approved funding levels
 - Changes in project scope affecting budget must be approved by BCC
 - Expenses charged to a project budget account are only for that project
 - Budget for completed projects is promptly removed from the project account
- Spending on approved projects does not exceed Board approved budget (BCC may adjust project budgets over time)
 - Budget accounts are established only for approved projects at approved funding levels
 - Expenses charged to a project budget account are only for that project
- All contracts are awarded pursuant to relevant County policies
 - An effective contract management system or approach is employed by all project managing departments
 - Personnel in-charge of the contract awarding process are familiar with and comply with County policies
 - Appropriate oversight by central service agencies is carried-out
- Contract modifications are made consistent with relevant County policies
 - Contract modifications are made only within the BCC approved scope of a project
 - Personnel in-charge of contract modifications are familiar with and comply with County policies
- Project scheduling and implementation is consistent with Board approved priorities
 - Project schedules include information at a macro level showing which projects are scheduled for activity in which fiscal year for all approved projects
 - Project schedules exist for all projects scheduled in a given fiscal year reflecting planned commencement and completion of design and construction activities (at least for current year and subsequent year)
- All payments are approved by duly authorized County staff
 - County staff authorized to approve payments have the requisite skill and knowledge to determine when payments are proper in both quality and quantity of work done, and for appropriate amounts
 - Authorizations of staff approvers is in writing and on file in the Clerk's office
- All payments are supported by appropriate documentation
 - Vendor invoices are reviewed for mathematical accuracy and documented
 - Vendor invoices represent work actually performed, of specified quality, and quantities are verified by appropriate staff
 - Vendor work progress is appropriately reviewed with any necessary notes or records of progress
 - Payment approval is made by appropriately authorized County staff

- Project status reports are accurate, timely, and distributed appropriately
 - Have periodic reporting schedules and timing been established
 - Has responsibility for preparing and distributing reports been assigned to appropriately qualified staff
- The Independent Citizen Oversight Committee functions as intended by County policy
- Residual budgets for completed projects are closed to appropriate accounts in a timely manner
 - Appropriate mechanisms are in place to ensure project completions are reported timely
 - Project budgets are closed promptly after projects are completed
- Revenue projections are reasonable and reflected in annual budgets
- Contingency plans are in place to adjust the overall program based on variances in the timing and amount of collections versus the projected revenues
 - Program adjustments are proposed by staff and approved by BCC

We reviewed the capital project management processes of the Engineering & Public Works and Facilities Development and Operations departments in previous audits. We reviewed the procurement to payment process of the Parks and Recreation Department in a previous audit. We believe the results of these audits provide sufficient assurance that these departments have adequate controls over the processes of soliciting, paying and managing construction contracts and other relevant procurements.

Audit fieldwork was done at each department from November 2017 through February 2018.

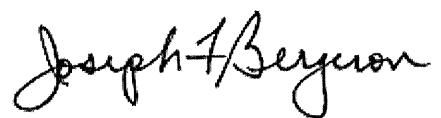
MANAGEMENT AND AUDIT RESPONSIBILITIES

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively,

efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained.

Internal Audit is responsible for using professional judgment in establishing the scope and methodology of our work, determining the tests and procedures to perform, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Joseph F. Bergeron, CPA, CIA, CGAP
County Internal Auditor
March 16, 2018
W/P # 2017-10

ADMINISTRATIVE RESPONSE



INTEROFFICE COMMUNICATION

Office of
Financial Management & Budget

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**Palm Beach County
Board of County
Commissioners**

Melissa McKinlay, Mayor

Mack Bernard, Vice Mayor

Hal R. Valeche

Paulette Burdick

Dave Kerner

Steven L. Abrams

Mary Lou Berger

County Administrator

Verdenia C. Baker

*"An Equal Opportunity
Affirmative Action Employer"*

Official Electronic Letterhead

TO: Joe Bergeron, Internal Auditor

FROM: Sherry Brown, OFMB Director

DATE: May 24, 2018

SUBJECT: Infrastructure Surtax Audit

A handwritten signature in black ink, likely belonging to Sherry Brown, the OFMB Director.

Please see responses to recommendations for the Infrastructure Surtax Audit.

1. The "Notes" section of the Monthly Infrastructure Sales Tax Project Report should include a comment indicating how much of the total project budget is currently funded.

There are multiple Monthly Infrastructure Sales Tax Project Reports available online, including the original ten-year plan adopted by the Board of County Commissioners in April 2017 and all changes to the plan since adoption. The report referred to in this recommendation is intended to provide a scope/description of the project, a schedule, and various other information. To add this information to the "Notes" section is a manual process and has been completed in some of the projects. Staff will continue to add when applicable.

2. The project to implement an automated interface between Prolog and the accounting system should be given the highest priority for development as this capability should eliminate the duplication of effort in entering the same data in both systems as well as eliminate the timing and reconciliation issues.

Staff agrees with recommendation and has already begun meetings to discuss an interface between Prolog and the County's accounting system; however, there are challenges since Prolog is a construction (project) management system and not a financial system. Staff believes that some of the financial data may be able to interface easily and will implement first. Staff will continue until an automated interface has been implemented. We are attempting to complete this work within the next 120 days (by September 30, 2018).

3. The County Administrator should require departments responsible for managing and implementing capital projects to use a project management system with capabilities similar to Prolog to facilitate periodic reporting of all capital projects.

All Departments associated with the Infrastructure Surtax are using Prolog for the Infrastructure Surtax projects. Departments that find value from a project management system currently use such a system; however, other departments without a project management system are able to produce reports and track information. Staff disagrees with recommendation.

Cc: Verdenia Baker, County Administrator
Audrey Wolfe, Facilities, Development & Operations Director
Eric Call, Parks & Recreation Director
David Ricks, Engineering Director



Office of the County Internal Auditor

AUDIT RECOMMENDATION STATUS
FOLLOW-UP REPORT
AS OF MAY 15, 2018



*Reviewed by Audit Committee
June 20, 2018*

ISSUED JUNE 20, 2018

Stewardship – Accountability – Transparency



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**Palm Beach County
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County Administrator

Verdenia C. Baker

*"An Equal Opportunity
Affirmative Action Employer"*

Official Electronic Letterhead

DATE: June 20, 2018

TO: The Audit Committee

FROM: Joseph F. Bergeron, Internal Auditor

SUBJECT: Transmittal Letter for Recommendation Follow-Up
Report Dated May 15, 2018

Attached is the Internal Auditor's Recommendation Follow-Up Report providing the status of audit recommendations as of May 15, 2018. These reports are prepared semiannually for periods ending on the 15th of May and November. This is a new schedule, approved by the Audit Committee at its December 2017 meeting. The new reporting schedule will provide a more up-to-date report than the prior schedule which based reports as of the end of March and September. The reports are submitted to the Audit Committee at its meeting following the report "as of" dates. We will submit the reports to the BCC (generally January and July) following Audit Committee review.

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

- Exhibit 1 Audit Recommendations Open at Beginning of the October 1, 2017 through May 15, 2018 Reporting Period
- Exhibit 2 Audit Recommendations Issued During the October 1, 2017 through May 15, 2018 Reporting Period
- Exhibit 3 Open Audit Recommendations by County Department at May 15, 2018
- Exhibit 4 Summary Aging of Open Audit Recommendations at May 15, 2018
- Exhibit 5 Recommendation Implementation Dates
- Exhibit 6 Audit Recommendations Submitted for Audit Committee Consideration
- Exhibit 7 Recommendation Status at May 15, 2018

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 and to facilitate oversight by County Administration on departmental implementation activities.

Exhibit 6 includes recommendations which have had final management action without correcting the underlying condition where

we believe additional action is necessary (Part A) or that have been open for at least two years (Part B). Audit recommendation follow-up is conducted to determine if management has implemented the corrective action agreed to during the audit and to ensure the underlying condition has been corrected.

Audit recommendations are proposed by the Internal Auditor's Office and either accepted by management as proposed or management proposes alternate solutions, which are acceptable to Internal Audit. An audit recommendation is "Open" from the time the audit report containing the recommendation has been reviewed by the Audit Committee until management has either implemented the recommendation or decided to take no further action. Audit recommendations remain in this report as long as the recommendation is open. If management chooses to take no further action, Internal Audit reports that in Exhibit 6 and recommends appropriate action to the Audit Committee.

This report tracks every audit recommendation from the date of issuance through to final disposition. Management establishes projected implementation dates for all recommendations during the audit. Internal Audit tracks the projected implementation dates and conducts follow-up on audit recommendations when management confirms the recommendation has been implemented.

If management has not implemented the recommendation by the scheduled implementation date, Internal Audit makes inquiries of management to determine:

- What actions, if any, have been taken by management;
- Why the recommendation has not been implemented as scheduled; and
- When will the recommendation be implemented?

Internal Audit will conduct limited due diligence reviews to determine the validity of management's responses and consult with County Administration to determine if the reasons for delay are reasonable and report delinquencies where appropriate. The recommendation implementation date will be adjusted as necessary based on the new information from management.

Recommendation status is listed in Exhibits 6 and 7 as either:

- **Completed** The recommendation has been fully implemented or management has implemented alternative actions that achieved the same purpose as the original recommendation, and the actions taken by management have corrected the underlying conditions. Internal Audit review confirms management's actions.
 - **In process** Internal Audit has conducted a follow-up review and found that management has not fully implemented the recommendation and that additional work is necessary to fully implement the recommendation. Management provides a new projected implementation date for the corrective action. Additional follow-up will be required. In some cases, management tells Internal Audit that implementation is underway but not yet complete. In that case Internal Audit will perform limited procedures to verify management's assertion.
 - **Future implementation** The implementation date established by management occurs after the date of this report and Internal Audit has done no review work on the recommendation.
 - **Follow-up pending** The department has reported implementation of the audit recommendation. However, Internal Audit has not yet done the follow-up review work to confirm management's actions.
-

SUMMARY STATUS OF AUDIT RECOMMENDATIONS

MAY 15, 2018

As of May 15, 2018 the Internal Auditor’s Database of Audit Recommendations showed that management actions had not been completed on 38 recommendations. These recommendations are considered “Open”. Of those 38 open recommendations, follow-up has been conducted on 14 showing that management action has started but was not yet complete. The other 24 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 October 1, 2017 through May 15, 2018 are shown below:

Open Audit Recommendations as of October 1, 2017	27
Additional Audit Recommendations from Audit Reports Issued October 1, 2017 through May 15, 2018	26
Audit Recommendations Completed October 1, 2017 through May 15, 2018	15
Open Audit Recommendations as of May 15, 2018	38

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

- Was the recommendation implemented as agreed to by management? Or, if not, did alternative management action correct the identified deficiency or deficiencies?
- 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 an audit recommendation, the recommendation is considered “Complete” and is included in the current report, but not in future reports.

If management action is not complete on any audit recommendation, the recommendation is included in this report as ‘In Process.’ Another audit follow-up will be scheduled. If 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 in Exhibit 6 for Audit Committee consideration.

**Exhibit 1: Audit Recommendations Open at Beginning of the October 1, 2017
through May 15, 2018 Reporting Period**

Report		Issue Date	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
15-06	Palm Tran Fixed Route	Mar-15	1	0	1
15-17	Office of Small Business Assistance Revenue Management	Sep-15	1	0	1
16-11	Fire Rescue Revenue Management	Sep-16	4	4	0
16-14	Palm Tran Revenue Management	Mar-17	1	1	0
17-04	Human Resources Customer Service Processes	Mar-17	5	0	5
17-05	PZB - Code Enforcement Customer Service Processes	Apr-17	15	8	7
Totals			27	13	14

Exhibit 2: Audit Recommendations Issued During the October 1, 2017 through May 15, 2018 Reporting Period

Report		Issue Date	Number of Audit Recommendations Issued this Reporting Period	Final Management Action Taken During Reporting Period	Number of Open Audit Recommendations End of Reporting Period
18-01	Facilities Development & Operations Capital Project Management Process	Dec-17	9	1	8
18-02	Department of Airports Capital Project Management Process	Dec-17	6	0	6
18-03	Library Department Information Technology Management	Jan-18	11	1	10
Totals			26	2	24

**Exhibit 3: Open Audit Recommendations
by County Department
as of May 15, 2018**

Department	In Process	Future Implementation
Airports	6	0
Facilities Development & Operations	8	0
Human Resources	5	0
Library	0	10
Office of Small Business Assistance	1	0
Palm Tran (Fixed Route)	1	0
PZB - Code Enforcement	7	0
Total Open Recommendations	28	10

Future implementation
The implementation date established by management occurs after the date of this report and Internal Audit has done no review work on the recommendation(s).

**Exhibit 4: Summary Aging of Open Audit Recommendations by Report Issued Date
As of May 15, 2018**

Timeframe	Inventory at Beginning of Period (Exhibit 1)	Issued During this Period (Exhibit 2)	Closed During this Period (Exhibits 1 and 2)	Open at the End of this Period	In Process	Future Implementation
0 - 6 Months	0	26	2	24	14	10
7 - 12 Months	15	0	8	7	7	0
13 - 18 Months	5	0	0	0	5	0
19 - 24 Months	5	0	5	0	0	0
Greater Than 24 Months	2	0	0	2	2	0
Total	27	26	15	33	28	10

Audit Report Issuance Dates by Audit Committee Meeting Date

0 - 6 Months	December 2017 and March 2018
7 - 12 Months	June and September 2017
13 - 18 Months	December 2016 and March 2017
19 - 24 Months	June and September 2016
Over 24 Months	March 2016 or Earlier

Future implementation: The implementation date established by management occurs after the date of this report and Internal Audit has done no review work on the recommendation(s).

Exhibit 5
Recommendation Status Report as of May 15, 2018
By Report Number and Implementation Date

A/C Mtg	Report	Rec	OID	AFD	RID	AFD	RID	AFD	RID	AFD
Date	#	#								
Mar-15	15-06	2	Sep-15	Oct-15	complete					
Mar-15	15-06	3	Sep-15	Oct-15	complete					
Mar-15	15-06	7	Sep-15	Oct-15	complete					
Mar-15	15-06	11	Sep-15	Oct-15	complete					
Mar-15	15-06	12	Sep-15	Oct-15	complete					
Mar-15	15-06	13	Sep-15	Oct-15	complete					
Mar-15	15-06	4	Sep-15	Oct-15	Dec-15	Mar-16	complete			
Mar-15	15-06	8	Sep-15	Oct-15	Dec-15	Mar-16	complete			
Mar-15	15-06	9	Sep-15	Oct-15	Dec-15	Mar-16	Dec-16	complete		
Mar-15	15-06	10	Sep-15	Oct-15	Dec-15	Mar-16	Dec-16	complete		
Mar-15	15-06	1	Sep-15	Oct-15	Dec-15	Mar-16	Dec-16	Oct-17	May-18	
Sep-15	15-17	1	Mar-16	-	Aug-16	Nov-16	complete			
Sep-15	15-17	2	Mar-16	-	Aug-16	Nov-16				
Sep-16	16-11	1	Feb-17	complete						
Sep-16	16-11	2	Jan-17	Oct-17	complete					
Sep-16	16-11	3	Feb-17	complete						
Sep-16	16-11	4	Feb-17	complete						
Sep-16	16-11	5	Feb-17	complete						
Sep-16	16-11	6	Feb-17	Oct-17	complete					
Sep-16	16-11	7	Feb-17	Oct-17	complete					
Sep-16	16-11	8	Feb-17	Oct-17	complete					
Sep-16	16-14	1	Dec-16	complete						
Sep-16	16-14	2	Dec-16	complete						
Sep-16	16-14	3	Dec-16	complete						
Sep-16	16-14	4	Dec-16	complete						
Sep-16	16-14	5	Dec-16	Oct-17	Complete					
Sep-16	16-14	6	Dec-16	complete						

Symbol Legend: OID = Original Implementation Date; AFD = Audit Follow-up Date; RID = Revised Implementation Date

Exhibit 5
Recommendation Status Report as of May 15, 2018
By Report Number and Implementation Date

A/C Mtg	Report	Rec	OID	AFD	RID	AFD	RID	AFD	RID	AFD
Date	#	#								
Mar-17	17-04	1	Aug-17	Oct-17						
Mar-17	17-04	2	Aug-17	Oct-17						
Mar-17	17-04	3	Apr-17	Oct-17						
Mar-17	17-04	4	Jul-17	Oct-17						
Mar-17	17-04	5	Feb-18	Oct-17						
Apr-17	17-05	1	Nov-17	complete						
Apr-17	17-05	2	Nov-17	Jun-18						
Apr-17	17-05	3	Nov-17	complete						
Apr-17	17-05	4	Nov-17	complete						
Apr-17	17-05	5	Nov-17	complete						
Apr-17	17-05	6	Nov-17	Jun-18						
Apr-17	17-05	7	Nov-17	complete						
Apr-17	17-05	8	Nov-17	complete						
Apr-17	17-05	9	Nov-17	complete						
Apr-17	17-05	10	Nov-17	Jun-18						
Apr-17	17-05	11	Nov-17	Jun-18						
Apr-17	17-05	12	Nov-17	Jun-18						
Apr-17	17-05	13	Nov-17	Jun-18						
Apr-17	17-05	14	Nov-17	Jun-18						
Apr-17	17-05	15	Nov-17	complete						
Dec-18	18-01	1	Dec-17	May-18						
Dec-18	18-01	2	Feb-18	May-18						
Dec-18	18-01	3	Dec-17	May-18						
Dec-18	18-01	4	Feb-18	May-18						
Dec-18	18-01	5	-	May-18						
Dec-18	18-01	6	-	May-18						
Dec-18	18-01	7	-	May-18						
Dec-18	18-01	8	-	May-18						
Dec-18	18-01	9	at report issuance							

Symbol Legend: OID = Original Implementation Date; AFD = Audit Follow-up Date; RID = Revised Implementation Date

Exhibit 5
Recommendation Status Report as of May 15, 2018
By Report Number and Implementation Date

A/C Mtg	Report	Rec	OID	AFD	RID	AFD	RID	AFD	RID	AFD
Date	#	#								
Dec-18	18-02	1	Mar-18	Jun-18						
Dec-18	18-02	2	Mar-18	Jun-18						
Dec-18	18-02	3	Mar-18	Jun-18						
Dec-18	18-02	4	-	Jun-18						
Dec-18	18-02	5	Mar-18	Jun-18						
Dec-18	18-02	6	Mar-18	Jun-18						
Mar-18	18-03	1	Jan-19	Jul-18						
Mar-18	18-03	2	Jan-19	Jul-18						
Mar-18	18-03	3	Oct-18	Jul-18						
Mar-18	18-03	4	Oct-18	Jul-18						
Mar-18	18-03	5	Oct-18	Jul-18						
Mar-18	18-03	6	Jun-18	Jul-18						
Mar-18	18-03	7	Oct-18	Jul-18						
Mar-18	18-03	8	Oct-18	Jul-18						
Mar-18	18-03	9	Oct-18	Jul-18						
Mar-18	18-03	10	Oct-18	Jul-18						
Mar-18	18-03	11	at report issuance							

Symbol Legend: OID = Original Implementation Date; AFD = Audit Follow-up Date; RID = Revised Implementation Date

Exhibit 6: Audit Recommendations Submitted for Audit Committee
Consideration as of May 15, 2018

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

None	

Recommendations Which Have Been Open Longer Than Two Years

15-06 Palm Tran Fixed Route Operations	
Report issued March 2015 containing 13 recommendations. Follow-up #1-October 2015, 5 remain open. Follow-up #2-March 2016, 3 remain open. Follow-up #3- June 2017, 1 remains open. Follow-up #4 – November 2017, 1 remains open. Follow-up #5 scheduled for May 2018.	
#1 The Department Director should enforce overtime-scheduling requirements based on seniority order.	Status – May 2018 In process. New initiatives implemented. 14 overtime violations identified. Next follow up scheduled May 2018. Status – September 2017 In process. Changes in process, 3 overtime violations identified; follow up scheduled for October 2017. Status – March 2017 In process. Follow-up scheduled for May 2017

**Exhibit 6: Audit Recommendations Submitted for Audit Committee
Consideration as of May 15, 2018**

	<p>Status - September 2016 In process. New implementation scheduled for December 2016; follow-up scheduled for January 2017.</p> <p>Status - March 2016 In process.</p> <ul style="list-style-type: none">• Follow up #2 - Based on Palm Tran's payroll record, we found 9 instances where Palm Tran did not schedule overtime correctly for a supervisor or ATU employees according to union contract since August 2015. The Director of Admin. Services indicated the contract violations relating to SEIU overtime have not been entirely eliminated. Implementation scheduled for September 2016; follow-up scheduled for October 2016.• Follow up#1 - 12 overtime errors identified. Follow up scheduled January 2016. <p>Status - September 2015 Follow-up pending.</p> <p>Status - March 2015 Follow-up pending. Implementation scheduled for September 2015; follow-up scheduled for October 2015.</p>
15-17 Office of Small Business Assistance Revenue Management	
Report issued September 2015 containing 2 recommendations. Follow-up #1 November 2016. 1 remains open.	

**Exhibit 6: Audit Recommendations Submitted for Audit Committee
Consideration as of May 15, 2018**

<p>#2 The OSBA Director should ensure the calculations supporting the fee schedule are maintained and reviewed on an annual basis to determine if fee schedule should be adjusted based on either changes in the Consumer Price Index or changes in the OSBA cost structure.</p>	<p>Status – May 2018 In process.</p> <p>Status – September 2017 In process. Internal Auditor to discuss with Department Director.</p> <p>Status – March 2017 In process. Internal Auditor to discuss with County Administrator.</p> <p>Status – September 2016 Follow-up pending. New implementation scheduled for August 2016.</p> <p>Status - March 2016 Follow-up pending.</p> <p>Status - September 2015 Future implementation. Implementation scheduled for March 2016; follow-up scheduled for April 2016.</p>
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Exhibit 7 - Recommendation Status at May 15, 2018

Audit Report Number, Title and Recommendation(s)	Recommendation Status
15-06 Palm Tran Fixed Route Operations	
Report issued March 2015 containing 13 recommendations. Follow-up #1-October 2015, 5 remain open. Follow-up #2-March 2016, 3 remain open. Follow-up #3- June 2017, 1 remains open. Follow-up #4 – November 2017, 1 remains open. Follow-up #5 scheduled for May 2018.	
#1 The Department Director should enforce overtime-scheduling requirements based on seniority order.	<p>Status – May 2018 In process. New initiatives implemented. 14 overtime violations identified. Next follow up scheduled May 2018.</p> <p>Status – September 2017 In process. Changes in process, 3 overtime violations identified; follow up scheduled for October 2017.</p> <p>Status – March 2017 In process. Follow-up scheduled for May 2017</p> <p>Status - September 2016 In process. New implementation scheduled for December 2016; follow-up scheduled for January 2017.</p> <p>Status - March 2016 In process. • Follow up #2 - Based on Palm Tran's payroll record, we found 9 instances where Palm Tran did not schedule overtime correctly for a supervisor or ATU employees according to union contract since August 2015. The Director of Admin. Services indicated the contract violations relating to SEIU overtime have not been entirely eliminated. Implementation scheduled for September 2016; follow-up scheduled for October 2016.</p>

Exhibit 7 - Recommendation Status at May 15, 2018

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	<ul style="list-style-type: none"> • Follow up#1 - 12 overtime errors identified. Follow up scheduled January 2016. <p>Status - September 2015 Follow-up pending.</p> <p>Status - March 2015 Follow-up pending. Implementation scheduled for September 2015; follow-up scheduled for October 2015.</p>
15-17 Office of Small Business Assistance Revenue Management	
Report issued September 2015 containing 2 recommendations. Follow-up #1 November 2016. 1 remains open.	
#2 The OSBA Director should ensure the calculations supporting the fee schedule are maintained and reviewed on an annual basis to determine if fee schedule should be adjusted based on either changes in the Consumer Price Index or changes in the OSBA cost structure.	<p>Status – May 2018 In process.</p> <p>Status – September 2017 In process. Internal Auditor to discuss with Department Director.</p> <p>Status – March 2017 In process. Internal Auditor to discuss with County Administrator.</p> <p>Status – September 2016 Follow-up pending. New implementation scheduled for August 2016.</p> <p>Status - March 2016 Follow-up pending.</p> <p>Status - September 2015 Future implementation. Implementation scheduled for March 2016; follow-up scheduled for April 2016.</p>

Exhibit 7 - Recommendation Status at May 15, 2018

Audit Report Number, Title and Recommendation(s)	Recommendation Status
16-11 Fire Rescue Revenue Management	
Report issued September 2016 containing 7 recommendations. Follow-up #1 June 2017, 4 remain open. Follow-up #2 December 2017 1 remains open Follow up #3 February 2018 Completed.	
#2. The Fire Rescue Administrator should determine the reasons for the discrepancies noted and ensure that any properly billable transport charges that have not been billed are promptly billed.	Status – May 2018 Completed. Status – September 2017 In process. Department continues to work with vendor regarding transports not properly billed. Follow-up #2 scheduled for October 2017. Status – March 2017 In process. Department reported completion in February 2017 and requested delay in follow-up to allow completion of budget development. Follow-up scheduled for May 2017. Status – September 2016 Future Implementation. Implementation scheduled for February 2017; follow-up scheduled for March 2017.
#6. The Fire Rescue Administrator should conduct a cost analysis of the average unit cost of providing transport services and then adjust billing rates accordingly, if appropriate.	Status – May 2018 Completed. Status – September 2017 In process. Although a rate study has been conducted, the review of billing rates should be conducted and presented to the Board of County Commissioners in the near future rather than at next rate revision in 2019. Follow-up #2 Scheduled for October 2017. Status – March 2017 In process. Department reported completion in February 2017 and requested delay in follow-up to allow completion of budget development. Follow-up

Exhibit 7 - Recommendation Status at May 15, 2018

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	<p>scheduled for May 2017.</p> <p>Status – September 2016 Future Implementation. Implementation scheduled for February 2017; follow-up scheduled for March 2017.</p>
#7. The Fire Rescue Administrator should perform quarterly review of receivables.	<p>Status – May 2018 Completed.</p> <p>Status – September 2017 In process. Document retention of receivables reviews will start in June 2017. Follow-up #2 Scheduled for October 2017.</p> <p>Status – March 2017 In process Department reported completion in February 2017 and requested delay in follow-up to allow completion of budget development. Follow-up scheduled for May 2017.</p> <p>Status – September 2016 Future Implementation. Implementation scheduled for February 2017; follow-up scheduled for March 2017.</p>
#8. The Fire Rescue Administrator should perform periodic write-offs of accounts that are uncollectible; in order to more clearly represent the financial position of the County and in accordance with County's Policy.	<p>Status – May 2018 Completed.</p> <p>Status – September 2017 In process. Accounts of uncollectible non-transports past due since 2012 have not been written off. Follow-up #2 Scheduled for October 2017.</p> <p>Status – March 2017 In process Department reported completion in February 2017 and requested delay in follow-up to allow completion of budget development. Follow-up scheduled for May 2017.</p>

Exhibit 7 - Recommendation Status at May 15, 2018

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status – September 2016 Future Implementation. Implementation scheduled for February 2017; follow-up scheduled for March 2017.
16-14 Palm Tran Revenue Management	
Report issued September 2016 containing 6 recommendations Follow-up #1 August 2017, 1 remains open. Follow-up #2 January 2018 Completed.	
#5. The Palm Tran Executive Director should develop and implement policy and procedures to establish a reconciliation and monitoring process for the contract. This should include, verifying the accuracy, completeness and timeliness of contractor billing reports, including the quantity and type of advertisement product, and the gross space, gross production and net invoice dollar amounts; verifying the types of advertising by type/category installed, location on the bus, bus number and expiration date of the advertising on the contractor inventory reports; ensuring the timely installation and removal of advertising products; and tracking the frequency, type and amount of rate deviations approved.	Status – May 2018 Completed. Status – September 2017 In process. Although a Standard Operating Guide (SOG) has been drafted, some of the required monitoring and tracking needs to be addressed. Follow-up #2 scheduled for October 2017. Status – March 2017 In process. Department reported implementation January 2017. Follow-up scheduled for April 2017. Status – September 2016 Future Implementation. Implementation scheduled for December 2016; follow-up scheduled for January 2017.
17-04 Human Resources Customer Service Processes	
Report issued March 2017 containing 5 recommendations Follow-up scheduled for October 2017. Fieldwork complete, project in review for memo distribution as of May 15, 2018.	
#1. The Human Resources Director should add the ability to attach documents when submitting an application to the Online Job Application System. In the meantime, the inability of the application to generate a completed cover sheet should be corrected and	Status – May 2018 In process. Fieldwork complete, project in review for memo distribution.

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Audit Report Number, Title and Recommendation(s)	Recommendation Status
the instructions in the e-mail acknowledging receipt of the application should include directions on how to submit additional documents.	<p>Status – September 2017 Future implementation.</p> <p>Follow-up scheduled for October 2017.</p> <p>Status at March 31, 2017 Future implementation. Implementation scheduled for August 2017</p>
#2. The Human Resources Director should require T&E raters to use the module in the HRIS system to calculate the total criteria points for each applicant.	<p>Status – May 2018 In process. Fieldwork complete, project in review for memo distribution.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for October 2017.</p> <p>Status at March 31, 2017 Future implementation Implementation scheduled for August 2017</p>
#3. The Human Resources Director should request input controls be implemented to require a selection is made in the Education, Experience, and Veteran Preference sections of the Applicant T&E scoring page.	<p>Status – May 2018 In process. Fieldwork complete, project in review for memo distribution.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for October 2017.</p> <p>Status at March 31, 2017 Future implementation. Implementation scheduled for April 2017</p>
#4. The Human Resources Director should have an automated system developed that allows a request to be submitted on-line by the departments and track the progress of the request as the recommendation is approved. This would reduce the time a document is passed between approvers and allow the departments to check the progress instead of having to contact the Human Resource Specialist to find out the status of the request.	<p>Status – May 2018 In process. Fieldwork complete, project in review for memo distribution.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for October 2017.</p> <p>Status at March 31, 2017 Future implementation. Implementation scheduled for July 2017</p>

Exhibit 7 - Recommendation Status at May 15, 2018

Audit Report Number, Title and Recommendation(s)	Recommendation Status
<p>#5. The Human Resources Director should have all active and terminated employee personnel files housed in the storage shelves scanned and maintained electronically.</p>	<p>Status – May 2018 In process. Fieldwork complete, project in review for memo distribution.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for October 2017.</p> <p>Status at March 31, 2017 Future implementation Implementation scheduled for March 2017</p>
<p>17-05 Planning, Zoning, & Building Code Enforcement</p>	
<p>Report issued June 2017 containing 15 recommendations. Follow-up #1 February 2018, 7 remain open. Follow-up #2 Scheduled June 2018.</p>	
<p>#1 Identify factors causing delays in response time; especially for teams with the highest percentages of non-compliance, and implement appropriate corrective actions. This should include tasking supervisors to assist in identifying reasons within their team for lags in responding to complaints and bringing violations into compliance.</p>	<p>Status – May 2018 Complete.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for November 2017.</p>
<p>#2 Implement corrective actions to minimize delays in the complaint response time, which include, but are not limited to:</p> <p>A system edit or a non-system protocol (or combination of both) to ensure complaints are promptly submitted through the Work-in-Progress queue for assignment.</p> <p>Protocols to ensure the drop-down menu for the CEO field, which is used for assigning complaints, is kept current.</p>	<p>Status – May 2018 In process. Response times improved but remain outside required timeframes. Follow up scheduled for June 2018.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for November 2017.</p>
<p>#3 Establish specific expectations and requirements to ensure consistency and uniformity in the monitoring and oversight of CEO complaint handling/ investigations.</p>	<p>Status – May 2018 Complete.</p>

Exhibit 7 - Recommendation Status at May 15, 2018

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status – September 2017 Future implementation. Follow-up scheduled for November 2017.
#4 Identify tools to assist Supervisors in oversight roles, and ensure adequate training in their use. This includes working with ISS to identify, develop, and/ or correct existing reports in the ePZB system that can assist in the oversight and monitoring of complaint handling.	Status – May 2018 Complete. Status – September 2017 Future implementation. Follow-up scheduled for November 2017.
#5 Ensure established expectations and requirements are in writing (i.e. PPMs), and at a minimum, address the following: a) Reviews: types, frequency, specific items to evaluate, b) Available tools (i.e. reports) and methods to be utilized, and c) Types of oversight and monitoring activities (i.e. staff meetings).	Status – May 2018 Complete. Status – September 2017 Future implementation. Follow-up scheduled for November 2017.
#6 Communicate and review written PPMs with appropriate Staff.	Status – May 2018 In process. PPMs still in process of being updated. Follow up scheduled for June 2018. Status – September 2017 Future implementation. Follow-up scheduled for November 2017.
#7 Ensure approvals and reviews are documented (i.e. noted in case files) to provide for accountability and evidence of their completion.	Status – May 2018 Complete. Status – September 2017 Future implementation. Follow-up scheduled for November 2017.
#8 Encourage and provide for appropriate training of staff in their roles as code officers (i.e. periodic in-house training, certification).	Status – May 2018 Complete. Status – September 2017 Future implementation. Follow-up scheduled for November 2017.
#9 ePZB system security user access does not exceed what is needed to perform a job and current users identified with access beyond need should be corrected.	Status – May 2018 Complete. Status – September 2017 Future implementation. Follow-up scheduled for November 2017.

Exhibit 7 - Recommendation Status at May 15, 2018

Audit Report Number, Title and Recommendation(s)	Recommendation Status
#10 ePZB system security user access is reviewed, at least annually, to ensure user access is congruent with job responsibilities and functions; including both security roles and other added access (i.e. Supervisor Authority).	<p>Status – May 2018 In process. Actions have not been taken to resolve recommendation. Follow up scheduled for June 2018.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for November 2017.</p>
#11 Procedures are established for system access control in ePZB (including a protocol to resolve incompatible duties of staff granting/modifying access to the system to themselves).	<p>Status – May 2018 In process. Actions have not been taken to resolve recommendation. Follow up scheduled for June 2018.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for November 2017.</p>
#12 Request to grant/ modify security access in the ePZB system is authorized by Division management, documented (manual, electronic), and maintained.	<p>Status – May 2018 In process. Actions have not been taken to resolve recommendation. Follow up scheduled for June 2018.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for November 2017.</p>
#13 Procedures are established for system access control in ePZB (including a protocol to resolve incompatible duties of staff granting/modifying access to the system to themselves).	<p>Status – May 2018 In process. Procedures not in place. Follow up scheduled for June 2018.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for November 2017.</p>
#14 The Code Enforcement Division Director should ensure all division PPMs are up-to-date, contain clear expectations of established timeframes for responding to complaints, and staff is made aware of all PPM requirements.	<p>Status – May 2018 In process. PPMs still in process of being updated. Follow up scheduled for June 2018.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for November 2017.</p>
#15 Compliance with established PPMs should be monitored, such as with the use of reports that capture key indicators from the system to measure performance.	<p>Status – May 2018 Complete.</p> <p>Status – September 2017 Future implementation. Follow-up scheduled for November 2017.</p>

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Audit Report Number, Title and Recommendation(s)	Recommendation Status
18-01 Facilities Development & Operations Capital Project Management Process	
Report issued December 2017 containing 9 recommendations. Follow-up scheduled for May 2018.	
#1 The Department Director should ensure that there are adequate and consistently applied procedures to establish and record completion dates as determined by Department personnel.	Status – May 2018 Follow-up pending. Follow-up scheduled for May 2018.
#2 The Department Director should ensure that all project files contain documentation supporting the CID Director’s determination as to whether liquidated damages are to be assessed and the calculation of liquidated damage amounts when deemed necessary.	Status – May 2018 Follow-up pending. Follow-up scheduled for May 2018
#3 The Department Director should ensure change order requests are handled expeditiously by staff.	Status – May 2018 Follow-up pending. Follow-up scheduled for May 2018
#4 The Department Director should ensure the CID Director documents the allowance and other GMP line reconciliation process in the Project Manual and that appropriate documentation to support the allowance reconciliation process is retained in the project files.	Status – May 2018 Follow-up pending. Follow-up scheduled for May 2018
#5 The Department Director should revise their contracts to comply with current management processes.	Status – May 2018 Follow-up pending. Follow-up scheduled for May 2018
#6 The Department Director should determine whether the Gordian Group’s JOC system supports tracking and recording key project milestones.	Status – May 2018 Follow-up pending. Follow-up scheduled for May 2018
#7 If the determination in recommendation #6 is negative, the Department Director should ensure CID tracks key project milestone dates in the project management system being provided by the project management consultant.	Status – May 2018 Follow-up pending. Follow-up scheduled for May 2018
#8 The Department Director should ensure that CID updates the CID Project Manual to include reference to the Gordian Group manual	Status – May 2018 Follow-up pending. Follow-up scheduled for May 2018

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Audit Report Number, Title and Recommendation(s)	Recommendation Status
and supplements that manual as necessary.	
#9 The Department Director should ensure CID staff track and monitor anticipated design task durations for determining consultant compliance with contract requirements.	Status – May 2018 Completed.
18-02 Department of Airports Capital Project Management Process	
Report issued December 2017 containing 6 recommendations. Follow-up scheduled for June 2018	
#1 The DOA Director should revise existing contract management practices to ensure compliance with the requirements of the CCNA statute. These revised practices should be documented in Departmental policies and procedures and distributed to appropriate staff members. In developing these practices, the DOA Director should consult with the County Attorney’s Office to determine an appropriate policy on managing solicitations for groups or packages of projects that will ensure compliance with the CCNA statute.	Status – May 2018 Follow-up pending. Follow-up scheduled for June 2018
#2 The DOA Director should institute procedures that ensure all future Board of County Commissioners agenda items for contract amendments and modifications include all the information required by the referenced PPM. These procedures should be documented and distributed to appropriate staff for implementation. The Director may need to consult with County Administration regarding any necessary clarifications in existing County policy.	Status – May 2018 Follow-up pending. Follow-up scheduled for June 2018
#3 The DOA Director should develop, document and implement procedures to ensure that payment of consultant pay applications is consistent with: the contractually required deliverables; contractual schedules for deliverables and other services. Also, provisions relating to reimbursements for time and materials, travel and per diem, and other reimbursable expenses established in the consultant agreement should be uniform and	Status – May 2018 Follow-up pending. Follow-up scheduled for June 2018

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Audit Report Number, Title and Recommendation(s)	Recommendation Status
consistent across all amendments to the consultant's contract.	
#4 The DOA Director should develop, document and implement procedures to ensure that changes to the consultant's design team are approved by the Department Director and that the approval is documented in the project files.	Status – May 2018 Follow-up pending. Follow-up scheduled for June 2018
#5 The DOA Director should develop, document and implement procedures to ensure that liquidated damages are imposed when appropriate and that supporting documentation such as the certification of substantial completion is properly and accurately prepared.	Status – May 2018 Follow-up pending. Follow-up scheduled for June 2018
#6 The DOA Director should develop, document and implement procedures to ensure that warranty and maintenance documents are received in a timely manner as specified in the contract, and that the receipt is promptly and accurately recorded in the project files.	Status – May 2018 Follow-up pending. Follow-up scheduled for June 2018
18-03 Library Department Information Technology Management	
Report issued January 2018 containing 11 recommendations. Follow-up #1 scheduled for July 2018	
#1 The Department Director and the IT Division Director should ensure access at each MDF room location is restricted to those individuals with a job responsibility [not rank and title] that requires access to the room. More specifically, access should be controlled with a separate key to the MDF room, badge access restrictions, key distribution records, and periodic re-keying.	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018
#2 The Department Director and the IT Division Director should ensure access to MDF room locations (i.e. badge, key) is reviewed semi-annually for appropriateness and those identified without a need for entry	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018

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Audit Report Number, Title and Recommendation(s)	Recommendation Status
discontinued. This would include an evaluation of badge access records from ESS and a review of current key distribution records.	
#3 The Department Director and the IT Division Director should ensure policies and procedures (PPMs) for key areas of the operations are in writing and clearly communicated to staff, and are reviewed periodically and updated when necessary. Written PPMs should include, but not limited to, such areas as the PNR function, recovery plan testing, business interruption maintenance, desktop application and update installation protocols, and practices for scheduling and conducting application maintenance.	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018
#4 The Department Director and the IT Division Director should ensure IT staff performance is periodically monitored against key expectations outlined and communicated in written PPMs.	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018
#5 The Department Director and the IT Division Director should assign individual user IDs and passwords where appropriate to senior staff and Library IT staff, and implement a requirement for Library customer service staff working in public service areas to use the Windows lock feature whenever an active computer terminal is left unattended.	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018
#6 The Department Director and the IT Division Director should develop a formal process that specifies the system and data access required for a new user, and provides for management authorization.	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018
#7 The Department Director and the IT Division Director should implement a process to promptly identify and disable and/or delete terminated and transferred employee access from the system.	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018
#8 The Department Director and the IT Division Director should establish a schedule to change passwords periodically, at a maximum of 180 calendar days.	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018

Exhibit 7 - Recommendation Status at May 15, 2018

Audit Report Number, Title and Recommendation(s)	Recommendation Status
#9 The Department Director and the IT Division Director should conduct an annual review of current user access rights (both business and technical) to verify access is appropriate and consistent with present job functions and authorized access. Inappropriate access should be identified and disabled promptly.	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018
#10 The Department Director and the IT Division Director should document user access roles and associated functionality for the ILS to promote role-based security and to ensure users are granted access that is consistent and appropriate with their job functions.	Status – May 2018 Future Implementation. Follow-up #1 scheduled for July 2018
#11 The Department Director and the IT Division Director should ensure backup protocols for the ILS system are implemented and followed as adopted and expanded by the Information Technology Division’ which should also include the accurate labeling and tracking of backup tapes.	Status – May 2018 Completed.