

# *CITY OF FORT LAUDERDALE*

## OFFICE OF THE CITY AUDITOR

Follow-up Review of the Tuition Refund Program (07/08-2)

Special Report # 07/08-12

September 24, 2008



CITY OF  
FORT LAUDERDALE

City Auditor's Office

**Memorandum**

No: 07/08-18

Date: September 24, 2008

To: Mayor Jim Naugle  
Vice-Mayor Charlotte E. Rodstrom  
Commissioner Carlton B. Moore  
Commissioner Christine Teel  
Commissioner Cindi Hutchinson

From: John Herbst, CPA, CGFO, MBA  
City Auditor

Re: Follow-up of Audit of the Tuition Refund Program (*Report #07/08-06*)

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The City Auditor's Office has performed a follow-up of our *Audit of the Tuition Refund Program (Report #07/08-06)*. Our review procedures consisted of staff inquiries and limited analysis of documentation provided by management. We did not perform substantial tests of evidence supporting the replies from the staff responsible for resolving audit findings and recommendations.

We made 4 recommendations related to our audit finding. To date, 3 of the audit finding recommendations have been implemented or are in process. The remaining recommendation that has not been implemented is not considered to be a significant deficiency or material weakness and is therefore considered closed at this time.

The attached table illustrates the recommendations that have been implemented or are in progress as of August 11, 2008.

Staff: James Hamill, Audit Manager  
Pamela Winston, Staff Auditor

cc: George Gretsas, City Manager  
Harry Stewart, City Attorney  
Jonda Joseph, City Clerk  
Stephen Scott, Assistant City Manager  
Averill Dorsett, Director of Human Resources Department

**August 11, 2008**  
**Follow-Up Review of Audit Report #07/08-06, Re the Tuition Refund Program**

As a result of our audit of the Tuition Refund Program, we made 4 recommendations related to our audit findings. To date, 3 of the audit finding recommendations have been implemented or are in progress.

Management may concur with the City Auditor findings and at the time of follow-up these recommendations should either be implemented or in the process of being implemented. If however, Management does not concur and chooses not to implement them, the CA requires an explanation to justify the reasons for not implementing the recommendations.

The following table illustrates the status recommendations that have been implemented as of 08/11/08 and their current status:

Finding #	Recommendation	Management Response	Status
1.1	<p>Human Resources management should consult with the City Information Technology Department staff to develop an Access or similar database to facilitate accurate and efficient processing of Program refunds. Rules representing Program compliance requirements could be programmed into the database to help prevent or detect errant conditions early.</p>	<p>The Human Resources Department concurs with the recommendation to develop an Access database for the tuition refund program, to replace the use of an Excel spreadsheet to track program refunds. During the audit process, the City Auditor's Office was advised that both applications, were two (2) page applications, labeled as such, and that approval signatures were on the first page of each application. However, in an effort to avoid confusion in the future, approval signatures will be added to each page of the application.</p>	<p>The Human Resources Department (HRD) has created an Access database that is maintained by the Training Specialist. The database houses program information such as courses taken and payment amounts. A query has been developed that returns the sum of credits and payments by calendar year or any specified date range. Human Resources is currently working with Information Technology to develop more queries that will be useful in administering and monitoring the Tuition Refund Program. <b>This is closed.</b></p>
	<p>An HR Training Specialist should be specifically assigned the responsibility of verifying that program elements such as eligibility, number of hours, and refund calculations are correct. The application form should be revised to include a signature line for the HR Training Specialist to confirm a final review has been completed.</p>	<p>The HR Training Specialist has specifically been assigned the responsibility of verifying program elements since Oct. 2004. Notations are made on the application form to indicate eligibility. The application form will be revised to include a signature line.</p>	<p>The HRD has revised the application form to include a signature line for the HR Training Specialist to confirm that the final review has been completed. <b>This item is closed.</b></p>

Finding #	Recommendation	Management Response	Status
	<p>To improve the efficient administration of the Program, the HR Director should consider the benefits of negotiating consistent language for application of the Program in all collective bargaining agreements.</p>	<p>The City has four (4) unions with six (6) distinctive employee bargaining units. HR agrees that consistency in all of the contracts would be ideal, however it is not practical to expect this change any time in the near future given the current status of collective bargaining. Changes to the terms and conditions of employment must be negotiated.</p>	<p>N/A</p>
	<p>To improve the accuracy and enhance the audit trail the refund application form should be revised as follows:</p> <ol style="list-style-type: none"> <li>1. Add a signature line for the HR training specialist to verify that program eligibility has been verified</li> <li>2. Add a block to indicate the particular union group the applicant belongs to, with reference to contract specific program requirements</li> <li>3. A separate form should be created to request reimbursement for a previously authorized course. The employee, Department Head, H/R Training Specialist and the H/R Director should also sign this form.</li> </ol>	<p>The application form will be revised to include union classification. However, a separate form to request reimbursement, requiring all chain of command signatures for a course that has already been approved, is unnecessarily cumbersome and provides little added value to the process. Although it will likely lengthen the time it takes for an employee to receive his or her tuition refund, HR will require the signature of the applicable department head on reimbursement requests.</p>	<p>The HRD revised the application 2/08 to include all items recommended. <b>This item is closed.</b></p>