

CITY OF FORT LAUDERDALE

OFFICE OF THE CITY AUDITOR

Summary of Follow-Up Audits as of September 30, 2021

Report #21/22-02

November 2, 2021



City Auditor's Office

Memorandum No: 21/22-02

Date: November 2, 2021

To: Honorable Mayor and Commissioners

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

Re: Summary of Follow-Up Audits as of September 30, 2021

Since fiscal year 2015-16, the City's Auditor Office (CAO) has implemented a continuous auditing approach for following up on prior audit findings. Under this audit method, the CAO will be able to work with the departments as they update and implement their agreed upon recommendations. In coordination with the Office of Management and Budget (OMB), who maintains an Audit Compliance Tracking System (ACTS), it has been agreed that the City departments will inform the CAO when they have updated the ACTS with their supporting documentation to close a finding or observation.

The CAO will review any of the supporting documentation attached in the system. If the corrective actions taken by the department comply with the agreed upon recommendations stated in the findings or if an alternative method has been used and agreed upon, CAO staff will consider the finding(s) to be closed. Upon the City Auditor's final review, CAO staff will then communicate the closure of the finding(s) to the OMB. The OMB coordinator will close the item within the ACTS and will continue to follow up with departments to provide supporting documentation and to inform the CAO of updates to the ACTS.

In the process of clearing findings, CAO staff visited individual departments, interviewed management personnel and performed tests, on a more frequent basis, to evaluate the adequacy of management's implementation of the audit recommendations. In this process, we have closed or resolved 248 audit findings. The attached schedule (**Exhibit A**) recaps 8 that are open as of September 30, 2021.

As we complete new audits, the new audit findings and observations will be added into the ACTS. The departments are responsible to update the current status of the findings in the ACTS. Furthermore, the departments are to provide proper notice to CAO staff that corrective actions have been undertaken to address certain audit findings.

We would like to thank the departments that have taken a proactive approach to implement the agreed upon corrective actions. Additionally, we will continue to work with the departments to resolve prior findings accumulated over several years and to ensure compliance with the City's policies and procedures.

cc: Chris Lagerbloom, City Manager
Alain E. Boileau, City Attorney
Jeff Modarelli, City Clerk



CITY OF FORT LAUDERDALE

Status of Open Audit Findings

Single Audit

Programmatic Audit

City Commission Audit

As of September 30, 2021



WE BUILD COMMUNITY



CITY OF FORT LAUDERDALE

OPEN AUDIT FINDINGS STATUS REPORT

The Structural Innovation Division of the Office of Management and Budget compiles the quarterly Open Audit Findings Status Report. The report is based upon updates provided by departmental staff. It provides the status of open audit findings from external auditors and the City Commission Auditor’s Office each quarter.

There are currently eight open audit findings, including observations. As departments implement the corrective action plans and upload supporting documentation into the Audit Compliance Tracking System (ACTS), they are required to notify the Commission Auditor that they believe a finding has been resolved. The Auditor’s Office will continuously review these responses throughout the year and will notify the System Administrator in the Structural Innovation Division to close findings that have been cleared.

This quarter three new findings related to monitoring overtime in the Public Works Department were added to the report.

Five audit findings were also closed. All five were associated with the City Auditor’s findings; two originated in the Finance Department and three in the Police Department. The Finance Department’s findings related to P-Card spending within Public Works and Parks and Recreation Departments, and the P-Card fixed asset inventory procedure. The three findings in the Police Department all related to monitoring overtime.

Department staff are required to review and update the status of each of their open findings on a quarterly basis. Following the update, a report is compiled and distributed to the City Manager and the City’s Leadership Team. This report is presented to the Audit Advisory Board on a quarterly basis.

The department breakdown can be found in the table below.

Number of Open Findings

DEPARTMENT	September 2017	September 2018	September 2019	September 2020	December 2020	March 2021	June 2021	September 2021
City Manager’s Office	4	3	2	0	0	0	0	0
Community Redevelopment Agency	2	1	1	0	0	0	0	0
Finance	2	0	26	6	4	4	3	1
Human Resources	7	7	4	3	3	3	3	3
Information Technology Services	0	0	0	1	1	1	0	0
Parks and Recreation	9	6	1	1	1	1	0	0
Police Department	0	0	0	0	0	0	3	0
Public Works Department	0	0	0	0	0	0	0	3
Sustainable Development Department	4	2	2	2	1	1	1	1
TOTAL	28	22	64	13	10	10	10	8

All current open findings/observations originate from reports issued by the Office of the City Auditor.

**Status of Audit Findings
as of September 30, 2021**

Issue No	Closed Audit Findings	Status Reported by Staff	Page
Finance Department			
431	Finding #14: P-Card Spending Issues with Public Works and Parks and Rec	Implemented	2
435	Finding #10: P-Card Fixed Asset Inventory Procedure	Implemented	3
Police Department			
457	Memo No: 10/21-03 Continuous Monitoring of Overtime - Police Department - Finding # 1: PD's policy 109 deviates from City's PSM 6.32.1.	Implemented	4
458	Memo No: 10/21-03 Continuous Monitoring of Overtime - Police Department - Observation #1: Monitoring controls	Implemented	5
459	Memo No: 10/21-03 Continuous Monitoring of Overtime - Police Department - Observation # 2: Justification reporting for overtime	Implemented	6
City Auditor's Office Findings			
Finance Department			
429	Finding #12: Duplicate P-Card Detection	Partially Implemented	9
Human Resources Department			
95	Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning	Partially Implemented	11
100	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training	Partially Implemented	12
237	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9 - Employee Handbook	Partially Implemented	13
Public Works Department			
460	Continuous Monitoring of Overtime, Finding #1 - Preapproval of overtime	Not Implemented	16
461	Continuous Monitoring of Overtime, Finding #2 - Tracking overtime	Not Implemented	17
462	Continuous Monitoring of Overtime, Finding #3 - Accurate supervisor approval	Not Implemented	18
Sustainable Development Department			
108	Report #10/11-06 Audit of the Code Enforcement Lien Process - Finding 2	Partially Implemented	20

Findings Closed this Quarter

Finance Department (2)
Police Department (3)



Finding #14: P-Card Spending Issues with Public Works and Parks and Rec

Issue No: 431

Date of Finding: 03/01/2019

Final Date of Completion 07/22/2021

		Name	Title	Department
<u>Responsible Person 1</u>	lgarcia	Laura Garcia	Controller	Finance
<u>Responsible Person 2</u>	jboutilier	Jason Boutillier	Management Analyst	Finance

Correction Plan Status: Implemented Finding Type: Material Weakness

Next Milestone

Milestone Date of Completion

Department: Finance

Audit Initiator Commission Audit

Title: Finding #14: P-Card Spending Issues with Public Works and Parks and Rec

Issue / Observation Two departments with heavy P-card spending during the audit period Public Works (\$11M) and Parks & Recreation (\$8M), each experienced P-card fraud discovered during the audit. The extent of fraud discovered was \$25K-\$100K for Public Works and over \$100K for Parks & Recreation. Subsequent event: Both of these fraud events involved multiple individuals within and outside of the City. Cause: Internal controls over P-card Program administration were inadequate to ensure that departments with expectedly significant P-card spending volume have the capacity and understanding of adequate controls over decentralized purchasing. In the case of Public Works, its system wasn't capable of tracking job costs at all. Impact: Departments lacking job costing systems are more susceptible to fraud, waste, and abuse, which is what actually occurred.

Recommendation: The City Manager should implement effective job cost tracking systems and subsequently monitor their appropriate use in departments that are work-order oriented. In addition, pensions of those involved with the fraud should be revoked.

Correction Plan: Management takes the theft of public funds seriously. The employees who committed these fraudulent transactions were terminated and have been prosecuted criminally. In addition, pension revocation is complete in both cases. To mitigate future risk of fraud, the Public Works Department is reducing the card-in-hand segment of the department to 11 from 173. The Parks and Recreation Department is reducing to 50 from 140.

Current Status: This finding has been closed by the City Auditor's Office.

Finding #10: P-Card Fixed Asset Inventory Procedure

Issue No: 435
Date of Finding: 03/01/2019
Final Date of Completion 07/22/2021
Responsible Person 1 lgarcia
Responsible Person 2 jboutilier
Correction Plan Status: Implemented

Name	Title	Department
Laura Garcia	Controller	Finance
Jason Boutilier	Management Analyst	Finance

Finding Type: Deficiency

Next Milestone

Milestone Date of Completion

Department: Finance

Audit Initiator Commission Audit

Title: Finding #10: P-Card Fixed Asset Inventory Procedure

Issue / Observation The City's inventory procedures and records were not in compliance with State law (Section 274.02, Florida Statutes; 69I-73.002, Florida Administrative Code) pertaining to recording of "items of a value or cost of \$1,000 or more and a projected useful life of 1 year." The audit found a significant (40%) level of inaccurate sub-object coding for inventoriable purchases. Additionally, the review of property inventory was not conducted by the Director of Finance. In addition, departments were in violation of having no track of inventoriable purchases. Cause: This condition was attributed to the prolonged lack of enforcement, which can encourage noncompliance. Impact: Untracked inventory allows for the possibility of theft. Projection of the sub-object coding error estimates a range of \$2.6M to \$3.5M of merchandise within transactions each costing more than \$1,000 purchased during the audit period was untracked and susceptible to theft.

Recommendation: The City Manager should require the Director of Finance to review and ensure the City is in compliance with State law regarding inventory by requiring a periodic review of departmental inventory controls and records.

Correction Plan: The Finance Department will institute periodic required departmental reviews of tangible items purchased from \$1,000-\$5,000, as a part of their fixed assets inventory process.

Current Status: This finding has been closed by the City Auditor's Office.

Continuous Monitoring of Overtime - Police Department - Finding #1

Issue No: 457

Date of Finding: 03/01/2021

Final Date of Completion 07/21/2021

Responsible Person 1

plynn

Name	Title	Department
Patrick Lynn	Interim Chief of Police	Police

Responsible Person 2

Correction Plan Status: Implemented

Finding Type: Deficiency

Next Milestone

Milestone Date of Completion

Department: Police

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Police Department - Finding #1

Issue / Observation

Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. Between January 1, 2020 and March 31, 2020, most of the City's overtime paid was recorded by the Police and Public Works departments. Therefore, the City Auditor's Office performed a limited scope audit of overtime for these two departments. This report focuses on overtime within the Police Department (PD).

Finding #1: PD's policy #109 deviates from the City's PSM 6.32.1 regarding internal controls governing overtime. While the PSM requires that all overtime be approved by the immediate supervisor, whereas policy #109 allows for any supervisor, generally ranked Sergeant and above for sworn officers, to approve overtime requests. Because of this, Telestaff, in practice, is not programmed to restrict overtime approvals to immediate supervisors.

Recommendation: The CAO recommends that PD's policy #109 be revised to be consistent with PSM 6.32.1.

Correction Plan:

Current Status: This finding has been closed by the City Auditor's Office

Continuous Monitoring of Overtime - Police Department - Observation #1

Issue No: 458

Date of Finding: 03/01/2021

Final Date of Completion 07/21/2021

Responsible Person 1 plynn

Name	Title	Department
Patrick Lynn	Interim Chief of Police	Police

Responsible Person 2

Correction Plan Status: Implemented

Finding Type: Observation

Next Milestone

Milestone Date of Completion

Department: Police

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Police Department - Observation #1

Issue / Observation Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. Between January 1, 2020 and March 31, 2020, most of the City's overtime paid was recorded by the Police and Public Works departments. Therefore, the City Auditor's Office performed a limited scope audit of overtime for these two departments. This report focuses on overtime within the Police Department (PD).

Observation #1: While all overtime had been approved by a supervisor, neither the policy nor practices in place stipulate that the supervisor has verified that they were "actually worked". Moreover, the amount of overtime hours being worked should be assessed for reasonableness to avoid fatigue. This practice would also reduce the risk of excessive or imbalanced overtime by individual personnel.

Recommendation: The CAO recommends that PD consider implementing monitoring controls where the supervisor approving overtime has knowledge of the hours worked/duties performed and that overtime hours are also reviewed in aggregate by employee, for validity and reasonableness to improve overtime management.

Correction Plan:

Current Status: This observation has been closed by the City Auditor's Office

Continuous Monitoring of Overtime - Police Department - Observation #2

Issue No: 459

Date of Finding: 03/01/2021

Final Date of Completion 07/21/2021

Responsible Person 1 plynn

Name	Title	Department
Patrick Lynn	Interim Chief of Police	Police

Responsible Person 2

Correction Plan Status: Implemented

Finding Type: Observation

Next Milestone

Milestone Date of Completion

Department: Police

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Police Department - Observation #2

Issue / Observation Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. Between January 1, 2020 and March 31, 2020, most of the City's overtime paid was recorded by the Police and Public Works departments. Therefore, we performed a limited scope audit of overtime for these two departments. This report focuses on overtime within the Police Department (PD).

Observation #2: Once overtime hours are approved, there is no reporting available from Telestaff to see the note field that describes the justification for the overtime (details only visible for pending overtime hours; approved overtime can be only viewed within the audit trail of the system screen-by-screen). Such reporting would ensure that overtime is documented properly for monitoring as well as for overtime reimbursement.

Recommendation: The CAO recommends standardizing the description of all overtime with the same granularity and enhancing reporting features. In addition, the policy should be updated to reflect these changes.

Correction Plan:

Current Status: This observation has been closed by the City Auditor's Office.

Reports Issued by the City Auditor's Office



Finance Department



Finding #12: Duplicate P-Card Detection

Issue No: 429
Date of Finding: 03/01/2019
Final Date of Completion 09/30/2022

		Name	Title	Department
<u>Responsible Person 1</u>	lgarcia	Laura Garcia	Controller	Finance
<u>Responsible Person 2</u>	jboutilier	Jason Boutilier	Management Analyst	Finance

Correction Plan Status: Partially Implemented Finding Type: Material Weakness

Next Milestone Leverage ERP system to identify and stop duplicate payments.

Milestone Date of Completion 09/30/2022

Department: Finance

Audit Initiator Commission Audit

Title: Finding #12: Duplicate P-Card Detection

Issue / Observation The current internal control system does not prevent or detect duplicate P-card payments of invoices processed by both Accounts Payable and the respective departments.

Cause:

Finance lacked software that would enable and facilitate a control over a high volume of transactions.

Impact:

Material waste could occur as uncorrected duplicate payments of the same transaction.

Recommendation: Finance should enhance internal controls to prevent and detect duplicate payments of P-card invoices.

Correction Plan: With the implementation of the new ERP in fiscal year 2020, P-Card charges will be approved by the Department and routed through Accounts Payable ("AP") for processing. Part of this process will include uploading the P-card charge directly to the corresponding AP vendor file, which will help identify duplicate invoices. This will aide Management by identifying duplicate payments.

Current Status: Finance will leverage the new ERP system in order to identify and stop duplicate invoices . In preparation for ERP implementation, Finance has restructured the P-card hierarchy in the SunTrust Enterprise Spending Platform system, which will allow P-card data to automatically feed into the ERP. ERP implementation kickoff is anticipated in Q1 of FY'22.

Human Resources Department



Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning

Issue No: 95
Date of Finding: 12/29/2009
Final Date of Completion 06/30/2023

		Name	Title	Department
<u>Responsible Person 1</u>	tasmith	Tarlesha Smith	Asst. City Manager/ Director of Human Resources	Human Resources
<u>Responsible Person 2</u>	karthurs	Kerry Arthurs	Administrative Supervisor	Human Resources

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Implementation, Testing and Validation of Infor Performance, Learning and Succession Planning modules.

Milestone Date of Completion 06/30/2023

Department: Human Resources

Audit Initiator Commission Audit

Title: Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning

Issue / Observation Condition:
 The City does not actively engage in employee succession planning and mentoring for key functions/positions throughout the City and many such positions lack written policies and detailed procedures. Under the Committee of Sponsoring Organizations (COSO) framework Internal Control Environment component 1.2 "Commitment to Competence", succession planning is a standard element of the internal control environment. It helps to ensure a smooth transition, minimize disruption and mitigate costs resulting from the loss of institutional knowledge when long-term employees leave the organization.

Cause:
 Management has not mandated succession planning and the development of standard operating procedures for all departments.

Impact:
 Without formal succession planning and mentoring, the City risks decreased efficiency, effectiveness and quality of service delivery as new employees attempt to gain sufficient knowledge to perform the key aspects of their jobs.

Recommendation: The City Manager should instruct all department directors to develop a comprehensive employee succession/mentoring plan for key functions/positions within their respective departments. Moreover, a significant component of a successful employee succession/mentoring plan is having a regularly updated set of written policies and procedures for each of these key functions/positions. This recommendation is further emphasized in Finding 1.

Correction Plan: Succession planning in its truest sense may be difficult to accomplish in the public sector given Personnel Rules, seniority considerations among bargaining units, etc; however, the human resources department (HRD) will continue to work with City departments on workforce planning and identification of key skills that must be maintained within the department.

One of HRD's future initiatives is to develop a comprehensive succession planning program. However other foundational components are required before implementation, such as: the development of Citywide Values and Competencies aligned with career ladders. Once these components are in place, HRD can develop a robust succession planning program.

Current Status: Succession Planning will be implemented as part of the now approved Cloud ERP system and will follow the ERP implementation timeline. The Performance Planning and Learning Management Module of the ERP are at the end of the implementation timeline.

Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training

Issue No: 100
Date of Finding: 12/29/2009

Final Date of Completion 12/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	tasmith	Tarlesha Smith	Asst. City Manager/ Director of Human Resources	Human Resources
<u>Responsible Person 2</u>	karthurs	Kerry Arthurs	Administrative Supervisor	Human Resources

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Review of Survey Analysis with HR Managers and HR Department

Milestone Date of Completion 10/29/2021

Department: Human Resources

Audit Initiator Commission Audit

Title: Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training

Issue / Observation Condition:
 The City Auditors Office's (CAO's) review of the Human Resources Department's (HRD's) efforts to meet stakeholder needs and expectations revealed that they are not proactively seeking input from either internal or external customers to gauge user satisfaction with the quality and effectiveness of the services HRD provides. Furthermore, HRD staff is not currently receiving customer service training, which is of paramount importance for a department that primarily exists to provide services to other departments within the government.

Criteria:
 Under the Committee of Sponsoring Organizations (COSO) framework Information and Communication component 4.1 "Mechanisms that support information flow inside the organization", internal survey processes and component 4.2 "Mechanisms that support information flow outside the organization", external surveys are a standard element of the internal control system.

Recommendation: The City Manager should require the Director of HRD to:
 1. Develop and conduct an annual survey of job applicants and City employees to inquire about their level of satisfaction with the array of services provided by HRD. The survey results should be analyzed and used as a planning tool to promote and prioritize service delivery improvements.
 2. Provide HRD staff with annual customer service training to ensure that staff responds to service requests with a customer focused approach.

Correction Plan: HRD will explore the possibility of conducting an annual customer service survey. Staff will receive customer service training budget permitting.

Current Status: The employee engagement survey was launched starting August 9,2021 and ended September 3, 2021. The results have been compiled and are currently being analyzed. When completed, the analysis will be presented to management to utilize for process improvement and staff training .

Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9

Issue No: 237
Date of Finding: 12/29/2009

Final Date of Completion 10/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	tasmith	Tarlesha Smith	Asst. City Manager/ Director of Human Resources	Human Resources
<u>Responsible Person 2</u>	karthurs	Kerry Arthurs	Administrative Supervisor	Human Resources

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Launch the Citywide Employee Handbook.

Milestone Date of Completion 10/15/2021

Department: Human Resources

Audit Initiator Commission Audit

Title: Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9

Issue / Observation Condition
 The City Auditor's Office (CAO) found that Human Resources Department (HRD) does not publish a comprehensive employee handbook. Instead, HRD relies on the combined information contained in the specific union contracts, the policy standard manual (PSM), and the Personnel Rules. These combined documents serve to provide information on many of the topics typically covered in the sample of employee handbooks reviewed by the CAO as well as best practice literature. However, the CAO noted that it was difficult and time consuming to research specific items from among the various sources, which collectively substitute for a traditional employee handbook. This is not a user-friendly method and can leave staff confused and without complete and accurate information.

Recommendation: The City Manager should require the Director of HRD to:

1. Create and publish an employee handbook and/or,
2. Create a matrix by employee-type and include hyperlinks on the HRD website that would serve to centralize and guide both union and non-union employees to pertinent information pertaining to the City's various policies and procedures as well as other important employee information.

Correction Plan: Employee handbooks typically contain various policies, including standards of conduct, such as workplace violence, discrimination, anti harassment, and benefits. While the City does not have one official document entitled "Employee Handbook", the previously described information can be found in the City's Personnel Rules, Policy and Standards Manual, Pay Plan Ordinance and the various collective bargaining agreements. The compilation of such information into one document would require a significant outlay of staff resources. Additionally, because an employee handbook is often the focus of employment related litigation, any compilation or drafting of a citywide employment manual would require the involvement of the City Attorney's office and/or outside counsel for constant review and updating. In light of the above, HRD does not agree with the CAO's recommendation.

REBUTTAL

The CAO feels strongly that employee handbooks are such an important resource as to be almost universal in their use. We are unaware of any organization of our size that fails to have a comprehensive handbook to educate and inform employees of their rights, benefits and obligations. While the production of such a resource may be time consuming and detailed, the benefits to the employees far outweighs the cost to the City.

Current Status:

Strategic Communications have implemented all recommended edits to the employee handbook and presented a final version. Upon final approval, access to the handbook will be made available via LauderShare and in print where the need arises.

Public Works Department



Continuous Monitoring of Overtime - Public Works

Department Finding # 1

Issue No: 460
Date of Finding: 09/09/2021
Final Date of Completion 12/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	adodd	Alan Dodd	Director of Public Works	Public Works
<u>Responsible Person 2</u>	fford-powell	Felicia Ford-Powell	Sr. Management Analyst	Public Works

Correction Plan Status: Not Implemented Finding Type: Significant Deficiency

Next Milestone Create internal form for requesting and tracking overtime.

Milestone Date of Completion 11/08/2021

Department: Public Works

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Public Works Department Finding # 1

Issue / Observation Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. The limited scope audit focused on the most dollars earned and the most overtime hours incurred by employees between January 1, 2020 and March 31, 2020 in the Public Works department.

Public Works department's Basic Workweek and Overtime Policy (PW#1001) that details the overtime request and approval process was last revised in September 2018. The policy's process aligns with, and defers as supplemental to, the City's PSM 6.32.1, Reporting on Overtime.

While both the PSM 6.32.1 and the departmental policy (PW#1001) require pre-approvals for overtime hours, the City Auditor's Office did not find evidence of this within or outside of the Kronos time-keeping system.

Recommendation: The City Auditor's Office recommends that the Public Works department implement a documented pre-approval process as required by the PSM 6.32.1 and PW#1001. The City Auditor's Office also recommends that the City updates the PSM 6.32.1 to reflect "unforeseen" overtime.

Correction Plan: Management Response:
 In response to the findings and recommendations, Public Works will be taking the following actions:

- Add language to PW#1001 Basic Workweek and Overtime Policy, allowing for verbal approval of overtime, when necessary (e.g., field work requiring office supervisor approval), written approval would follow.
- Inform Human Resources of the concerns with the Citywide PSM 6.32.1.
- Create internal controls in the form of an internal procedure, form, and database for requesting, approving, and tracking overtime. The form will at a minimum meet the requirements of form J-224, Overtime Authorization Form, that is referenced in PSM 6.32.1 as an alternative to record overtime.

Current Status: Staff is currently working with Public Works Management team to develop and implement internal tracking processes for overtime in addition to revising the PW#1001 Basic Workweek and overtime policy.
 The organizational chart for the department is being reviewed and will be updated to ensure supervisors are accurate.

Continuous Monitoring of Overtime - Public Works

Department Finding # 2

Issue No: 461

Date of Finding: 09/09/2021

Final Date of Completion 12/31/2021

		Name	Title	Department
<u>Responsible Person 1</u>	adodd	Alan Dodd	Director of Public Works	Public Works
<u>Responsible Person 2</u>	fford-powell	Felicia Ford-Powell	Sr. Management Analyst	Public Works

Correction Plan Status: Not Implemented Finding Type: Significant Deficiency

Next Milestone Create internal form for requesting and tracking overtime.

Milestone Date of Completion 11/08/2021

Department: Public Works

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Public Works Department Finding # 2

Issue / Observation The City Auditor's Office noted that the Kronos system is not capable of recording justification for overtime, as required by the PSM 6.32.1. However, the PSM provides an alternative to record overtime details utilizing form J-224, Overtime Authorization Form. This form is not utilized by Public Works. Rather, several Public Works supervisors developed their own spreadsheets for overtime tracking. Reviewing the six spreadsheets provided, we found the following internal control weaknesses:

- a. The spreadsheets were incomplete. 11 out of the sample of 23 (48%) had no approval support.
- b. The spreadsheets only record total overtime hours, while form J-224 requires regular and overtime beginning and ending times to clearly demonstrate when overtime occurred.

Recommendation: ISSUE/OBSERVATION CONTINUED:

- c. The spreadsheets do not require approver signatures and dates, while form J-224 requires all forms to be signed and dated by the approver.
- d. The spreadsheets record the location and task/event for the overtime, while form J-224 also requires "reason overtime was required" to be documented.

RECOMMENDATION:
The City Auditor's Office recommends that a standardized method of tracking overtime be implemented. At the minimum, documentation should mirror the requirements on form J-224. Such as details on the beginning and end of overtime hours, the reasoning for the overtime, the approving supervisor, and the date of approval.

Correction Plan: Management Response:
In response to the findings and recommendations extracted below, Public Works will be taking the following actions:

- Create internal controls in the form of an internal procedure, form, and database for requesting, approving, and tracking overtime. The form will at a minimum meet the requirements of form J-224 referenced in the findings.

Current Status: Staff is currently working with Public Works Management team to develop and implement internal tracking processes for overtime in addition to revising the PW#1001 Basic Workweek and overtime policy.
The organizational chart for the department is being reviewed and will be updated to ensure supervisors are accurate.

Continuous Monitoring of Overtime - Public Works

Department Finding # 3

Issue No: 462

Date of Finding: 09/09/2021

Final Date of Completion 12/31/2021

Responsible Person 1 adodd

Responsible Person 2 fford-powell

Name	Title	Department
Alan Dodd	Director of Public Works	Public Works
Felicia Ford-Powell	Sr. Management Analyst	Public Works

Correction Plan Status: Not Implemented

Finding Type: Significant Deficiency

Next Milestone Create internal form for requesting and tracking overtime.

Milestone Date of Completion 11/08/2021

Department: Public Works

Audit Initiator Commission Audit

Title: Continuous Monitoring of Overtime - Public Works Department Finding # 3

Issue / Observation Due to the COVID-19 pandemic and other emergencies, the risk for adverse occurrence increases in both impact and likelihood in the utilization of overtime hours. The limited scope audit focused on the most dollars earned and the most overtime hours incurred by employees between January 1, 2020 and March 31, 2020 in the Public Works department.

From the sample of Public Works high overtime earners, 15 out of 30 (50%), Kronos approvers did not match the worker's named supervisor per the Public Works organizational chart .

Recommendation: The City Auditor's Office recommends ensuring that Kronos approvers are in line with the Public Works Department's organizational chart.

Correction Plan: Management Response:
 In response to the findings and recommendations extracted below, Public Works will be taking the following actions:

- Add language to PW#1001, the department's Basic Workweek and Overtime Policy, to clarify who is authorized to approve overtime.
- Review organizational charts to ensure supervisors are accurate.

Current Status: Staff is currently working with Public Works Management team to develop and implement internal tracking processes for overtime in addition to revising the PW#1001 Basic Workweek and overtime policy.
 The organizational chart for the department is being reviewed and will be updated to ensure supervisors are accurate.

Sustainable Development Department



Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 2

Issue No: 108
Date of Finding: 10/24/2011
Final Date of Completion 12/31/2021

	Name	Title	Department
<u>Responsible Person 1</u>	abattle Alfred Battle	Deputy Director Sustainable Development	Sustainable Development
<u>Responsible Person 2</u>			

Correction Plan Status: Partially Implemented Finding Type: Deficiency

Next Milestone Update records in Accela with corrected payment information that did not properly convert

Milestone Date of Completion 12/31/2021

Department: Sustainable Development

Audit Initiator Commission Audit

Title: Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 2

Issue / Observation Condition
 The City of Fort Lauderdale is not reporting code liens in accordance with generally accepted accounting principles (GAAP), specifically Governmental Accounting Standards Board (GASB) 33. Auditor Note: The City Auditor's Office (CAO) has communicated the potential financial reporting issue to the external auditor for their consideration.

Criteria
 GASB Statement No. 33 establishes accounting and financial reporting standards for imposed nonexchange revenue transactions – governments are required to recognize assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first.

Recommendation: The CAO recommends that the City Manager require the following:
 1. The Director of the Building Department work in conjunction with the Finance Director to determine the total outstanding code lien receivables owed to the City.
 2. The Director of the Building Department develop a policy to communicate to the Finance Department when liens are established, the amounts that are accruing, and payments received.
 3. The Director of the Building Department develop a policy for the City Commission's consideration to set the minimum acceptable level for code lien settlements to allow the Finance Department to determine the net collectible receivable to be recorded in the financial statements, in accordance with GASB 33.

Correction Plan:
 1) Management concurs. The Director will work with the Finance Department and Information Technology (IT) to enhance the current Community Plus software to provide the ability to determine the total outstanding code liens and fines owed to the City at any given time. If the current software is not capable of such enhancement, a replacement product will be sought.
 2) Management concurs. The Director will develop a policy to communicate to the Finance Department when liens are established, the amounts that are accruing, and payments received. The current software enhancement should include the ability to communicate and share this information with Finance. If that is not possible, an alternate software product should be sought as stated above.
 3) Management concurs. The Director will develop a policy and will make recommendations to the City Commission for setting minimum acceptable levels for Code lien settlements to allow the Finance Department to determine the net collectible receivable.

Current Status:

As of October 6, 2021, Community Enhancement is 25% complete with the record review. At the 50% completion mark, Community Enhancement will request an updated reported and complete a quality check. The Division is on target to meet the December 2021 deadline to complete the record review.